

CORRECTED COPY

DEPARTMENT OF THE ARMY
Omaha District, Corps of Engineers
215 North 17th Street
Omaha, Nebraska 68102-4978

DM 415-345-1

CEMRO-CD-CM

Memorandum
No. 415-345-1

15 September 1990

Construction
CONTROL OF MILITARY FUNDS ON MULTILINE-ITEM
AND MULTIFUNDED CONSTRUCTION PROJECTS

1. Purpose. This memorandum prescribes procedures and responsibilities in connection with controlling and administering military construction funds on multiline-item and multifunded projects.

2. Applicability. This memorandum is applicable to all elements of the Omaha District and all serviced organizations.

3. References.

- a. DR 37-345-1
- b. DM 37-1-3
- c. ER 37-345-10 Chapter 7
- d. AR 415-28
- e. AR 415-15
- f. AR 415-35
- g. AR 37-41
- h. AR 420-10
- i. AR 37-54
- j. DM 415-1-4

4. General. Prior to contract award, line-items are to be established for the following purposes:

- a. To separate major elements of work as defined by directive authorization for design and construction.

This Memorandum supersedes DM 415-345-1 dated 15 August 1980.

b. To separate features of work within a construction contract that are subject to limitations. As an example, on all permanent barracks construction, the associated costs must be split between (1) barracks buildings, (2) utilities and (3) other work, to assure against exceeding the established costs per square foot limitation set by public laws for permanent barracks buildings and bachelor officer quarters.

c. To identify features of work within a construction contract that are funded from two or more sources. As an example, barracks modernization contracts are quite often funded under both Military Construction Army (MCA) and Operation and Maintenance (O&M) monies and must be carefully monitored to assure against costing of maintenance and repair items to MCA funds and modernization requirements to O&M.

5. Responsibility. To assure that effective controls are enforced, responsibilities for funds control on military construction contracts funded under two or more appropriations or programs will be carried out as follows:

a. A copy of design directives and Form DD 1391 will be furnished to Construction Division on receipt by Engineering Division.

b. Engineering Division will furnish Construction Division by memorandum the cost distribution to be applied to the Current Working Estimates (CWE) whenever multiline-item or multifunded contracts are being awarded.

c. Immediately after award, Engineering Division will furnish two copies of the Government estimate to Contracting Division. One copy will be retained in the official file and the other copy will be transferred to the Administrative Contracting Officer for reference in funds management and distribution of costs.

d. At the time of contract award, two copies of the Omaha District CWE are to be forwarded to the responsible area and one copy will be returned with comments and inquiries noted. The CWE for each line-item must cite:

- (1) Construction Program
- (2) Appropriation and Allotment Number
- (3) Construction Contract Number
- (4) Contract Description
- (5) Contractor
- (6) COEMIS Cost Account Number(s), Assigned Line-Item(s) and Applicable Cost Account Code.

Ex.: 2192050 608-9218 P6700-12 S25066
Indiana AAP (5762613) PEMA
Contract DACA45-76-C-0104 Rehab Bldg 1526
RA6852 6001 82004 T.H.B. Construction Co.

ADP WORK CODE LINE ITEM COST ACCOUNT CODE

e. One copy of the CWE is to be retained by the responsible Area Office for its records to assure that costing of completed work is properly charged to the assigned cost code(s) and line-item(s).

f. As modifications become necessary, field offices are to immediately notify the Omaha District, Construction Division, Contract Administration Branch and provide the following information:

- (1) Description of required change and description of charges.
- (2) If the change is associated with two or more items defining separate features of work or different types of funding, the area must provide the estimated cost of the change under each item.
- (3) Source of change: Design Deficiency, Differing Site Conditions, etc.

g. The Contract Management Section of the Omaha District, Construction Division, Contract Administration Branch, is to review each change request prior to budgeting funds to assure this information has been provided. Notification of funds available will cite each appropriation, account number and line-item to be charged, and the amount budgeted under each. Under no circumstances will Contract Management Section take any action in budgeting which would tend to overobligate the Government on any item or program. Military Construction Army (MCA) and Military Construction Air Force (MCAF) funds are not to be borrowed or in any other way utilized to fund O&M requirements or vice versa.

h. Contingency reserves available on construction items are to be used to fund only those changes determined to be mandatory and, therefore, essential to the extent that a complete and usable facility or scope of work could be obtained without such change. Mandatory changes requested by the Using Service are to be processed through its chain of command for approval and separate funding unless otherwise directed by higher authority.

6. Contractor Payments. Random distribution of costs on construction items and multifunded contracts is not allowable. Field offices must assure that contract costs are properly charged against the assigned cost account code as work progresses. Discrepancies in this area and inquiries thereto will

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be returned to the Field offices for corrective action and any required written response. Costs should not be charged against an item not yet started and completed items should be fully costed to allow expeditious return of excess funds to the funding agency.

FOR THE COMMANDER:



DONALD E. NEEDHAM
LTC, EN
Deputy Commander

DISTRIBUTION:

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