



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
INSTALLATION MANAGEMENT AGENCY  
SOUTHWEST REGION  
1204 STANLEY ROAD, SUITE 9  
FORT SAM HOUSTON, TX 78234-5009

SFIM-SW-PW-P

21 OCT 03

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Southwest Region Office (SWRO) Installation Management Agency (IMA) Guidance Memorandum #4 – Changes during Military Construction (MILCON) Design and Construction

1. REFERENCES.

a. Memorandum, Assistant Chief of Staff Installation Management (ACSIM), DAIM-FD/CEMO-MA, 20 Jan 00, subject: Revised Guidance for Procedures and Approval of Changes to MILCON Projects Funded by MCA, UMMCA and AFH Appropriations (encl 1).

b. Interim Change to AR 415-15, Appendix M, 7 Jan 00 (encl 2).

2. PURPOSE. To provide guidance to installations regarding changes to MILCON projects funded by Military Construction, Army (MCA), Unspecified Minor Military Construction, Army (UMMCA) and Army Family Housing (AFH) appropriations.

3. APPLICABILITY. These procedures are applicable to all garrisons within the Southwest Region of IMA.

4. PROCEDURES.

a. The current version of reference 1b was issued prior to the stand-up of the IMA. This memorandum identifies changes in processing change requests to ensure documentation is processed through the current chain of command.

b. There are typically two types of changes associated with the design and construction of MILCON projects: Mandatory Changes and Discretionary Changes.

c. Design phase changes:

(1) Mandatory Changes are changes that are required to provide a complete and usable facility. Such changes are caused by standard changes, directed changes, testing and/or other factors discovered during design that must be incorporated. The executing district has the authority to validate the changes and can approve the change if the project cost will remain within 95 percent of the Program Amount (PA). Anything

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over this threshold must be submitted to Headquarters, U.S. Army Corps of Engineers (HQUSACE) for approval. HQUSACE, in coordination with ACSIM (DAIM-FD), has approval authority if the Current Working Estimate (CWE) is within 15% (or \$1.5M, whichever is less) of the PA. Changes over the 15 percent threshold and/or out of scope require Deputy Assistant Secretary of the Army, Installations and Housing (DASA-IH) approval. The garrison will be copied on all District requests to HQUSACE and will provide a copy to the SWRO.

(2) Discretionary Changes (commonly known as User Requested Changes) are changes that are not required to provide a complete and usable facility which meets operational requirements, such as modifications to floor plans or appearance. Approval of User Requested Changes can only be made by HQDA. The garrison initiates the change request through the SWRO and the Headquarters, Installation Management Agency (HQ IMA) to ACSIM for approval. USACE command lines have no approval authority for discretionary type changes. If the project proponent is a Major Command (MACOM) for a "mission" project, the garrison, with the coordination of the installation's project proponent, will forward the change request to SWRO IMA. SWRO IMA will coordinate the request with the appropriate MACOM and forward to ACSIM for processing.

d. Construction phase changes:

(1) Mandatory Changes include changes such as design errors or unforeseen site conditions.

(2) Discretionary or User Requested Changes include changes such as the addition/deletion of equipment or color changes.

The approval process for both mandatory and discretionary changes is the same as described above, with the exception that changes over 25 percent of the PA require Congressional notification and approval. The garrison will be copied on all District requests to HQUSACE and will provide a copy to the SWRO.

e. Design deficiencies, errors or omissions are sometimes identified by the servicing district as a "User Requested Change" during project execution. It is important for Corps districts to properly classify change requests to ensure correct approval procedures are followed.

f. During design or construction, the garrison does not have the authority to approve change orders. Any changes that identify a potential increase to scope or cost will

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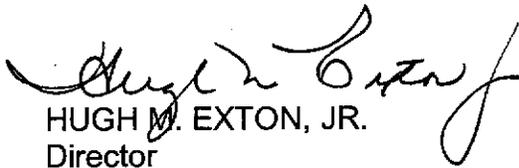
SUBJECT: Southwest Region Office (SWRO) Installation Management Agency (IMA) Guidance Memorandum #4 – Changes during Military Construction (MILCON) Design and Construction

be requested in accordance with reference 1b. A detailed discussion is included in that reference and is also available at:

<http://www.hqda.army.mil/acsimweb/fd/construction/milconlaw.htm>.

5. PROPONENT. The Public Works Division is the proponent for this Guidance Memorandum. POC is David Shafii at (210) 221-9283, DSN 471-9283, or email [david.shafii@amedd.army.mil](mailto:david.shafii@amedd.army.mil).

2 Encls  
as

  
HUGH M. EXTON, JR.  
Director

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78419-5260

Garrison Commander, Fort Bliss, Bldg. 2A Sheridan Road, Fort Bliss, TX 79916

Garrison Commander, Fort Hood, Bldg 1001, Room 312, Fort Hood, TX 76544

Garrison Commander, Fort Huachuca, 2837 Boyd Ave, Fort Huachuca, AZ 85613-7001

Garrison Commander, Fort Irwin, PO Box 105021, Fort Irwin, CA 92310-5021

Garrison Commander, Fort Polk, 7330 Mississippi Ave, Fort Polk, LA 71459

Garrison Commander, Fort Sam Houston, 1206 Stanley Road, Bldg 122, Suite A,  
Fort Sam Houston, TX 78234-5001

Garrison Commander, Fort Sill, Bldg 455 McNair Hall, Room 114, Fort Sill, OK 73503

Garrison Commander, Hawthorne AD, 1 South Maine Ave, Hawthorne, NV 89415-9404

Garrison Commander, Lone Star Army Ammunition Plant, Hwy 82 West, Texarkana, TX  
75505-9101

Garrison Representative, Louisiana Army Ammunition Plant, PO Box 658, Doyline, LA  
71023

Garrison Commander, McAlester Army Ammunition Plant, 1 C Tree Road, McAlester,  
OK 74501

Garrison Commander, Pine Bluff Arsenal, 10020 Kabrich Circle, Pine Bluff, AR 71602

Garrison Commander, Presidio of Monterey, 1759 Lewis Road B-614, Monterey, CA  
93944-3223

Garrison Commander, Red River Army Depot, 100 Main Drive, Texarkana, TX  
75507-5000

Garrison Representative, Riverbank Army Ammunition Plant, 5300 Claus Road,  
Riverbank, CA 95367-0670

(CONT)

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SUBJECT: Southwest Region Office (SWRO) Installation Management Agency (IMA)  
Guidance Memorandum #4 – Changes during Military Construction (MILCON) Design  
and Construction

DISTRIBUTION: (CONT)

Garrison Commander, Sierra Army Depot, 74 C Street, Herlong, CA 96113-5000

Garrison Commander, White Sands Missile Range, Bldg 100, Headquarters Ave, White  
Sands Missile Range, NM 88002

Garrison Director, Yuma Proving Ground, 301 C Street, Yuma, AZ 85365-9124

CF: (w/encls)

Garrison Commander, West Coast Command (Prov), Bldg 790 5th Street - Camp  
Parks, Dublin, CA 94568-5201

Commander, South Pacific Division, ATTN: CESPDMT-M, Mr. David Keller,  
333 Market Street, San Francisco, CA 94015

Commander, South West Division, ATTN: CESWDMT-M, Mr. Robert Slockbower,  
1100 Commerce Street, Dallas, TX 75242



DEPARTMENT OF THE ARMY  
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT  
600 ARMY PENTAGON  
WASHINGTON DC 20310-0600

REPLY TO  
ATTENTION OF

DAIM-FD/CEMP-MA

JAN 20 2000

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Revised Guidance for Procedures and Approval of Changes to MILCON Projects Funded by MCA, UMMCA, and AFH Appropriations

1. References:

a. AR 415-15, Army Military Construction Program Development and Execution, dated 4 Sep 98.

b. DAIM-FD memorandum dated 24 Aug 99, subject as above.

2. The purpose of this memorandum is to provide revised guidance for procedures and approval of changes to MILCON projects funded by MCA, UMMCA, and AFH appropriations. This memorandum supersedes reference *1b*.

3. The following conditions require revision to the current policy:

a. Based, in part, on a perception that contingencies were being used to upgrade projects, Congress made a general reduction to the FY 00 MCA program in the amount of \$47.5 million.

b. The Office of Secretary of Defense (OSD) has eliminated the entire 5-percent contingency for MILCON projects, FY 01 and beyond.

c. The deficit in the MCA account through FY 99 is \$30 million. This does not include the above Congressional and OSD directed cuts. The AFHC program is at a break-even point with virtually no prior year savings upon which to draw.

4. These conditions will seriously impact our ability to award critically needed MILCON projects and fund mandatory changes. In response, the following measures will be implemented immediately:

a. For all projects regardless of FY--

(1) The design current working estimate will not include contingency.

(2) Projects will be designed at full scope. The design current working estimate (CWE) target is 95 percent of the approved program amount (PA).



DAIM-FD/CEMP-MA

SUBJECT: Revised Guidance for Procedures and Approval of Changes to MILCON Projects Funded by MCA, UMMCA, and AFH Appropriations

(3) All projects will be aggressively value engineered to provide the approved scope at the lowest reasonable cost – even if the full scope CWE is below 95-percent of the PA. All value engineering (VE) studies will be reviewed by the USACE MSCs in coordination with the MACOMs. If the full scope CWE remains above 95-percent of the PA, VE reports will be forwarded to HQUSACE with the rationale for proposed actions. If a proposed award CWE cannot be reduced below the approved PA, the project will be considered for deferral and a source of funds for mandatory changes on other projects.

(4) After construction award, all discretionary (user requested) changes must be approved by HQDA (DAIM-FD).

(5) Increased use of the design-build procurement is strongly encouraged.

b. For all FY 00 and prior year projects, the field construction contingency will be funded at 1-percent of the unplaced balance of construction or \$100,000, whichever is less.

c. For future year projects, it is highly recommended that installations and MACOMs fund USACE districts to conduct planning charrettes. More precise definition of project scope and cost during planning will minimize project changes during design and construction.

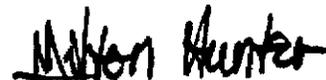
5. The enclosed AR 415-15, Revised Appendix M (dated 7 Jan 00) reflects the newest guidance on approval of changes.

6. We enlist your cooperative support on this issue. We must continue to be judicious in our use of increasingly scarce MILCON resources to maximize mission effectiveness and to provide quality facilities for our soldiers, their families, and Army civilians.

7. OACSIM POC is Mr. Pete Tamin, DAIM-FDC, (703) 692-9207. HQUSACE POC is Mr. Howard Stickley, CEMP-MA, (202) 761-1995.



R.L. VAN ANTWERP  
Major General, USA  
Assistant Chief of Staff  
for Installation Management

  
MILTON HUNTER  
Major General, USA  
Deputy Commander  
for Military Programs

Encl  
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DAIM-FD/CEMP-MA

SUBJECT: Revised Guidance for Procedures and Approval of Changes to MILCON Projects  
Funded by MCA, UMMCA, and AFH Appropriations

**DISTRIBUTION:**

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US ARMY ENGINEER DIVISION, NORTHWESTERN  
US ARMY ENGINEER DIVISION, PACIFIC OCEAN  
US ARMY ENGINEER DIVISION, SOUTH ATLANTIC  
US ARMY ENGINEER DIVISION, SOUTH PACIFIC  
US ARMY ENGINEER DIVISION, SOUTHWESTERN  
SUPERINTENDENT, US MILITARY ACADEMY, ATTN: MAEN  
COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

**CF:**

DASA(IH)  
SAFM-BU

Interim Change to AR 415-15, Appendix M  
7 January 2000

Authority for Approval of Changes to MILCON Projects  
Funded by MCA, UMMCA, and AFH Appropriations

**M-1. Changes associated with Military Construction, Army and Army Family Housing projects after budget lock**

There are two types of changes associated with MCA, UMMCA and AFH projects:

a. **Mandatory changes:** Unavoidable changes required to provide a complete and useable facility. Such changes are caused by unforeseen factors discovered during design or construction (e.g. design oversights and errors, mandatory criteria changes, construction site conditions, or unavailability of materials). These changes include those absolutely necessary for completion of the project; but not those justified by improved efficiency of operation, maintainability, function or appearance.

b. **Discretionary changes:** Changes not absolutely required to provide a complete and useable facility that meets operational requirements. This includes any criteria changes that are not mandatory for ongoing projects and changes that would improve the efficiency, maintainability, functionality, or appearance of the facility. Basically, any change that is not absolutely necessary is considered discretionary. Table M-1 summarizes the approval authorities for changes to MCA, UMMCA, and AFH projects.

**M-2. Approval of mandatory changes**

Approval follows USACE command lines to HQDA and the Congress, as appropriate, for the funding authority required for mandatory changes.

**M-3. Approval of discretionary changes prior to budget lock**

MACOMs may approve changes during concept design (35 percent) or parametric design (5-15 percent) to incorporate user requirements prior to budget lock for the OSD Budget Estimate Submission (1 August), as long as the change meets the intent, scope, and cost approved by the Construction Requirements Review Committee.

**M-4. Approval of discretionary changes after budget lock and prior to construction contract award**  
MACOMs may approve discretionary changes, after budget lock and before construction contract award (but preferably before project advertisement), provided all conditions below are met. If any condition is not met, the change must be approved by HQDA (DAIM-FD).

- a. The change is in accordance with technical criteria (normally published in USACE technical publications or Army technical manuals) and Army standards (standard designs, etc.).
- b. The change does not cause the CWE to exceed 95-percent of the PA.
- c. The change is within the scope of the DD Form 1391-EF presented to the Congress with the Budget Justification and does not cause a change in the scope of the project.
- d. Incorporation of the change does not cause the scheduled award date to slip.
- e. The total of discretionary changes does not cause any increase in the original design cost budget for the project.

**as M-5. Approval of discretionary changes after construction contract award**

HQDA (DAIM-FD) must approve all discretionary changes after construction contract award including the source of funding. Upon approval, HQUSACE will issue directive authorization and funds to the USACE districts.

**M-6. USACE involvement in discretionary changes**

MACOMs and installations are required to obtain USACE district evaluation of proposed changes to include cost and time estimates and impacts. The USACE district evaluation, and estimates, and recommended source of funds must be included as supporting documentation for any request. HQDA may require HQUSACE to provide additional technical review on requested changes. Funds for HQDA approved changes will be issued by HQUSACE to USACE districts at the time of approval.

**M-7. Relationship to Army approved standard designs**

Any changes that would cause a deviation from a standard design must also be approved in accordance with the procedures of the Army Standard Design Program.

**Interim Change to AR 415-15, Appendix M  
7 January 2000**

**Table M-1. Approval Authority for MILCON Change Management - MCA, UMMCA, and AFH**

Approval Authority	Design Changes (After Budget Lock)		Construction Changes	
	Mandatory	Discretionary	Mandatory	Discretionary
<b>USACE District</b>	All changes IAW technical criteria, and within approved scope and 95-percent of the approved PA.	No Approval Authority (Provides analysis to installations)	All changes IAW technical criteria and within HQDA/HQUSACE approved CWE and project scope.  Forwards proposed changes that would cause the approved CWE to be exceeded.	No Approval Authority (Provides analysis to installations)
<b>USACE Division</b>	No Approval Authority (Evaluates and forwards to HQUSACE)	No Approval Authority	No Approval Authority (Evaluates and forwards to HQUSACE all changes that exceed the approved CWE)	No Approval Authority
<b>HQUSACE</b>	Approves changes either not IAW technical criteria; or cause the project CWE to exceed PA by no more than 15 percent or \$1.5M, whichever is less, in coordination with DAIM-FD.	No Approval Authority	Approves changes either not IAW technical criteria or cause the project CWE to exceed PA by no more than 15 percent or \$1.5M, whichever is less. For all changes, directive authorization and funds will be provided to the USACE district upon approval of the change in coordination with DAIM-FD.	No Approval Authority
<b>User and/or Installation</b>	No Approval Authority	No Approval Authority (Initiates request through Installation to MACOM)	No Approval Authority	No Approval Authority (Initiates request through Installation to MACOM)

Interim Change to AR 415-15, Appendix M  
7 January 2000

Approval Authority	Design Changes (After Budget Lock)		Construction Changes	
	Mandatory	Discretionary	Mandatory	Discretionary
<del>HQIMA</del> REGIONS MACOM	No Approval Authority	Approves changes IAW technical criteria, and within 95-percent of the approved PA & approved scope in coordination with DAIM-FD. See paragraph M-4.	No Approval Authority	No Approval Authority
HQDA and/or DASA-IH	Approves changes that are not within the approved scope, or that cause the project CWE to exceed PA by more than 15 percent or \$1.5M, whichever is less.	Approves changes which are not IAW technical criteria, not within the approved scope, or which cause the project CWE to exceed the PA.	Approves changes that are not within the approved scope, or which cause the project CWE to exceed PA by not more than 25 percent or \$2M, whichever is less.	Must approve all discretionary changes
Congress	Not Applicable	Not Applicable	Approves changes that cause CWE to exceed PA by 25 percent or \$2M, whichever is less.	Approves changes that cause CWE to exceed PA by 25 percent or \$2M, whichever is less.