

CECW-I

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
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Circular
No. 11-2-207

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EXPIRES 30 SEPTEMBER 2014
Programs Management
EXECUTION OF THE ANNUAL CIVIL WORKS PROGRAM

1. Purpose. This Circular provides United States Army Corps of Engineers (USACE) program and project management policies and practices to ensure that execution of the Fiscal Year (FY) 2014 Civil Works Program is conducted in accordance with the Energy and Water Development Appropriations Act, 2014 (Division D of the Consolidated Appropriations Act, 2014, Public Law 113-76) and with Administration policies. This document provides guidance and is not to be construed as an official legal opinion regarding any particular item in Public Law 113-76.

2. Applicability. This Circular applies to all USACE elements having Civil Works responsibilities and is applicable to all USACE Civil Works activities.

3. Distribution Statement. Approved for public release; distribution is unlimited. This document is published at <http://140.194.76.129/publications/eng-circulars/>.

4. References:

a. Energy and Water Development Appropriations Act, 2014, Division D of the Consolidated Appropriations Act, 2014, Public Law 113-76.

b. Statement of Managers accompanying FY 2014 appropriations, House Rules Committee Print 113-32, Division D.

c. DoD Financial Management Regulation (FMR), Vol. 3, Chapter 2.

d. DoD(AT&L) Defense Procurement and Acquisition Policy, subject: Class Deviation: Defense Federal Acquisition Regulation Supplement (DFARS) 232.705-70 (Oct. 27, 2009), primary continuing contract clause.

e. DoD(AT&L) Defense Procurement and Acquisition Policy, subject: Class Deviation: Defense Federal Acquisition Regulation Supplement (DFARS) 252.232-7007 (Oct. 27, 2009), alternate continuing contract clause.

f. Engineer Federal Acquisition Regulation Supplement (EFARS) Part 252.232-5001, "true" continuing contract clause.

g. ER 5-1-11, Management, USACE Business Process.

- h. ER 11-1-321, Value Engineering for Army Programs.
- i. ER 11-2-292, Capability Estimates during Defense of Civil Works Program.
- j. ER 37-1-30, Financial Administration - Accounting and Reporting.
- k. ER 1105-2-100, Planning - Planning Guidance Notebook.

5. Definitions.

a. "Act." An Act providing annual appropriations or full-year appropriations (under a full-year Continuing Resolution) for Energy and Water Development.

b. "Appropriation Reimbursement." Funding recovered from other parties for costs incurred by the Federal Government from appropriated Funding but for which the other parties are responsible. Appropriation Reimbursements are authorized to be merged with appropriated Funding and are distributed through Work Allowances and FADs.

c. "Baseline." Each PPA has a Baseline for each applicable appropriation from which it has received Funding and to which Reprogramming limits apply. These appropriations are Investigations (I), Construction (C), Operation and Maintenance (O&M), Mississippi River and Tributaries (MR&T), and Formerly Utilized Sites Remedial Action Program (FUSRAP). Only PPAs have Baselines. For each PPA and applicable appropriation, the Baseline is reset on the date of enactment of a new Act. For each applicable appropriation, the Baseline for each PPA is equal to the sum of the following, rounded to the nearest dollar: unexpended Funding on that PPA carried into the FY for which the latest Act provided appropriations; plus Initial Work Allowances of Regular Funding and of Supplemental Funding and Appropriation Reimbursements provided to that PPA on or after 1 October of the FY for which the latest Act provided appropriations; minus Rescissions and Reductions applied to that PPA on or after 1 October of the FY for which the latest Act provided appropriations, but excluding Reprogrammings, Reallocations, and Reconciliations. Funding in counterpart Recovery Act appropriations is not included in Baselines. Funding in the O&M account derived from the Bonneville Power Authority (CCS 390) is not included in Baselines. Funding issued using appropriation 096X8861 (Inland Waterways Trust Fund) and carried unexpended into the FY is included in the Baselines for appropriation 3122 (Construction). Baselines for Project Funding Pots are not reduced for negative Pass-Through Work Allowances. Baselines may change over time as their constituents change. The term is synonymous with the terms "base amount," "base level," and "base."

d. "Category-Class-Subclass" ("CCS"). A three-digit code for the type and phase of study or project. The set of CCS for each appropriation is unique, except for pre-FY 2012 Supplemental Funding, as discussed in the definition of Supplemental Funding.

e. “Changed Conditions.” Changed Conditions are equivalent to differing site conditions. The costs of Changed Conditions are considered to be the same as the costs of equitable adjustments to contracts resulting from differing site conditions. The FAR clause 52.243-5 refers to Changed Conditions as “.....subsurface or latent physical conditions differing materially from those indicated in this contract or unknown unusual physical conditions at the site....” that is, differing site conditions.

f. “Continuing Resolution Period” (“CR Period”). The period from 1 October of an FY through the day before enactment of the Act for that FY.

g. “Creation or Initiation of a PPA.” This is the Funding in the I or C appropriation or in the Investigation or Construction sub-account of the MR&T appropriation (MR&T (I) or MR&T (C)), or as a Remaining Item in the O&M account, of a PPA that never has received a Work Allowance in that appropriation or sub-account.

h. “Cumulative Net Amount.” This is the net value of all Reprogrammings into and out of a PPA on or after the date of enactment of the latest Act. Reprogrammings of both Regular Funding and Supplemental Funding are included in the computation of Cumulative Net Amount. Reprogrammings into and out of a PPA offset each other, at least in part. The absolute value of the Cumulative Net Amount is used to determine whether limits for Reprogramming have been exceeded. The Cumulative Net Amount is reset on the date of enactment of a new Act.

i. “Emergency.” An actual or imminent natural disaster, storm event, other act of God, accident, act of terrorism, or actual or imminent failure event for a key project component, that damages or would damage project functions such that substantial and immediate health, safety, economic, or environmental risks or impacts are or would be created. An Emergency is an actual or imminent event of significance. A gradually developing, known change in condition is not an Emergency, whereas a sudden change in condition or suddenly discovered condition may be.

j. “Engineer Reporting Organization Code” (“EROC”). A unique two-digit code for each District, Division, FOA, or HQUSACE.

k. “Existing Obligations and Concomitant Administrative Expenses.” Existing financial, legal, or contractual obligations of the Federal Government that may give rise to additional costs, including but not limited to: within-scope contract modifications arising from settled claims or Changed Conditions; real estate deficiency judgments; reservation of additional Funding under an awarded “true” or “primary” continuing contract; payments on an already-executed lease; and administrative expenses associated with satisfying existing obligations, such as contract management costs on awarded contracts. This term must be construed narrowly. This term applies only to PPAs in I, C, MR&T (I), and MR&T (C).

l. “First-Tier Line Item.” A study, project, program, or Remaining Item that receives a specified amount without parentheses in a table in the applicable Statement of

Managers, or that is grouped with First-Tier Line Items that receive such specified amounts.

m. "Fiscal Year" ("FY"). 1 October to the following 30 September.

n. "Funding." Authority to financially obligate the Federal Government, also known as Budget Authority.

o. "Funding Authorization Document" ("FAD"). A document distributing Funding that has been appropriated by Congress and apportioned by OMB, and of changes thereto. FADs ensure that the Funding available for obligation is within the amounts appropriated by Congress (31 U.S.C. 1301). For each EROC, the FAD total and the sum of the associated Work Allowances should match.

p. "Initial Work Allowance." The initial allocation to a PPA of Funding made available by a Statement of Managers ("C"), a Work Plan under a full-year Continuing Resolution ("CRA"), a Project Funding Pot ("ALL"), or a Supplemental Act ("SUP"), including from a Project Funding Pot for Supplemental Funding.

q. "Parent Program." A PPA comprised of individual projects and activities that are authorized as part of the Parent Program. Each project or activity has a P2 Program Code, and all projects and activities in the Parent Program share the same unique CCS or set of CCS. The Parent Program (as reflected in the CCS or set of CCS) is a PPA, but the constituent projects and activities are not. Some Remaining Items are Parent Programs, as are First-Tier Line Items listed under States that include subsidiary projects that are not separately authorized but have their own Program Codes, such as the components of the Channel Improvement project funded from MR&T. For a table showing the universe of Parent Programs, see the "Remaining Items and Funding Pots" file at <https://workplan.usace.army.mil/>.

r. "Program, Project, or Activity" ("PPA"). For any appropriation, a Statutory Earmark from which any Funding remains available for expenditure. For the FUSRAP appropriation, any funded project. For the I, C, O&M, or MR&T appropriation, a specifically authorized project study, project, or program; or a First-Tier Line Item in a table of allocations in the Statement of Managers accompanying the most recent Act; or a First-Tier Line Item in a table of allocations in the Statement of Managers accompanying a previous Act from which any Funding allocated in such table remains available for expenditure.

s. "Program Code." A mandatory field in P2 used to store the unique Congressional line-item identifier.

t. "Programmatic Remaining Item." A Remaining Item for which all Funding is obligated and expended under the Program Code for the Remaining Item. For a table showing the universe of Programmatic Remaining Items, see the "Remaining Items and Funding Pots" file at <https://workplan.usace.army.mil/>.

u. “Project Funding Pot.” A conduit for Funding specifically authorized PPAs. The Funding is provided to recipient PPAs using the “ALL” Work Allowance code and becomes part of the Baselines for the recipient PPAs. A Project Funding Pot is created either as a First-Tier Line Item, in which case it is a PPA, or as a convenience to manage Supplemental Funding (apart from Statutory Earmarks specific to PPAs), in which case it is not a PPA. For a table showing the universe of Project Funding Pots, see the “Remaining Items and Funding Pots” file at <https://workplan.usace.army.mil/>.

v. “Reallocation.” A Work Allowance moving Funding within a PPA (other than from a PPA within that PPA), or from a higher-level PPA to a subsidiary PPA authorized as part of the higher-level PPA (such as from a basin-wide study to a spinoff sub-basin study). The Work Allowance for a Reallocation is coded “RLC.” The positive RLC and the negative RLC must exactly offset each other; otherwise there would be a net Reprogramming into or out of the PPA. Once Funding has been reallocated from a higher-level PPA to a subsidiary PPA, a Work Allowance moving Funding out of the subsidiary PPA would be a Reprogramming. Where for technical reasons the Program Code for a PPA is being changed (the PPA for the old and new Program Codes being identical), the Work Allowance moving the Funding from the old Program Code to the new Program Code is a Reallocation.

w. “Receive an Appropriation.” Reprogramming thresholds in the I, C, O&M, and MR&T accounts depend on whether the receiving PPA “Received an Appropriation.” A PPA receives an appropriation if it receives an Initial Work Allowance of Regular Funding on or after the date of the latest Act, or if it receives an Initial Work Allowance of Supplemental Funding provided by a Supplemental Act for the same FY as the latest Act (as determined by the Public Law Code of the Supplemental Act).

x. “Reconciliation.” A Work Allowance moving Funding to a PPA when needed to fund obligations incurred from 1 October until the day before enactment of the latest Act, to the extent that such obligations exceed the sum of unobligated carry-in to the applicable FY and Initial Work Allowances of Regular Funding pursuant to the latest Act. The Work Allowance for a Reconciliation is coded “REC.” The offsetting Work Allowances from other PPAs serving as the “sources” also are coded as REC. Note that if any allotted Funding that exceeds the amount of the Work Allowances had not been obligated before the date of enactment, either the project Funding account in CEFMS should be reduced by the excess, or the excess must be covered with a Reprogramming, not a Reconciliation. Reconciliations may be used only with respect to obligations made during the CR period.

y. “Reduction.” A Work Allowance that reduces the Funding for a PPA, other than a Reprogramming, Reallocation, Reconciliation, or Pass-Through ALL Work Allowance from a Project Funding Pot. Reductions are applied on a pro-rated basis to each PPA. There are three types of Reduction: Sequestration (SEQ) pursuant to the Balanced Budget and Emergency Deficit Control Act and the Budget Control Act Amendments; Across-the-Board Reductions (ATB) pursuant to the latest Act; and One Percent

Reductions in the O&M appropriation, with the Funding reserved in a Project Funding Pot and made available for responses to Emergencies.

z. “Regular Funding.” Funding provided by an Act. In an Initial Work Allowance, Regular Funding has a code of “C” (Statement of Managers), “CRA” (Work Plan under a full-year Continuing Resolution), or “ALL” (Project Funding Pot). In CEFMS and P2, Regular Funding is distinguished from Supplemental Funding in that Supplemental Funding has unique codes (see definition of Supplemental Funding).

aa. “Remaining Item.” A PPA customarily listed as a First-Tier Line Item in a Statement of Managers table following the listings by State.

ab. “Reprogramming.” A Work Allowance moving Funding to or from a PPA, with the following exceptions: a) an Initial Work Allowance; or b) a Reconciliation; or c) the ALL pass-through of Funding from a Project Funding Pot to a recipient study or project; or d) a Reallocation of Funding from a higher-level PPA to a subsidiary PPA within the higher-level PPA or from the old Program Code of a PPA to its new Program Code.

ac. “Rescission.” A reduction, pursuant to the latest Act, in Funding provided by a previous Act.

ad. “Statement of Managers.” The statement of managers of the Committee of Conference of the House of Representatives and the Senate accompanying an Act. The Statement of Managers is published in a House Report or, occasionally, the Congressional Record.

ae. “Statutory Earmark.” The specification in law of an amount, or a minimum amount, of Funding for a project, study, program, or other work, or the direction in law that Funding be used to complete certain work or for a certain use.

af. “Sub-Item.” A line item that receives a specified amount in parentheses or with indentation within a First-Tier Line Item in the applicable Statement of Managers, or that is grouped with Sub-Items that receive such specified amounts.

ag. “Supplemental Act.” An act providing supplemental appropriations for Energy and Water Development. A Supplemental Act usually, but not always, follows the Act for the same FY.

ah. “Supplemental Funding.” Funding provided by a Supplemental Act. In an Initial Work Allowance, Supplemental Funding has a code of “SUP.” A SUP Initial Work Allowance may be directly to the project in the case of a Statutory Earmark, or from a Project Funding Pot for Supplemental Funding. In CEFMS and P2, Supplemental Funding retains its identity through unique CCS (through FY 2011) or through Public Law Codes (after FY 2011). For the appropriations with PPAs, the CCS for Supplemental Funding through FY 2011 are 706, 707, 708, 70A, 70B, 70C, 70D, and 70E. The Public Law Codes for FY 2012 and FY 2013 are 112-77 and 113-2, respectively.

ai. "Transfer." The movement of Funding from one appropriation to another. Transfers require authorization by statute.

aj. "Work Allowance." Documentation of a change in the Funding allocated to a Program Code or P2 Project.

6. Limitations on Use of FY 2014 Funding. The following limitations are in addition to the Reprogramming limitations discussed in paragraphs 8.b. through 8.e., that is, the most restrictive limitation shall apply:

a. Statutory Prohibitions. Sections 101 (see paragraph 8.b.), 102 (see paragraph 10.b.), 103 (see paragraph 10.b.(5)), 114, and 115 include prohibitions on the use of FY 2014 Funding. Section 114 prohibits its use to continue the study of the Missouri River and Tributaries Mitigation, Recovery, and Restoration conducted pursuant to section 5018(a)(1) of the Water Resources Development Act of 2007. Section 115 prohibits its use on work to change the definitions of "fill material" or "discharge of fill material" implementing the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq.

b. Expiring Funding. FY 2014 appropriations for the Regulatory Program, Expenses, and the Office of the Assistant Secretary of the Army (Civil Works) expire on 30 September 2015. This Funding may not be obligated past this date, except for within-scope contract modifications and for within-scope replacement contracts for contracts terminated due to default by the contractor. This Funding must be disbursed within 5 years after expiration, by 30 September 2020.

7. Work Allowances:

a. Program Code. Assignment of a proper Program Code in P2 must be completed prior to issuance of any Work Allowance. The associated P2 Program Code Description field will contain the "official" project name such as shown in the authorizing legislation. Only those Program Codes that are on the list of valid values in P2 can be selected. All P2 projects that are associated with a historic Army Management Structure Code (AMSCO) / Civil Works Information System (CWIS) number should populate the Program Code field in P2 with the AMSCO / CWIS number. Projects that are initiated in P2 and are not associated with a historic AMSCO / CWIS project (i.e. new projects), will still use a Program Code assigned from a Program Code list established by HQUSACE. The new Program Code will be the same as the P2 Project Number for the new project. See Appendix F for additional information. All Corps of Engineers Financial Management System (CEFMS) transactions involving Civil Works Funding must be associated with a work item assigned to a P2 Project to ensure all CEFMS data is accounted for at the P2 Project Level.

b. PPA. See paragraph 5.r. for the definition of a PPA.

(1) An element within a PPA, including a Sub-Item, is not a PPA itself unless it independently meets the definition of a PPA.

(2) Continuing Authorities Program (CAP) projects, even those that individually have been modified in an Act but still are to be carried out under the CAP program, are not considered specifically authorized and therefore are not PPAs.

(3) Each PPA must have its own unique Program Code. This is necessary to enable proper recording of Work Allowances in P2. The exception is a Parent Program, which may have multiple Program Codes within the unique CCS or set of CCS:

(a) Where more than one feasibility study results from a comprehensive or basin-wide reconnaissance report, each feasibility study is a PPA and must have a separate Program Code. One feasibility study may retain the Program Code of the reconnaissance study.

(b) As a study moves through PED and construction, it retains its Program Code, except in the case of a spinoff project authorized or to be authorized separately.

(c) A study or construction project that is to improve the dimensions of an existing, operating channel and harbor project and that would require or required authorization separate from that of the existing project should have a Program Code separate from that of the existing project, as it is a different PPA.

(d) A dredged material disposal facility constructed with Construction Funding for the benefit of an operating project maintained with Operation and Maintenance Funding must share the Program Code of the operating project, as they share authorization.

(e) Where possible, each element within a PPA that is not a PPA itself should not have its own Program Code, but may have a P2 project number mapped to the Program Code of the PPA.

(f) If two or more studies or projects with separate authorizations currently share a Program Code, the District should develop a plan to assign one Program Code to each such study or project as soon as practicable.

c. Work Allowances:

(1) Work Allowances for Inland Waterways Trust Fund (IWTF) Projects:

(a) All regularly appropriated Funding for inland waterway construction and rehabilitation projects will be issued in the Construction appropriation, 96X3122. Work Allowances for Funding to be derived from the general fund are issued using CCS 220 or 814, and Work Allowances for Funding to be derived from the IWTF are issued using CCS 310.

(b) Work Allowances for projects funded in part from the IWTF will be issued in increments on a periodic basis. This will be accomplished through the use of the H (Withhold) Work Allowance code. The reason for periodic Work Allowances is that the FADs (which equal the sum of Work Allowances) for IWTF Funding count as payables against the IWTF, payables cannot exceed the gross total assets in the IWTF, and less frequent, larger Work Allowances are not affordable based on the flow of revenues into the IWTF. As additional Work Allowances and FADs are provided, Districts will reserve Funding in increments on already-awarded continuing or incrementally funded contracts funded in part by the IWTF. (However, no new continuing or incrementally-funded contracts that would use Funding from the IWTF may be awarded. See paragraph 10.b.).

(2) Work Allowances for Review Plans. To receive a Work Allowance, each specifically authorized water resources development PPA in feasibility, PED, construction, or operation and maintenance must have an actual date for Milestone CW035 in its P2 schedule representing the date the approved review plan applicable to the PPA was posted on the District's review plan web site. Until Milestone CW035 is populated, the PPA will not receive an allocation, that is, an H Work Allowance will offset the C or CRA Work Allowance. If the PPA has received allotments in CEFMS, this will create a temporary imbalance between Work Allowance data in P2 and allotment data in CEFMS, both for that PPA and for other PPAs that, as a consequence, must receive lower allotments in CEFMS to offset the imbalance.

(3) Work Allowances for Programmatic Remaining Items. Funding is issued to the applicable Program Code in one or a number of EROCs through Work Allowances, just as for specifically authorized studies and projects.

(4) Work Allowances for Parent Programs. Funding is distributed initially to the Master Program Code for the Parent using a C or CRA Work Allowance code, then reallocated within the PPA (CCS) to the Children using the RLC (Reallocation) code.

(5) Work Allowances for Project Funding Pots. Regular Funding is distributed initially to a Master Program Code for each Project Funding Pot using a C or CRA Work Allowance code, then passed through from the Master Program Code to the various study or project PPAs in multiple EROCs by Work Allowances using a negative ALL (Other Allocation) Work Allowance code for the Master Program Code and a positive ALL code for the receiving study or project PPAs. Supplemental Funding is distributed in the same manner, but with a SUP Work Allowance code instead of an ALL code. At that point the passed-through Funding becomes project Funding of the receiving PPAs, and any subsequent movement of the Funding is a Reprogramming.

(6) The Work Allowance for a construction new start will not be issued until the ASA(CW) has transmitted an out-year budget scenario to the Appropriations Committees.

(7) Variances between P2 and CEFMS. The Districts and FOAs on a monthly basis are to examine the P2 reports on variances between P2 and CEFMS. The variance reports are located in the P2 Navigator under “Work Allowance Analysis – Acct Class”. Each appropriation (including CAP) has two variance reports (Detail and Summary) for Regular Funding (REG), and Supplemental Funding (SUPP). The Detail report lists the variances by project. The Summary Report lists the variances by Appropriation Code and CCS. The Districts and FOAs should resolve each variance by either adjusting the project Funding accounts in CEFMS to match the Work Allowance, entering a REC Work Allowance to cover excess obligations in the CR period, or entering a Reprogramming Work Allowance to cover excess obligations after the CR period.

8. Reprogrammings. The limitations in paragraphs 8.b. through 8.e. below are in addition to the limitations on the use of FY 2014 Funding discussed in paragraph 6, that is, the most restrictive limitation shall apply:

a. Processing of Reprogrammings:

(1) There are four types of Reprogrammings: REP (Reprogramming with no Committee notification required); CGR (Reprogramming subject to prior notification of the Committees); EMR (Reprogramming in O&M or MR&T (M) to enable USACE to respond to an Emergency, with post-facto notification to the Committees required); and CLM (Reprogramming in C or MR&T (C) for settled claim, Changed Conditions, or real estate deficiency judgment).

(2) The District should develop its schedule for execution of appropriated Funding in collaboration with the Non-Federal Sponsor. Funding that is over and above capability for the current FY (see Reference 4.i.) is surplus. For Funding that is surplus to a PPA, the District should dialog with the Non-Federal Sponsor and other stakeholders concerning a potential Reprogramming of the surplus Funding. Each Reprogramming action shall be treated as a one-time transaction with no commitment or expectation to return Funding to the source PPA.

(3) CGR Reprogrammings.

(a) A CGR Reprogramming is a Reprogramming for which the absolute value of the Cumulative Net Amount, including the Reprogramming in question, exceeds the applicable Reprogramming limit, unless the Reprogramming qualifies as EMR or CLM.

(b) CGR Reprogrammings require prior written notification by the Assistant Secretary of the Army (Civil Works) (ASA(CW)) to the House and Senate Appropriations Subcommittees for Energy and Water Development. Any CGR Reprogramming must be submitted by the Division to the Regional Integration Team (RIT) for processing to CECW-IF to coordinate with the ASA(CW) and the Subcommittees. The goal is to process only one action per FY per PPA that requires notification of the Subcommittees. The submittal should include a draft letter for signature by the ASA(CW) (see Appendix J) and a Reprogramming data sheet (see Appendix K). The Work Allowance in P2 will

be coded as CGR. After coordination with the Subcommittees, CECW-I will provide notification that coordination is complete, and the Appropriation Manager or Program Manager will approve the Work Allowance in P2.

(4) CLM Reprogrammings:

(a) As discussed in paragraph 8.e.(4)(b), sections 101(a)(7) and (9) of Public Law 113-76 establish a special Reprogramming threshold for Reprogrammings to a PPA in the Construction account or the MR&T Construction sub-account for settled contractor claims, Changed Conditions, and real estate deficiency judgments. The Work Allowance should be coded in P2 as CLM. The costs covered by the CLM Reprogramming can include the EDC and S&A associated with the claim, Changed Conditions, or judgment.

(b) Reprogramming under this paragraph should be used only when all of the following criteria are met: the Reprogramming to the recipient PPA is for settled contractor claims, Changed Conditions, or real estate deficiency judgments; in the case of Supplemental Funding, the recipient PPA qualifies for the Supplemental Funding; the absolute value of the Cumulative Net Amount, including the Reprogramming in question, exceeds the applicable Reprogramming limit for either the source PPA or the recipient PPA, such that a normal Reprogramming without Congressional notification (REP) is not authorized; and the absolute value of the Cumulative Net Amount for the receiving PPA, including the Reprogramming in question, is within the special CLM Reprogramming threshold. The Division should provide information to the HQUSACE Appropriation Manager demonstrating that these criteria are met. If so, once the Division has approved the CLM Reprogramming in P2, the HQUSACE Appropriation Manager will do so.

(5) EMR Reprogrammings:

(a) As discussed in paragraph 8.e.(5)(b), sections 101(a)(8) and (9) of Public Law 113-76 establish post-facto notification requirements for a Reprogramming to a PPA in the Operation and Maintenance account or the MR&T Maintenance sub-account that enables USACE to respond to an Emergency. The Work Allowance should be coded in P2 as EMR. The costs covered by the EMR Reprogramming can include the EDC and S&A associated with responding to the Emergency.

(b) EMR Reprogrammings should be used only when all of the following criteria are met: the Reprogramming is to a PPA in the O&M account or MR&T Maintenance sub-account; the Reprogramming to the recipient PPA enables USACE to respond to an Emergency; in the case of Supplemental Funding, the recipient PPA qualifies for the Supplemental Funding; the absolute value of the Cumulative Net Amount for Reprogrammings, including the Reprogramming in question, exceeds the applicable Reprogramming limit for either the source PPA or the recipient PPA, such that a normal Reprogramming without Congressional notification (REP) is not authorized; and the Funding is planned for obligation or use in a solicitation within 21 days after the actual

event or failure occurs or the imminent event or failure is recognized, or within 14 days after a source for Reprogramming is identified.

(c) The Division should coordinate a planned EMR Reprogramming concurrently within the vertical team, including the RIT, CECW-IF, and the HQUSACE Appropriation Manager, providing information demonstrating that the above criteria are met. CECW-IF will coordinate informally with Appropriations Committee staff and SACW. After coordination, and after the Division has approved the EMR Reprogramming in P2, the HQUSACE Appropriation Manager will approve or disapprove the EMR. Concurrently with consideration of such a Reprogramming, the Division will prepare draft notification letters to both the House and Senate Appropriations Subcommittees for Energy and Water Development for signature by the ASA(CW), and furnish the draft letters to the RIT, copy furnished to the HQUSACE Appropriation Manager, for processing to CECW-IF. The HQUSACE Appropriation Manager will approve or disapprove the Reprogramming. If the Reprogramming is approved, the HQUSACE Appropriation Manager will coordinate with the RIT and CECW-IF to ensure that the draft letters are processed to SACW for clearance and transmittal.

b. Reprogramming Prohibitions. The following types of Reprogrammings either are not authorized or are prohibited by law:

(1) Statutory Prohibitions from Public Law 113-76. The limitations under Sections 102, 103, 114, and 115 of Public Law 113-76, which apply to FY 2014 Funding, apply to Funding that is reprogrammed as well as Funding from Initial Work Allowances. See paragraph 5.a.

(2) Funding from a Statutory Earmark. Except as provided in law, Funding may not be reprogrammed from a PPA if the Funding was a Statutory Earmark. However, Funding may be reprogrammed to a PPA that received a Statutory Earmark and that is otherwise authorized, so long as any statutory language does not otherwise limit the amount of Funding that may be applied to that PPA in the applicable fiscal year.

(3) Creation or Initiation of a PPA. Funding appropriated in Title I of any Act may not be reprogrammed in order to create or initiate a PPA. This is an absolute prohibition in section 101(a)(1) of Public Law 113-76. To ensure compliance with this provision, HQUSACE Appropriation Manager approval is required for any Reprogramming or Reallocation to a Program Code (other than within a Parent Program) that apparently has never received Funding in the applicable appropriation. This prohibition does not apply to Reallocations, Reconciliations, or Transfers. Note that Funding of a maintenance dredged material disposal facility or a safety of dams project in the Construction appropriation is not creation or initiation of a PPA, as the original project previously had been funded with Construction Funding. Also note that Funding of a project migrating from construction in progress (C or MR&T C) to placed in service (O&M or MR&T (M)) is not creation or initiation of a PPA.

(4) Elimination of a PPA. Funding appropriated in Title I of any Act may not be reprogrammed from a PPA to eliminate the PPA. This is an absolute prohibition in section 101(a)(2) of Public Law 113-76. This prohibition does not apply to Reallocations, Reconciliations, or Transfers.

(a) Generally, a Reprogramming of Funding from a PPA “eliminates” the PPA when no Funding that could be used on the PPA remain, or so little Funding remains that constructive work cannot be performed with in-house labor or by contract. Constructive work includes such activities as planning, engineering, and design, or coordination with the Non-Federal Sponsor.

(b) The prohibition does not apply to Supplemental Funding that is surplus to the PPA and is not a Statutory Earmark for that PPA, and any such Funding may be reprogrammed from the PPA. The reason is that Supplemental Funding is appropriated for certain purposes, and surplus Supplemental Funding could not be used for any other purpose on the PPA.

(c) To ensure compliance with section 101(a)(2), HQUSACE Appropriation Manager approval is needed for any Reprogramming that would leave less than \$1,000 in non-Supplemental Funding on the donating Program Code.

(5) Cases Where Reprogramming of Regular Funding Does Not Result in Elimination of a PPA. In the cases enumerated below, no further work on the PPA is possible, and the Reprogramming of all or any amount of Regular Funding from the PPA does not eliminate it. In these cases, all or any amount of Regular Funding may be reprogrammed from the PPA so long as the Reprogramming is otherwise permissible. It is not an elimination of a PPA if:

(a) For a construction project PPA, the PPA has been physically completed, the final OMRR&R manual has been provided to the Non-Federal Sponsor (in cases of non-Federal OMRR&R), and (in the case where a cost sharing agreement has been executed) any required final accounting, reconciling payments, and audit have been performed; or

(b) For a specifically authorized study or construction project PPA, the PPA has been de-authorized, the cost sharing agreement with the Non-Federal Sponsor, if any, has been legally terminated, and (in the case where a cost sharing agreement has been executed) any required final accounting, reconciling payments, and audit have been performed; or

(c) With respect to Investigations or MR&T (Investigations) Funding, the PPA has been converted to, and funded as, a CAP project, or the PPA has received Construction or MR&T (Construction) appropriations for implementation; or

(d) The following conditions are met for a terminated study or project PPA: no Funding was provided for the PPA in Public Law 113-76 or in the accompanying

Statement of Managers; and (in a case where a cost sharing agreement has been executed) the agreement has been legally terminated and any required final accounting, reconciling payments, and audit have been performed.

(e) For a PPA in the O&M account or the MR&T (Maintenance) account, Reprogramming the remaining Funding from the PPA would have no impact on project execution, and is not considered an “elimination” under section 101(a)(2) of Public Law 113-76, if all of the following criteria are met: the PPA has not received any positive net allotments in the current or past three FY's; and the PPA has not had any obligations in the current or past three FY's.

c. Statutory Restriction on Increases to Funding or Personnel:

(1) Pursuant to section 101(a)(3) of Public Law 113-76, absent prior notification by the ASA(CW) to the Committees, Funding appropriated in Title I of any Act may not be reprogrammed to a PPA to increase Funding or personnel for the PPA, if Funding for the PPA has been denied or restricted. However, pursuant to section 101(b), notification is not required for such Reprogrammings of \$49,999 or less. This restriction does not apply to Reallocations, Reconciliations, or Transfers.

(2) Funding is “denied” to a PPA if:

(a) The Funding is expressly denied in Public Law 113-76; or

(b) The Funding is expressly denied in the narrative in the Statement of Managers, or in the narrative in the House Report or the Senate Report if not superseded by the Statement of Managers; or

(c) The President's Budget for FY 2014 included Funding for the PPA, and the Statement of Managers for FY 2014 did not, or the PPA is listed in a table within the FY 2014 Statement of Managers but provided \$0. The exception is the new starts that are funded from Project Funding Pots pursuant to Public Law 113-76).

(3) Funding is “restricted” to a PPA if:

(a) Public Law 113-76 states that the Funding provided to the PPA shall not exceed a certain amount; or

(b) The narrative in the Statement of Managers, or the narrative in the House or Senate Report if not superseded by the Statement of Managers, states that the Funding provided to the PPA shall not exceed a certain amount.

d. Statutory Restriction on Purpose:

(1) Pursuant to section 101(a)(4) of the Public Law 113-76, absent prior notification by the ASA(CW) to the Committees, any Funding that was appropriated in Title I of any

Act and for which a purpose was stated by that Act, or by the accompanying Statement of Managers, or by either the House or Senate Report if not superseded by the Statement of Managers, may not be reprogrammed from the applicable PPA. This means that if narrative language directed how the Funding provided for a PPA is to be used, or how any portion of such Funding is to be used, the Funding, or the affected portion thereof, may not be reprogrammed from the PPA absent notification by the ASA(CW). This restriction applies even when Funding is excess to the needs for a specific PPA. This restriction applies to Funding restricted as to purpose in FY 2014 or in any prior FY, and it applies until the restricted Funding is exhausted. However, pursuant to section 101(b), notification is not required for such Reprogrammings of \$49,999 or less. This restriction does not apply to Reallocations, Reconciliations, or Transfers.

(2) To identify projects for which Funding in a given fiscal year has purposes specified by Act or Committee language for previous fiscal years, refer to the Acts or accompanying reports.

(3) Also see paragraph 5.c.

e. Statutory Restriction on Augmentation or Reduction:

(1) Pursuant to sections 101(a)(5) through (10) and 101(b) of Public Law 113-76, absent prior notification by the ASA(CW) to the Committees, USACE shall not initiate a Reprogramming that augments or reduces an existing PPA in excess of the limits outlined below (rounded to the nearest dollar). These restrictions apply to Reprogrammings to and from PPAs in the I, C, O&M, and MR&T accounts, and Reprogrammings to PPAs in the FUSRAP account. These restrictions do not apply to Reallocations, Reconciliations, or Transfers. See Appendix I for examples of Reprogramming limit calculations.

(2) As Reprogrammings of any of this Funding take place on or after the date of enactment of Public Law 113-76, the amounts reprogrammed are included in the Cumulative Net Amount for that PPA and applied toward a Reprogramming limit for the PPA that is calculated using the Baseline. These limits are discussed below.

(3) Special rules apply in the case of any receiving PPA that previously Received an Appropriation but that did not Receive an Appropriation for FY 2014. The special rules are discussed in specific locations below.

(4) Investigations and MR&T Investigations. Prior notification to the Subcommittees is required when:

(a) For a donating PPA, or for a receiving PPA that Received an Appropriation for FY 2014, the absolute value of the Cumulative Net Amount, including the planned Reprogramming, exceeds the higher of \$49,999 or 25 percent of the Baseline, or exceeds \$150,000.

(b) For a receiving PPA that previously Received an Appropriation but that did not Receive an Appropriation for FY 2014, the Cumulative Net Amount, including the planned Reprogramming, is positive (the PPA is a net recipient) and its absolute value exceeds \$49,999, irrespective of the amount of the Baseline.

(5) Construction and MR&T Construction:

(a) Prior notification to the Subcommittees is required when:

(1) For a donating PPA, or for a receiving PPA that Received an Appropriation for FY 2014, the absolute value of the Cumulative Net Amount, including the planned Reprogramming, exceeds the higher of \$300,000 or 15 percent of the Baseline, or exceeds \$3,000,000.

(2) For a receiving PPA that previously Received an Appropriation but that did not Receive an Appropriation for FY 2014, the Cumulative Net Amount, including the planned Reprogramming, is positive (the PPA is a net recipient), and the absolute value of the Cumulative Net Amount either exceeds \$49,999 and is not for Existing Obligations and Concomitant Administrative Expenses, or exceeds \$300,000, irrespective of the amount of the Baseline. For each receiving PPA that previously Received an Appropriation but did not Receive an Appropriation for FY 2014, and for which the Cumulative Net Amount is positive, any Reprogramming that increases the absolute value of the Cumulative Net Amount to more than \$49,999 but no more than \$300,000 requires the approval of the CECW-I Appropriation Manager or Program Manager, who will determine whether or not it is for Existing Obligations and Concomitant Administrative Expenses, and therefore whether the higher or lower threshold applies.

(b) Notwithstanding the immediately foregoing paragraph, a maximum Cumulative Net Amount of \$3,000,000 may be reprogrammed on or after the date of enactment of Public Law 113-76 to a PPA that Received an Appropriation for FY 2014 or a previous FY, for settled contractor claims, Changed Conditions, or real estate deficiency judgments on the recipient PPA, irrespective of the amount of the Baseline. The costs of the settled contractor claims, Changed Conditions, or real estate deficiency judgments that may be funded with such a Reprogramming include the costs of associated engineering and design and supervision and administration. Such a Reprogramming does not count toward the limits in the immediately foregoing paragraph. See paragraph 8.a.(4), above, for guidance on the appropriate use and processing of these Reprogrammings using the CLM code.

(6) Operation and Maintenance and MR&T Maintenance:

(a) Prior notification to the Subcommittees is required when:

(1) For a donating PPA, or for a receiving PPA that Received an Appropriation for FY 2014, the absolute value of the Cumulative Net Amount, including the planned

Reprogramming, exceeds the higher of \$150,000 or 15 percent of the Baseline, or exceeds \$5,000,000.

(2) For a receiving PPA that previously Received an Appropriation but did not Receive an Appropriation for FY 2014, the Cumulative Net Amount, including the planned Reprogramming, is positive (the PPA is a net recipient) and its absolute value exceeds \$150,000, irrespective of the amount of the Baseline.

(b) Notwithstanding the immediately foregoing paragraph, no limit is placed on the amount of a Reprogramming that is required in order for USACE to be able to respond to an Emergency. The costs of responding to an Emergency that may be funded with such a Reprogramming include the costs of associated engineering and design and supervision and administration. Such a Reprogramming does not count toward the limits in the immediately foregoing paragraph. See paragraph 8.a.(5), above, for guidance on the appropriate use and processing of these Reprogrammings using the EMR code.

(7) Formerly Utilized Sites Remedial Action Program. Prior notification to the Subcommittees is required when the Cumulative Net Amount, including the planned Reprogramming, for a receiving PPA is positive and its absolute value exceeds the higher of \$49,999 or 15 percent of the Baseline.

f. Other Annual Appropriations. There are no PPAs in the other annual appropriations (Flood Control and Coastal Emergencies, Expenses, and Regulatory Program) other than rare Statutory Earmarks, so all movements of Funding within these appropriations are Reallocations, with the exception of Reprogramming to Statutory Earmarks subject to paragraph 8.b.(1).

g. Permanent Appropriations. Maintenance and Operation of Dams and the other permanent appropriations do not receive Funding in Title I of Acts. Consequently, all movements of Funding within these appropriations are Reallocations.

h. Bonneville Power Administration Funding. Within the Operation and Maintenance account, Funding with category-class-subclass 390 is derived from the Bonneville Power Administration and is not appropriated in Title I of Acts. This Funding is not included in O&M Reprogramming Baselines, and all movements of this Funding are processed using the Other (O) work allowance code.

i. Guidance on Diversion of Funding from Work Packages Selected for Funding:

(1) Divisions (Regional Business Centers) and Labs are to ensure that work packages funded through the budget, appropriations, and work plan process ("supported work packages") are executed accordingly. Supported work packages include major maintenance items and other work packages specified in justification materials, in Committee reports, or in data supporting budget and work plan allocations.

(2) Funding may be reprogrammed (subject to customary limitations) or reallocated within a project from a supported work package to another supported work package.

(3) Funding may not be diverted from a supported work package to an unsupported work package simply because they are in the same business program or the same project without coordination with and concurrence of the Regional Business Center.

(4) Funding may be reprogrammed, or reallocated within a project, to a previously unsupported work package in the following circumstances:

(a) To respond to an Emergency in the FRM, NAV, or HYD business program.

(b) Where the Funding is surplus to the needs of all supported work packages on the project and objections would be anticipated to Reprogramming to any other project that needs additional Funding for supported work packages.

(c) Reprogramming of a nominal amount less than \$5,000 to enable the receiving project to qualify for Funding under a Continuing Resolution.

(d) In other circumstances where the Regional Business Center (in the case of a District) or senior leadership (in the case of a Laboratory) concurs that the previously unsupported work package has become competitive with previously supported work packages.

(5) The following actions must be implemented to ensure that Funding is not diverted from supported work packages to previously unsupported work packages inconsistent with the above guidance.

(a) Regional Business Centers must approve or disapprove all Reprogrammings in their AOR. This rule is reflected in P2.

(b) Regional Business Centers must establish procedures for Districts to report at regional PRBs on all within-project Reallocations meeting criteria in paragraph 8.i.(4)(a) or (b), and to obtain Division concurrence on within-project Reallocations under the criterion in paragraph 8.i.(4)(d).

(c) Regional Business Centers and Laboratories will report quarterly at each HQUSACE pre-DMR PRB on Reprogrammings and Reallocations meeting criteria in paragraph 8.i.(4)(a), (b), or (d).

(d) Based on the pre-DMR reports, CECW-I will provide a consolidated quarterly report to SACW.

j. Guidance on Reprogramming to New Phases. Reprogramming to a previously unfunded phase (feasibility or preconstruction engineering and design (PED)) of a specifically authorized study or project is permitted only in a nominal amount, and only if

the previous phase is fiscally closed out and the Reprogramming is needed to make the previously unfunded phase eligible for Funding in a future Continuing Resolution.

k. Other Policy Limitations for Reprogrammings and Reallocations. The following limitations are reflected in P2:

(1) The MSC and HQUSACE Appropriation Manager must approve any Reprogramming of Maintenance and Operation of Dams (M&O Dams, 96X5125) Funding. M&O Dams Funding that is surplus to the requirement for which it was provided should be offered for revocation.

(2) The MSC and HQUSACE Appropriation Manager must approve any Reprogramming of Supplemental Funding. This is to ensure that the recipient project qualifies for the Funding and is competitive compared to other unfunded work nationwide that also qualifies.

(3) If a Reprogramming to a recipient uses the EMR code, an offsetting Reprogramming from a donor must use the EMR code.

(4) If a Reprogramming to a recipient uses the CLM code, an offsetting Reprogramming from a donor must use the CLM code.

(5) If a Work Allowance to a recipient uses the REC code, the Work Allowance from the source PPA must use the REC code.

(6) If the Funding reprogrammed from a donor is Supplemental Funding with a CCS of 706, 707, 708, 70A, 70B, 70C, 70D, or 70E, the Funding reprogrammed to a recipient in an offsetting Reprogramming must use the same CCS as the Funding from the donor.

(7) If the Funding reprogrammed from a donor is Supplemental Funding appropriated for FY 2012 or thereafter, the Funding reprogrammed to a recipient in an offsetting Reprogramming must use the same Public Law code and Contingency (Event) code as the Funding from the donor.

(8) Reprogramming FROM the following types of Remaining Items and similar programs requires the approval of the HQUSACE Appropriation Manager, after consultation with the Remaining Item Proponent and the HQ Remaining Item Integrator (Leonard Henry):

(a) "Parent" Programs.

(b) The dam safety and seepage/instability correction program, including the dam safety Remaining Item and the line item-funded dam safety projects. This limitation governs Reprogrammings from the dam safety set of CCS (240, 241, 242, 540, 541, 542, 640, 641, and 642). In addition, prior to approval by the HQUSACE Appropriation

Manager, any proposed Reprogramming from a Dam Safety Action Classification (DSAC) I, II, or III safety of dams project (dam safety assurance, seepage control, or static instability correction) must be coordinated with the Division Dam Safety Officer, the Chief, CECW-I, and the Chief, CECW-CE.

(c) The Inspection of Completed Works CCS of 221.

(d) Remaining Items that are executed by more than one EROC.

(e) Remaining Items for which the Proponent's EROC and the executing EROC are different.

These controls are to ensure that the proponents concur in such Reprogrammings, which otherwise would not be visible to them. These controls do not affect Reallocations among "children" within "Parent" Remaining Items. However, see Appendix B for limits on Reallocations within the CAP sections.

(9) A District may use the Transaction Type Override in P2 to code a movement of Funding between Program Codes as a Reallocation (RLC). Unless the Program Codes are within a Parent Program, the MSC and HQUSACE Appropriation Manager must approve the transaction to ensure that the transaction qualifies as a Reallocation.

(10) Approval of the HQUSACE Appropriation Manager is required for any REC Work Allowance, to ensure that the Work Allowance qualifies as REC.

(11) Approval of the HQUSACE Appropriation Manager is required for any non-offsetting Reprogrammings, Reconciliations, or Reallocations, because non-offsetting Work Allowances change the undistributed balance in the account.

I. Documentation. Documentation of each field Reprogramming action must be loaded into the Work Allowance Module in P2 to ensure that quarterly reports to Congress and other reports on Reprogramming are accurate. Reallocations that move Funding between EROCs, CCS, or Program Codes must also be loaded into P2. Accurate descriptions explaining the use of the Funding on the gaining Program Code and the reason the Funding is excess to the source Program Code must be included in the P2 Work Allowance Module. Actual reallocation of Funding in CEFMS will not be accomplished until receipt of Reprogramming approval through an email confirmation from P2.

m. See Appendices G through L.

9. Policy on Response to Emergencies:

a. O&M and MR&T (M) Funding reprogrammed using the EMR code pursuant to sections 101(a)(8) and (9) of Public Law 113-76, the one percent of Funding set aside pursuant to the O&M title of Public Law 113-76, and Supplemental Funding in all

appropriations all are authorized for limited purposes related to response to Emergencies. Accordingly, additional controls, including approval of Work Allowances by the HQUSACE Appropriation Manager, are placed on the allocation and Reprogramming of this Funding to ensure that the intended uses are consistent with these purposes.

b. Response to an Emergency could include immediate response under Emergency conditions, including actions to prevent or mitigate an imminent event, or later repair of damaged project features or restoration of degraded project functions resulting from an actual Emergency event. However, use of the EMR authority is time-sensitive; see paragraph 8.a.(5)(b).

c. The costs eligible for Funding with EMR Reprogrammings, the one percent set-aside, and Supplemental Funding are limited to the costs of the response to an Emergency. Any costs attributable to additional maintenance and repairs, over and above costs of response to an Emergency, must be funded otherwise. Where necessary, repair and restoration costs must be apportioned between response to an Emergency and additional maintenance and repairs, and funded accordingly.

d. EMR Reprogrammings. Reprogrammings to enable USACE to respond to Emergencies are discussed in paragraphs 8.a.(5) and 8.e.(5)(b).

e. One Percent Set-Aside:

(1) A proviso in the O&M title in Public Law 113-76 specifies that one percent of the Funding provided for each PPA under that heading shall not be allocated to a FOA prior to the beginning of the fourth quarter of the FY and shall be available for use by the Chief of Engineers to fund such emergency activities as the Chief of Engineers determines to be necessary and appropriate. Further, the proviso states that the Chief of Engineers shall allocate during the fourth quarter any remaining Funding that has not been used for Emergency activities, proportionally to the amounts provided for the PPAs. The term "emergency activities" has the same meaning as the term "response to an Emergency" discussed in paragraph 9.b.

(2) The one percent set-aside will be managed as follows. One hundred percent of the amount included in the Statement of Managers for each O&M PPA will be issued to that PPA in the applicable EROC or EROCs using a C or CRA transaction code. At the same time, a Work Allowance equal to negative one percent of the amount issued with the CRA Work Allowance code will be issued to the PPA using the DED (Deduction) Work Allowance code. The one percent set aside will be treated as a Project Funding Pot, with the one percent deduction being issued to the Master Program Code for that Project Funding Pot. Any distribution of the retained Funding will be with the ALL Work Allowance code, as is the case for other Project Funding Pots. Until sometime in the fourth quarter of FY 2014, the retained Funding will be available for emergency activities. In the fourth quarter of FY 2014, remaining retained Funding, if any, will be allocated to the original PPAs on a pro-rata basis.

f. Supplemental Funding:

(1) Work accomplished with Supplemental Funding must be within the statutory purposes of the appropriations that they supplement. Further, Supplemental Funding is to enable USACE to respond to Emergencies, or certain types of Emergencies. The language of each Supplemental Act specifies the purposes of the Supplemental Funding. For instance, the FY 2012 Supplemental Funding is for disaster relief as defined in the Stafford Act, and the FY 2013 Supplemental Funding is for Hurricane Sandy relief.

(2) Recent Supplemental Acts have specified that O&M Supplemental Funding is “to dredge navigation channels and repair other Corps projects related to natural disasters.” Therefore, in these cases, the O&M Supplemental Funding is authorized to be used only for responses to natural events (or specified natural events, as the case may be), but is not authorized to be used for responses to project component failures unrelated to natural events.

(3) The work accomplished with Supplemental Funding must be within the scope of work upon which the Initial Work Allowance from CECW-I is based. This ensures that Supplemental Funding is applied to the best uses nationwide. Supplemental Funding surplus to that work should be offered for revocation.

(4) Reprogramming of supplemental O&M or MR&T (M) Funding should be coded as REP or CGR, unless the criteria in paragraph 8.a.(5) are met for use of the EMR code.

10. Contracting:

a. Acquisition Strategies:

(1) An acquisition plan or strategy should be developed for each contract. The acquisition plan or strategy should focus on:

(a) Developing a biddable and awardable contract, including consideration of appropriate contract scope and timing.

(b) Recognizing risks and uncertainties (e.g. escalating energy and material costs).

(c) Maintaining project schedules with available Funding.

(d) Complying with the statutory requirements concerning continuing contracts (see below), and obtaining the necessary approvals where a continuing contract is required.

(e) Identifying the most cost-effective and awardable acquisition method, including consideration of fixed price contract, base plus options contract, indefinite delivery – indefinite quantity contract, and job order contract as well as continuing contract.

(2) In order to assure proper acquisition planning, several codes are required in P2. When any of the Contractual Services resources (AESVCS – Architect and Engineering, CONSTSVCS – Construction, OTHCONSVCS – Other, ADV&ASTSVC – Advisory and Assistance, or O&MCONT – Operation and Maintenance of Facilities) are used, the activity must also contain a value for the activity codes Contracting Type, Contracting Method, and Set Aside Decision. As soon as contracts are scheduled in P2, a strategy must be entered using the above activity codes. The PM is highly encouraged to work with the Contracting and Small Business representatives of the Project Delivery Team to identify these data values. The strategy may change based on acquisition board guidance, at which time the codes will require updating.

b. Continuing Contracts:

(1) Section 102 of Public Law 113-76 provides that: “None of the funds made available in this title may be used to award or modify any contract that commits funds beyond the amounts appropriated for that program, project, or activity that remain unobligated, except that such amounts may include any funds that have been made available through reprogramming pursuant to section 101.”

(2) To address section 102 and its predecessors, the Department of Defense has approved USACE’s interim use of the “Primary” continuing contract clause (Reference 4.d.) and “Alternate” continuing contract clause (Reference 4.e.) while HQUSACE undergoes the notice and comment process and develops a final clauses for publication in the AFARS. Because the clause DoD approved is not substantively different from the clauses the Directorate of Contracting (DoC) has approved, DoD’s approval of the clause does not affect any on-going contracts awarded with the DoC approved clauses. Until public comments are received and the final clause is published by HQUSACE, new contracts that must be awarded using the continuing contract authority shall use the clauses approved for use by DoD.

(a) Under the Primary Clause, the Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year, the Contractor is expressly required to stop working when Funding is exhausted, and the Government is responsible for all costs pursuant to the termination for convenience clause regardless of the amount reserved on the contract in the fiscal year.

(b) Under the Alternate Clause, the Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year, the Contractor is expressly required to stop working when Funding is exhausted, and the Government’s liability for termination costs is limited to the amount reserved on the contract.

(3) The Primary Clause may be used if all of the following criteria are met:

(a) The project is a specifically authorized water resources development project (which excludes Continuing Authorities projects and environmental infrastructure assistance programs) funded in the C or O&M account or the C or M sub-account of MR&T; and

(b) The project is not funded in whole or in part from the IWTF; and

(c) Funding currently available for the contract is sufficient to fund mobilization and constructive work on the contract, including all contingencies and associated in-house costs; and

(d) Funding currently available on the project or for Reprogramming to the project within section 101 limits is not sufficient to fully fund the contract, including all contingencies and associated in-house costs; and

(e) Funding for all remaining contract costs, including earnings, contingencies, and associated in-house costs, is included in the President's budget for the forthcoming FY, together with Funding for any other scheduled work on the project; and

(f) If the account is O&M or MR&T (M), and Funding sufficient to fully fund remaining contract earnings is included in the President's Budget for the forthcoming FY (that is, contract Funding spans only two FY's and is budgeted for the remaining Funding in the second FY), the MSC Commander must have approved the use of the Primary Clause based on a Request for Approval (see Appendix M) submitted by the District. Otherwise, the ASA(CW) must have approved the use of the Primary Clause based on a Request for Approval submitted from the RIT to CECW-IF and from CECW-IF to SACW.

(4) The Alternate Clause may be used in the following circumstances, subject to approval by the District Commander:

(a) The project is a specifically authorized water resources development project (which excludes Continuing Authorities projects and environmental infrastructure assistance programs) funded in the C or O&M account or the C or M sub-account of MR&T; and

(b) The project is not funded in whole or in part from the IWTF; and

(c) Funding currently available for the contract is sufficient to fully fund mobilization and a useful increment of work (increment of work that produces benefits or outputs, and will remain in a safe condition) or navigation reach, including all contingencies and associated in-house costs; and

(d) Funding currently available on the project or for Reprogramming to the project within section 101 limits is not sufficient to fully fund the contract, including all contingencies and associated in-house costs; and

(e) The project is not included in the President's Budget for the forthcoming FY.

(5) Section 103 of Public Law 113-76 states: "None of the funds in this Act, or in previous Acts, making funds available for Energy and Water Development, shall be used to award any continuing contract that commits additional funding from the Inland Waterways Trust Fund unless or until such time that a long term mechanism to enhance revenues in this Fund sufficient to meet the cost sharing authorized in the Water Resources Development Act of 1986 (Public Law 99-662) is enacted." This prohibition applies to the true clause, the Primary Clause, and the Alternate clause, as all clauses are authorized under the USACE continuing contract authority (Public Law 67-362, 33 U.S.C. 621).

c. Availability of Funding for Contract Solicitation and Award. Funding must be available prior to solicitation for the entire contract amount for fully funded contracts, for the base contract amount on fully funded base plus option contracts, and for the amount to be reserved in the fiscal year for new continuing contracts. When the Resource Manager cannot certify that sufficient Funding is available at the time of solicitation, Army Federal Acquisition Regulation Supplement (AFARS) 5101.602-2(a) (ii) permits the Contracting Officer to solicit for the contract so long as the Chief of Resource Management indicates in writing that there "is a high probability that the requirement will not be canceled." In any case the Funding must be available at the time of bid opening or proposal receipt.

d. Contractual Commitments on Inland Waterway Construction and Rehabilitation Projects. Until the ASA(CW) determines that sufficient revenues are projected for the IWTF, prior ASA(CW) approval is required for additional contractual commitments on inland waterway construction and rehabilitation projects funded in part or wholly from the IWTF, including solicitation or award of any contract, an additional financial obligation under any existing incrementally funded contract, execution of any relocation agreement, or award of any option or task order. Items of \$50,000 or less total cost are considered incidental to ongoing work and will not be submitted for approval. HQUSACE will recommend ASA(CW) approval of an additional financial commitment only if it is affordable in the FY planned for the solicitation or award, after consideration of any offsets. Divisions should coordinate Funding priorities with CECW-I and CECW-CO.

e. Bonneville Power Administration (BPA) Contracts. The use of incrementally funded contracts funded wholly from BPA is approved.

11. Financing of Inland Waterway Projects. Previously stated policy is clarified as follows:

a. Inland waterway construction projects authorized before enactment of the Water Resources Development Act (WRDA) of 1986, Public Law 99-662, and lock and dam construction projects on waterways that are not part of the designated inland waterway

system (Section 206 of the Inland Waterways Revenue Act of 1978 as amended by Section 1404 of WRDA 1986) are financed 100 percent from the general fund.

b. In each FY 2009 through 2013, the applicable Act specified which inland waterway construction and rehabilitation projects were to be funded 50 percent from the Inland Waterways Trust Fund. For those projects, the Funding from the applicable fiscal year is derived 50 percent from the Trust Fund, even if the Funding is not obligated until a subsequent fiscal year. For other projects, the Funding from the applicable fiscal year is derived 100 percent from the general fund, even if the Funding is not obligated until a subsequent fiscal year. Likewise, the Act that provided any Funding carried into a fiscal year, and not the Act for that fiscal year, determines the financing source (general fund or Trust Fund) for the carry-in.

c. Funding from FY 2014 provided to Olmsted Locks and Dam, Illinois and Kentucky, pursuant to Public law 113-76 is funded 25 percent from the Trust Fund, even if the Funding is not obligated until a subsequent fiscal year.

d. Except as provided in paragraphs 11.a., b., and c., all inland waterway construction and rehabilitation projects are funded 50 percent from the Trust Fund.

e. The Funding provided (over and above carry-in) under a Continuing Resolution for a given fiscal year to an inland waterway construction or rehabilitation project is financed (general fund and/or Trust Fund) in the same manner as under the Act for the previous fiscal year. However, once the Act for that fiscal year has been enacted, the Funding provided under the Continuing Resolution is merged with the Funding provided under the Act and is financed accordingly. In some cases this means that the financing must be re-balanced between the general fund and the Trust Fund.

f. Through FY 2014, any reprogramming will be treated as an adjustment to the Funding provided by the Act for the fiscal year in which the reprogramming took place.

g. After FY 2014, under Single Line of Accounting, any no-year (non-expiring) Funding must have a Program Year representing the fiscal year of the act providing the Funding. The Program Year travels with the Funding. Any reprogramming in FY 2015 or thereafter will be treated as an adjustment to the Funding provided in the Program Year of the Funding. After FY 2014, Funding with no Program Year (Funding provided in FY 2014 or before) that is reprogrammed will be treated as FY 2014 Funding.

h. Where necessary, the financing of an inland waterway construction or rehabilitation project should be rebalanced to reflect this guidance. The rebalancing should be cumulative. In most cases the correct cumulative balance can be attained through deobligations and adjustments to prospective obligations, but in the cases of projects near the end of construction, cost transfers may be needed.

12. Section 112 of Public Law 113-76.

a. Section 112 provides that: "During fiscal years 2014 and 2015, the limitation relating to total project costs in section 902 of the Water Resources Development Act of 1986 (33 U.S.C. 2280) shall not apply with respect to any project that receives funds made available by this title."

b. The waiver applies only to projects funded from Public Law 113-76, whether through a Statement of Managers allocation or an allocation from a Project Funding Pot.

c. For such projects, the waiver applies only until 30 September 2015. No obligations in excess of the Section 902 limit may be made on any project after that date, but Funding obligated as of that date may be expended after that date, and credit may be afforded after that date for non-federal contributions. Further, legitimate claims arising from obligations made by 30 September 2015 on such projects, though they are legitimate obligations of the government, may not be liquidated after that date without additional statutory relief.

13. Scheduling and Execution:

a. In accordance with the Project Management Business Process, each Project Manager and the Project Management Team are to create and maintain a network analysis schedule for each project in P2 based on the FY 2014 Funding provided as well as carry-in Funding. Each schedule must have appropriate activities with accurate durations, successor(s), predecessor(s), risk, constraints, and lead and lag relationships, and shall reflect an assessment of the risks and opportunities facing the project. In compliance with the Critical Path Method, all activities will have a predecessor (except the start milestone) and a successor (except the completion milestone). Resources are to be applied at the activity level or at the appropriate work package level within a work breakdown structure (WBS). HQUSACE required milestones are to be used in the appropriate WBS as shown in Appendix A.

b. The Project Manager shall accurately identify the appropriate business program using the Primary Business Program field for all activities in P2 which will have scheduled or actual obligations and/or expenditures in FY 2014. This is required in order to assess execution by business program. Primary Business Program is a mandatory data field which is entered in the Project Initiation Dashboard and Maintenance Portlet in P6Web, at the project level. If activities within a project are in a different business program than the project's primary purpose, use the Primary Business Program (Override) activity code in Primavera Project Manager to identify the business program for those activities.

c. Value Engineering (VE) Workshops will be performed in accordance with Reference 4.h. The milestones for VE (e.g. VE Study Completion) must be included in P2 and will be tracked by the Districts. VE milestone data will be used to ensure and demonstrate compliance with Public Law 99-662 and OMB Circular A-131.

d. Performance will be evaluated in Civil Works Directorate Management Reviews (DMRs) based on attainment of objectives for obligations and for key milestones in project delivery. The guidance on DMR metrics is provided in Appendix A.

e. A district may execute a Feasibility Cost Sharing Agreement or Design Agreement for a specifically authorized study or project only if the study or project has received an initial Work Allowance for the phase and the phase was included in the President's Budget or an OMB-cleared Work Plan for the forthcoming or a previous FY. Reallocation within a study or project and Reprogramming to a study or project do not count as authorizing execution of an agreement. Exceptions must be approved by CECW-P.

f. **Projects Eligible for Deauthorization.** Under 33 U.S.C. 579a, the Secretary of the Army each year is to submit to Congress a list of specifically authorized construction projects and separable elements on which no obligations have been made in the preceding five fiscal years. In order to avoid the inadvertent elimination of a project from the deauthorization list, no Funding may be obligated on a project or separable element in PED or in the C or MR&T (C) account if no Funding has been obligated on the project or separable element in the preceding four fiscal years. Exceptions are as follows:

(1) Obligations for settled claims or judgments.

(2) Obligations on punch list items and fiscal closeout for a completed project or separable element.

(3) Obligations on a terminated project or separable element due to cost transfers as part of fiscal closeout.

(4) Obligations on a project or separable element that receives an initial work allowance for the current FY or is included in a President's Budget for the current FY or the next FY.

(5) Other exceptions approved by CECW-I.

g. **Sustainability and Energy:**

(1) Each P2 project receiving Sustainability and Energy Funding must be scheduled in P2, with a new activity (or a new Work Breakdown Structure (WBS) section with subordinate activities) for each funded work package (line item), with a descriptive title as provided in separate guidance. Each new activity in P2 will be used to create separate Ordering Work Item(s) (OWIs) and/or Funded Work Item(s) (FWIs) in CEFMS.

(2) Each of the new OWIs/FWIs in CEFMS will use the Command Indicator Code (CIC) "SUSXX," where XX stands for the last two digits of the FY, e.g. SUS14, to enable complete and accurate centralized pulls of Sustainability and Energy funding and execution data.

from the deauthorization list, no Funding may be obligated on a project or separable element in PED or in the C or MR&T (C) account if no Funding has been obligated on the project or separable element in the preceding four fiscal years. Exceptions are as follows:

(1) Obligations for settled claims or judgments.

(2) Obligations on punch list items and fiscal closeout for a completed project or separable element.

(3) Obligations on a terminated project or separable element due to cost transfers as part of fiscal closeout.

(4) Obligations on a project or separable element that receives an initial work allowance for the current FY or is included in a President's Budget for the current FY or the next FY.

(5) Other exceptions approved by CECW-I.

g. Sustainability and Energy:

(1) Each P2 project receiving Sustainability and Energy Funding must be scheduled in P2, with a new activity (or a new Work Breakdown Structure (WBS) section with subordinate activities) for each funded work package (line item), with a descriptive title as provided in separate guidance. Each new activity in P2 will be used to create separate Ordering Work Item(s) (OWIs) and/or Funded Work Item(s) (FWIs) in CEFMS.

(2) Each of the new OWIs/FWIs in CEFMS will use the Command Indicator Code (CIC) "SUSXX," where XX stands for the last two digits of the FY, e.g. SUS14, to enable complete and accurate centralized pulls of Sustainability and Energy funding and execution data.

(3) All reasonable efforts should be made to completely execute the Sustainability and Energy work packages in the FY funded. Any execution delays must be tracked in P2. Surplus Funding may be reallocated or reprogrammed to or from funded Sustainability and Energy work packages subject to paragraph 8.i. The objective is to accomplish all funded work despite changes in cost estimates.

(4) On a quarterly basis, HQ USACE will pull data from P2 and CEFMS via the Enterprise Data Warehouse (EDW) to track progress on each Sustainability and Energy activity. Initial projected cost and final/actual cost will be reported in P2 for each activity. Proper coding of OWIs and FWIs will avoid the necessity of data calls. The EDW query is available upon request to the CECW-CO POC, John Coho.

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(5) HQUSACE may request periodically from the MSC-level Sustainability POC, on an exception basis, execution status updates for Sustainability and Energy activities that incur particularly lengthy or recurring delays.

FOR THE COMMANDER:



STEVEN L. STOCKTON
Director of Civil Works

14 Appendices:

- Appendix A - Civil Works DMR Metrics
- Appendix B - Standard Operating Procedures
for Continuing Authorities Program
- Appendix C - Expenses Program Execution
Guidance
- Appendix D- Flood Control and Coastal
Emergencies Execution Guidance
- Appendix E- Regulatory Program Execution
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Dams Execution Guidance
- Appendix G- Collection and Distribution of
Civil Works Appropriation Reimbursements
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- Appendix K- Processing and Approval of
Reprogramming Actions
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Notification Examples
- Appendix M- Format for Reprogramming
Data Sheet
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Continuing Contract using the Primary
Clause

APPENDIX A

Civil Works PRB Metrics

1. Goals:

- a. Do what we said we would do.
- b. Execute Funding effectively.

2. Set and Re-Set of Basic Schedules:

a. Funding:

(1) Adjusted Current 2101 obligation schedules are maintained for the current FY (CFY) and CFY+1 for all Funding. For Expenses, Regulatory and Dam Safety Wedge accounts the 2101 schedules track expenditures. Basic schedules for the CFY are set or re-set twice per year: once in mid-October (if annual appropriations have not been made); and once after annual appropriations have been apportioned and distributed. Basic schedules for obligations of all Funding also may be re-set if supplemental Funding is appropriated apart from annual or full-year appropriations. Consequently, there always are Basic schedules in effect for the CFY.

(2) For the mid-October snapshot of the Basic (if annual appropriations have not been made), MSCs and FOAs should project the Funding available based on an assessment of actual carry-in, the President's budget, House and Senate action, USACE-wide CRA guidance, and any instructions from the managers of Remaining Items.

b. Key Milestones. There always are Basic schedules for key milestones (see paragraph 7) in effect for the CFY. The Basic schedules for key milestones are re-set whenever the Basic schedules for obligations are re-set for the CFY.

3. Overview of Metrics. There are nine metrics. Each metric is applied to each account for the CFY as discussed below:

a. Scheduled Obligations against Funding Available for Obligation/Expenditure (metric CW01,CW01A).

b. Scheduled Obligations of FY 2013 O&M and FCCE Supplemental Funding against Planned Obligations (metric CW01C) (FY 2013-2014 only).

c. Actual Obligations/Expenditures against Basic Scheduled Obligations/Expenditures, Year to Date (metric CW02,CW02A).

d. Percent of Projects on Schedule, Based on Key Milestones (metric CW03).

e. Percent of Construction Projects That Can Be Completed with the Funding Originally Provided for Completion (CW05).

f. Percent of Legacy Chief's Reports on Schedule (CW06).

g. Status of Compliance with Planning Modernization Initiative (CW07).

h. Value Engineering Program Coverage, Cost Avoidance, and Statutory Compliance (CW08, CW08A, CW08B).

i. Sustainability – Leading Metrics (CW09).

4. Scheduled Obligations against Funding Available for Obligation/Expenditure (CW01, CW01A):

a. Metric. The metric measures Funding scheduled for obligation in the CFY in the Adjusted Current 2101 obligation schedules, as a percent of Funding available for obligation. However, for the Regulatory Program, Expenses appropriations and the Dam Safety and Seepage/Stability Correction Program (Wedge), the metric measures Funding scheduled for expenditure as a percent of Funding available for expenditure. This metric is applied in each FY only after the re-set of Basic schedules following appropriation and distribution of annual Funding.

b. Application of Metric. The metric is applied to each MSC or FOA at the account level. Regular and supplemental are rated separately. Earmarks of supplemental Funding for long-term programs are excluded. These include Hurricane Katrina Recover (Construction and FCCE), Hurricane Sandy recovery (Construction and Investigations), and similar earmarks. For FY 2013 and 2014, the metric excludes all Sandy (FY 2013) supplemental Funding. Beginning in FY 2014, FY 2012 supplemental Funding is included. Both Continuing Authorities Program (CAP) and Dam Safety Wedge Program are scored separately from other Construction. For the Dam Safety Wedge account, only IWR (Risk Management Center) execution is measured. The rating for CFY-1 and the rating for the CFY Basic schedule also are displayed to provide insight on progress in improving performance against the standard.

c. Calculation of Ratings. Green and yellow ratings are as follows:

<u>Account</u>	<u>Green</u>	<u>Yellow</u>
Investigations	85%	75%
Construction/CAP	85%	75%
O&M	95%	90%
MR&T	90%	80%
FUSRAP	95%	90%
FCCE	85%	75%
Regulatory	95%	90%

Expenses	95%	90%
Dam Safety Wedge	75%	65%

d. Update of Ratings. The ratings are updated quarterly to reflect changes in the Adjusted Current schedules.

5. Scheduled Obligations of FY 2013 Supplemental O&M and FCCE Funding against Planned (CW01C):

a. Metric. The metric measures FY 2013 supplemental Funding for O&M and FCCE that is scheduled for obligation through FY 2014, as a percent of the total FY 2013 supplemental Funding planned for obligation by account and MSC. For all USACE, the metric measures FY 2013 supplemental Funding for O&M and FCCE that is scheduled for obligation through FY 2014, as a percent of the total enacted FY 2013 supplemental Funding.

b. Application of Metric: The LRD, NAD, and SAD are the MSCs measured in the metric.

c. Calculation of Ratings: Green is 95 percent or more. Yellow is 90 percent or more but less than 95 percent.

d. Update of Ratings. The ratings are updated quarterly to reflect changes in Adjusted Current schedules and in planned distributions.

6. Actual Obligations against Basic Scheduled Obligations/Expenditures, Year to Date (CW02, CW02A):

a. Metric. The metric measures actual CFY obligations to date as a percentage of obligations planned in Basic 2101 schedules for the CFY to date. The metric is based on expenditures for the Expenses and Regulatory accounts and the Dam Safety Wedge.

b. Application of Metric. The metric is applied at the account level. Regular and supplemental are rated separately. CAP and the Dam Safety Wedge are broken out from other Construction. The previous quarter's rating and the projected end-of-year rating (Adjusted Current Schedule against Basic) for the CFY also are displayed to provide insight on progress in improving performance against the standard. For the Dam Safety Wedge account, only IWR (Risk Management Center) execution is measured.

c. Calculation of Ratings: Green is 95 percent or more. Yellow is 90 percent or more but less than 95 percent.

d. Update of Ratings. The ratings are updated quarterly to reflect actual obligations.

7. Percent of Projects on Schedule Based on Key Milestone Types (CW03):

a. The universe of projects scored by the metric for each MSC or FOA is those projects in Investigations, Construction (Excluding Dam Safety Wedge and CAP), CAP, O&M, MR&T, FUSRAP, FCCE, and Dam Safety Wedge accounts in P2 and having at least one key milestone planned in the Basic schedule for the CFY. The universe is re-set when the Basic schedules are re-set. Each project in the universe is weighted equally.

b. Key program milestones for Investigations and MR&T-I (Reconnaissance and Feasibility) and are:

Milestone Description	Milestone Code	WBS
Submit Draft Reconnaissance Report	CW150	21000 (including children)
Recon Report Approval	CW170	21000 (including children)
Project Management Plan Approval	CW040	2100 (including children)
Execution of Feasibility Cost Sharing Agreement	CW130	21000 (including children)
Alternatives Milestone	CW261	22000 (including children)
Tentatively Selected Plan (TSP) Milestone	CW262	22000 (including children)
Release of Draft Feasibility Report for Public Review	CW250	22000 (including children)
Agency Decision Milestone	CW263	22000 (including children)
District Submit Final Feasibility Report	CW160	22000 (including children)
MSC transmittal letter with Final Feasibility Report	CW260	22000 (including children)
Civil Works Review Board	CW245	22000 (including children)
Signed Chief's Report	CW270	22000 (including children)

Note: Along with Program metrics, HQ Planning will be using this data to track and report status of studies. Schedules for the milestone codes listed in the table above should be locked and are to remain current.

c. Key milestones for I and MR&T- I (PED) are:

Milestone Description	Milestone Code	WBS
CW Review Board Meeting	CW245	Any WBS
Submit Final Feasibility Report, LRR/GRR or DDR	CW160	30000 (including children)
Agency Decision Milestone	CW263	Any WBS

Note: The phrase "30000 (including children)" means all standard WBS codes which are found in the standard CW plug-in templates and which begin with "30". For example, it includes standard WBS codes 30DS00, 30DS1, and 30DS2.

d. Key milestones for C, MR&T-C, and O&M are:

Milestone Name	Milestone Code	WBS
Design Agreement Execution or PPA Execution	CW130	30000 (including children)
Contract Award	CC800	30000 (including children) , 60000 and 61000
Project Physical Completion	CW450	30000 (including children)
Notice of Project Completion	CW480	30000 (including children)

e. Key milestones for CAP are:

Milestone Name	Milestone Code	WBS
Federal Interest Determination Approval	CW170	21V00
Alternative Formulation Briefing	CW190	21V00
Feasibility Cost Share Agreement (FCSA)	CW130	21V0C
Approval of Final CAP Decision Document	CW170	2200C
Project Partnership Agreement (PPA) Execution	CW130	22V00
Contract Award	CC800	CAP – 30000 (including children)
Project Physical Completion	CW450	30000 (including children)

f. Key milestones for FCCE projects are:

Milestone Description	Milestone Code	WBS
Complete Project Information Report (PIR)	CW170	30000 (including children) 010000-FCCE (including children)
Execute Cost Sharing Agreement	CW130	30000 (including children) 010000-FCCE (including children)
Contract Award	CC800	30000 (including children) 010000-FCCE (including children)
Notice of Project Completion	CW480	30000 (including children) 010000-FCCE (including children)

g. Key milestones for FUSRAP are:

Milestone Name	Milestone Code	WBS
Completion of Preliminary Assessment	ENF1	ENF.6000
Remedial Investigation Start	ENF2	ENF.7000
Remedial Investigation Complete	ENF3	ENF.7000
Record of Decision (ROD)	ENF4	ENF.8000
Award Remediation Contract	ENF5	ENF.10000
Remediation Physically Complete	ENF6	ENF.13000
Return Site to DOE	ENF7	ENF.13000

Note: The reports for the PRB/DMR's will pull for any WBS.

h. Key milestones for Dam Safety Wedge projects are:

Milestone Name	Milestone Code	WBS
Issue Evaluation Study (IES)		
Project Data Report Complete	DS110	30000 (including children) DS4000 (Including children)
Draft SQRA/IES Report Submittal	DS130	30000 (including children) DS4000 (Including children)
Final IES Report Approval	DS140	30000 (including children) DS4000 (Including children)
Dam Safety Modification (DSM)		
Future Without Action Condition / Existing Condition Risk Assessment	DS220	30000 (including children) DS5000 (Including children)
Tentatively Selected Plan (TSP) Milestone	DS240	30000 (including children) DS5000 (Including children)
Final DSM Report Approval by USACE DSO	DS280	30000 (including children) DS5000 (Including children)

Note: For Dam Safety Wedge projects, the intent is to measure milestone performance of the RMC only.

i. If a PM is not using a standard WBS code, or has modified the standard WBS code in any way, the PM must use the "WBS Code (Override)" activity code to ensure that the project milestones are captured by OFA. For example, 30DS1 is recognized by OFA as a standard WBS code. However, if the PM is using modified WBS codes such as 30DS1.1, 30DS1.2, 30DS1.3, etc to distinguish multiple contracts, then the standard WBS code (30DS1) must be entered in "WBS Code (Override)".

j. Definitions for each of the milestones can be found in the PMBP Manual REF 8010G located at the PMBP Portal.

k. Update of Ratings: Ratings will be updated quarterly.

I. To ensure that the fund type is properly identified the Source Appropriation Activity code must be assigned to all Milestone Activities.

8. Percent of Construction Projects That Can Be Completed with the Funding Originally Provided for Completion (CW05):

a. Metric. The metric is to be used to measure completion (CW480 Notice of Project Completion/Turnover milestone) of specifically authorized projects having received all funding estimated to be needed for completion.

b. Application of Metric. Each specifically authorized project that has received funding estimated to complete construction is scored.

c. Calculation of Rating. Projects that can complete with available funding are scored green. Other projects are scored red. For the overall rating an MSC is scored green if 90 percent of all projects are scored green. An MSC is scored yellow if 80 percent or above, but below 90 percent of all projects are yellow.

d. Update of Ratings. The ratings are updated quarterly to reflect changes from original commitments.

9. Percent of Legacy Chief's Reports on Schedule To Be Completed by 31 December 2014 (CW06):

a. Metric. The metric measures the percent of "Legacy" feasibility studies that were originally scheduled for a Chief's Report by 31 December 2014 and are still on schedule.

b. Application of Metric. The metric applies to those "Legacy" (pre-Planning Modernization) feasibility studies originally scheduled for a Chief's Report by December 2014.

c. Calculation of Ratings. For MSCs and all USACE, organizations having low risk for completing all projects on schedule are scored green; those having mixed risk are scored yellow.

d. Update of Ratings. Ratings are updated quarterly through the Planning Advisory Board's assessment of risk using leading indicators.

10. Status of Compliance with Planning Modernization Initiative (CW07). The metric is currently under development.

11. Value Engineering Program Coverage, Cost Avoidance, and Statutory Compliance (CW08, CW08A, CW08B):

a. Metric. As an aggregate, the VE metrics are to ensure program coverage complies with applicable laws and regulations, is applied consistently across the organization, and accurately documents cost savings.

b. Application of Metric. Applicable across the entire CW program.

c. Calculation of Ratings. The percentage of number of milestones completed versus scheduled, and percent of cost savings versus 1.5 percent of the CW Total Obligation Authority, are used for calculating ratings for the VE metrics. Start milestones required for VE are CW192 and CW285. Tracked VE finish milestones are CW195 and CW290.

d. Update of Ratings. The ratings are updated quarterly.

12. Sustainability – Leading Metrics (CW09):

a. Metric. This is an aggregate metric based on the value and weights assigned to a number of leading metrics that support improved performance on the OMB Sustainability and Energy Scorecard and the USACE Campaign Plan Objective 1c1.

b. Application of Metric. MSCs and FOAs are required to complete initial Covered Facility energy and water audits by September 2014, and every four years thereafter; implement audit recommendations; execute sustainability funding within the program FY; submit annual sustainability plan and investment strategy; achieve non-tactical vehicle fleet Optimal Fleet goal.

c. Calculation of Ratings. A scoring algorithm is used for calculating an overall score from the values and weights assigned to applicable metrics.

d. Update of Ratings. The ratings are updated quarterly.

APPENDIX B

Standard Operating Procedures for Continuing Authorities Programs

1. Guidance. Implementation of the FY 2014 Continuing Authorities Program (CAP) is based on the Committee direction provided in the Statement of Managers accompanying the Energy and Water Development Appropriations Act, Division D of the Consolidated Appropriations Act, 2014 and guidance contained in Appendix F, Amendment 2, dated 31 Jan 07, of the Planning Guidance Notebook, ER 1105-2-100, Appendix F.
2. Contracts. Continuing contracts and incrementally funded contracts will not be used for CAP. All CAP contracts will be fully funded.
3. CAP Project/Stage Classification:
 - a. Active. An Active project is a project that received a Reallocation in the applicable FY or either of the two previous FYs, or a project for which the CAP data base reflects that non-Federal sponsor provided a reaffirmation letter in the applicable FY or either of the two previous FY's in accordance with paragraph 4, or a project with an executed agreement, apart from any project classified by the District as Converted, Terminated, or Completed.
 - b. Suspended. A project is suspended in accordance with paragraph 4. In accordance with paragraph 4, a Suspended project either should be reaffirmed and returned to Active status, or should be Terminated.
 - c. Unstarted. An Unstarted project is a project for which funding never has been provided. An Unstarted project is also referred to as a New Start.
 - d. Converted. A Converted project has been converted to a study in the Investigations account pursuant to ER 1105-2-100, Appendix F, paragraph F-9, or to a specifically authorized project in the Construction account, or to another non-CAP activity.
 - e. Terminated. A project is Terminated if all work has ceased on the project but it is not Completed or Converted. For a Terminated project with a cost sharing agreement, the agreement should be legally terminated and any required final accounting, reconciling payments, and audit should be performed.
 - f. Completed. A project is completed if it is physically completed. For a Completed project, the notice of completion and OMRR&R manual, where applicable, should be provided to the Non-Federal Sponsor.
 - g. Districts at any time may reclassify projects, other than Unstarted projects, to Converted, Terminated, or Completed.

3. CAP Database:

a. Capability estimates for CAP should conform to the definition of capability in ER 11-2-292. Specifically, capability estimates should be consistent with law and policy. This means, for instance, that if an agreement is required for a project phase, capability beyond a cumulative \$100,000 may not be expressed unless the agreement is scheduled for execution in the applicable FY.

b. Data in the P2-OFA CAP database include estimates of project-specific capabilities for the CFY through the CFY+3, plus planned or actual agreement execution dates. CAP data are used to prioritize projects, select projects for Funding and determine Funding amounts, to report National Program Level summaries and statistics to support/defend CAP Value to the Nation, among other things. Poor data jeopardizes the opportunities for otherwise qualified projects to receive Funding. CAP Project Managers, Districts, Division Program Managers, and RITs shall ensure that all CAP project data are kept current, and that data QA/QC procedures are implemented on an ongoing basis. Districts will maintain communication with Non-Federal Sponsors regarding project schedules and capabilities for the use of additional Funding, and will reflect the results in the CAP data.

4. Processes for Suspension and Reaffirmation:

a. As of 1 October of the current FY (CFY), an Active project is automatically moved to suspended status if it meets all of the following criteria:

(1) According to Work Allowance data, it did not receive Funding in either CFY-1 or CFY-2;

(2) According to the CAP database, it did not have a cost sharing agreement executed in either CFY-1 or CFY-2; and

(3) According to the CAP database, it was not reaffirmed in writing by the Non-Federal Sponsor in either CFY-1 or CFY-2.

b. During the CFY, a Suspended project is returned to Active status if it is reaffirmed in writing by the Non-Federal Sponsor, and the date is entered in the CAP database.

c. During the CFY, the HQUSACE Program Manager will notify the Divisions of the additional projects that would be suspended as of 1 October of CFY+1 unless they were reaffirmed by the Non-Federal Sponsor during the CFY.

d. For each Suspended project and each project that would be suspended as of 1 October of CFY+1, the District may ask the Non-Federal Sponsor, in its discretion, to reaffirm in writing its support and capability for the project. The District may provide the sample below. The sample includes variants to cover projects at different stages of development.

This is to reaffirm the support of the Town of Anytown, Texas, for the Anytown Levee Project. (Choose one of the four following sentences, depending on the stage of project development: The Town of Anytown is willing and has the financial capability to execute a feasibility cost sharing agreement for the project, and a project partnership agreement for the project should the project report be approved. The Town of Anytown will continue to carry out its obligations under the executed feasibility cost sharing agreement, and is willing and has the financial capability to execute a project partnership agreement for the project should the project report be approved. The Town of Anytown is willing and has the financial capability to execute a project partnership agreement for the project should the project report be approved. The Town of Anytown is willing and has the financial capability to execute a project partnership agreement for the project.) The Town understands that under the project partnership agreement it will be responsible for sharing in the costs of the project, acquiring necessary real estate interests, and performing necessary operation, maintenance, repair, rehabilitation, and replacement of the project.

/ signature block /

e. If and when the project is reaffirmed in writing, the District will enter the reaffirmation date in the CAP database and reclassify the project to Active status.

f. If the Non-Federal Sponsor indicates that it does not wish to reaffirm the project, or fails to reaffirm an already-Suspended project in a reasonable time, the District will conduct the following actions:

(1) Notify the Non-Federal Sponsor and the local offices of the affected Members of Congress of the pending Termination of the project.

(2) Thereafter, reclassify the project in OFA as Terminated, unless the Non-Federal Sponsor reaffirms the project within a reasonable time after notification.

5. Funding Priorities:

a. In accordance with the following priorities, the HQUSACE Program Manager may reallocate to project phases the funding available or projected to be available in each section for obligation in the applicable FY. Funds will not be reallocated to projects or phases classified as Converted, Terminated, or Suspended. The term reallocated in this appendix is referencing funding from either the Master Program Code or from projects within the same section:

(1) Approximately twenty percent of the available funding will be reallocated to Feasibility phases and eighty percent will be reallocated to D&I phases; provided, that minor deviations from exactly 80/20 are expected due to project capabilities and useful increments.

(2) Funding for each type of phase will be reallocated first for the estimated unfunded costs of award for already-solicited contracts, of contract management, known claims, and known within-scope modifications for already-solicited and already-awarded contracts, of monitoring for completed construction, and of Coordination.

(3) Funding for each type of phase will be reallocated to the next added project phase until all funding for that type of phase has been reallocated or remaining funding for that type of phase is not sufficient to fund useful work on the next-added project phase. However, the HQUSACE Program Manager may reserve funding for post-agreement work on project phases for which agreements have been authorized.

(4) The amount reallocated to each project phase will not exceed the capability for that project phase for the applicable fiscal year. In addition:

(a) No more than \$50,000 cumulative will be reallocated to a Feasibility phase until a positive Federal Interest Determination has been made.

(b) Except in the case of a phase that does not require an agreement or a Section 204 Feasibility, no more than \$100,000 may be reallocated to a project phase until the agreement for that phase has been executed.

b. Section 14. Subject to paragraph 6, project phases that address the most significant risks and adverse consequences have priority, irrespective of agreement or phase status.

c. Other Sections. Subject to paragraph 6, and notwithstanding paragraph F-25.d. of ER 1105-2-100:

(1) Previously funded project phases have priority over previously unfunded project phases.

(2) Among previously funded project phases, project phases with executed agreements (except for project phases with agreements authorized under paragraph 9.d. but for which the HQUSACE Program Manager has not yet provided, reserved, or planned Funding for post-execution work) have priority over project phases without executed agreements.

(3) Among previously funded phases without executed agreements and previously funded project phases with agreements authorized under paragraph 9.d. but for which the HQUSACE Program Manager has not yet provided, reserved, or planned Funding for post-execution work, priority is given first to project phases for which execution of an agreement is scheduled for the applicable FY or has taken place, and last to project phases for which execution of a required agreement is not scheduled for the applicable FY.

(4) Subject to the foregoing paragraphs, project phases that are the highest-performing and that are closest to fiscal completion (that is, cumulative obligations for the phases, as a percent of total Federal costs for the phases are the highest) have priority. For section 107, projects for which the ASA(CW) has concurred in the fact sheet will be treated as highest-performing, projects with no ASA(CW) action will be treated as next-highest performing, and projects in which the ASA(CW) has non-concurred should be terminated by the District.

6. Funding Processes:

a. At the beginning of the CFY, HQUSACE Program Manager will provide an Initial Allocation Plan for the Program based on carry-in Funding and anticipated CFY Funding during a Continuing Resolution period, if applicable. The HQUSACE Program Manager will determine acceptable risks to ensure a proactive approach to managing the program with the goal of maximizing project delivery and execution.

b. Projects funded in the Initial Allocation Plan that did not receive carry-in Funding shall be executed using Funding made available by "paper FAD" under the Continuing Resolution Act.

c. Upon the enactment of an annual or full year appropriations bill, HQUSACE Program Manager will provide a Final Allocation Plan and work allowances for the Program.

d. After enactment, an assessment will be undertaken to determine if it is appropriate to initiate any new Start CAP Feasibility phases. This assessment will consider if such projects can be funded over time based on historical averages of the appropriation for that section. A decision to fund any new Start CAP Feasibility phases will be coordinated with the Committees on Appropriations of the House of Representatives and the Senate.

7. Reprogramming and Reallocation:

a. Approval of the HQUSACE Program Manager is required to reprogram Funding into or out of a CAP section, which is a PPA.

b. During the CFY, HQUSACE will reallocate to the applicable Master Program Code all project Funding not scheduled for obligation or solicitation in the CFY.

c. Districts and MSCs may reallocate Funding, as needed, to the applicable CAP section Coordination account.

d. The District may approve a Reallocation to a project phase that has received a reallocation already in the current FY, provided that no more than \$50,000 cumulative will be reallocated to a Feasibility phase until a positive Federal Interest Determination

has been made, and no more than \$100,000 cumulative will be reallocated to any project phase until the agreement for the phase has been executed.

e. Other Reallocations require the approval of the MSC and the HQUSACE Program Manager.

8. Quarterly Reviews:

a. MSCs will ensure that Districts update data in the CAP Database on phase, capabilities, agreement dates, the unfunded costs of already-awarded and already-solicited contracts, Coordination costs, and the like. For consistency purposes, the MSCs will ensure the data is updated by the 10th day of the month preceding the next quarter: (i.e. 10 Dec, 10 Mar, 10 Jun, 10 Sep).

b. The HQUSACE Program Manager will carry out "sweeps" of Funding not scheduled for obligation in the CFY. However, the Program Manager may permit a project to retain Funding needed in the next FY for contract management, known claims, and known within-scope modifications on already-solicited or already-awarded contracts, or may permit any project to retain Funding scheduled for obligation in the first quarter of the next FY. The HQUSACE Program Manager may approve Reallocation of Funding within the Division, if consistent with paragraph 6, in lieu of revocation to the applicable Master Program Code.

c. The HQUSACE Program Manager will reallocate Funding to project phases for the applicable FY in accordance with paragraph 6, and notify the MSCs of newly reallocated Funding.

d. The HQUSACE Program Manager will determine and coordinate New Starts projects with the Appropriations Committees.

9. Authorization of Agreements:

a. No cost sharing agreements (Feasibility Cost Sharing Agreements or Project Partnership Agreements) will be executed for CAP projects without the prior authorization of the HQUSACE Program Manager. Each authorized agreement will be negotiated, reviewed, approved, and executed in accordance with current policies and practices (see ER 1105-2-100, Appendix F). Note that authorization of an agreement under this Appendix and approval of an agreement under ER 1105-2-100, Appendix F are two separate actions.

b. The HQUSACE Program Manager will authorize an agreement for a project phase if the agreement is scheduled for execution in the applicable FY, the HQUSACE Program Manager has reserved Funding to the project phase for post-agreement work in the applicable FY or has planned the use of budgeted Funding for post-agreement work in the next FY, and, in the case of a Section 107 project, SACW has concurred in the fact sheet.

c. Should an MSC request authorization to execute an agreement for a previously funded Feasibility phase for which an agreement is not required, the HQUSACE Program Manager will authorize the agreement after verifying that the agreement is not required.

d. Should an MSC request authorization of an agreement for a previously funded project phase for which execution of the agreement alone (without necessarily obligating Funding after execution) prevents non-Federal cost sharing Funding from being lost, the HQUSACE Program Manager will authorize the agreement after verifying the necessity of execution. Such authorization does not create a commitment to fund post-agreement work.

e. Once an agreement is authorized, the authorization will not be rescinded. However, continued authorization of the agreement does not exempt the project from Reallocation of project Funding that is not scheduled for the CFY.

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APPENDIX C

Executive Direction and Management

Expenses (E) Program Execution Guidance

1. General:

a. The Expenses Program appropriation funds Executive Direction and Management (ED&M) functions of the Civil Works Program (CWP) which are conducted by Headquarters U.S. Army Corps of Engineers (HQUSACE), Major Subordinate Commands (MSCs) and selected Field Operating Activities (FOAs). ED&M functions include command and control, coordination and issuance of policy and guidance, program management in developing, defending and executing the CWP programs, national and regional level coordination with elements of the Administration, Congress, and other agencies and national stakeholders, and quality assurance to ensure that the CWP is being executed in accordance with law, policy and regulation.

b. In FY12, the Energy and Water Development (E&WDA) enacted appropriation law which for the first time made the E appropriation 2-year Funding. Under the terms of the Energy and Water Development Appropriations Act, 2014 (Division D of the Consolidated Appropriations Act, 2014), FY14 Expenses Funding is for a comparable period of availability, FY14/15, expiring on 30 September 2015. The E appropriation authorizes funding for supervision and general administration of HQs USACE and its Division Offices, as well as the cost of management and operation of the Field Operating Agencies (FOA) Humphreys Engineer Center Support Activity, Institute for Water Resources (IWR), Engineer Research and Development Center (ERDC), ACE IT, USACE Logistics Activity (ULA) and USACE Finance Center (UFC), to remain available until 30 September 2015. It prohibits use of any other appropriation provided in Title I of the Act to fund CWP activities of HQUSACE except that any Flood Control and Coastal Emergencies appropriation not otherwise restricted as to use may be used to fund supervision and general administration of Emergency operations, repairs, and other activities in response to any flood, hurricane, or other natural disaster. In addition, no Expenses Program Funding will be used to implement any pending or future competitive sourcing action under Office of Management and Budget (OMB) Circular A-76 or High Performing Organizations for the U.S. Army Corps of Engineers.

2. Program Challenges:

a. The Corps is transforming and evolving to meet changing needs of the nation, and its Armed Forces. As the needs of society and the workforce have changed, the CWP mission of development and management of water resources have changed, to include protection and restoration of water resources and the ecosystems they support. The complexity of water resources development and management requires closer partnerships and greater collaboration.

b. HQs is working towards the development and implementation of a CW Expenses program development process to appropriately integrate the current RM/operating budget development cycle that will improve the current ability to develop and defend Civil Works labor funding within the Administration.

c. Executive Order 13514, signed October 2009, requires Federal agencies to set a 2020 Greenhouse gas (GHG) emissions reduction target and to meet energy, water and petroleum reduction goals established in EO 13423, the Energy Independence and Security Act of 2007, and the Energy Policy Act of 2005. ASA(CW) submits annually to OMB and CEQ the USACE-wide Sustainability Plan and the Comprehensive Greenhouse Gas Inventory, Annual Energy Management Report, and Sustainability and Energy scorecard. To this end, the Corps is establishing USACE-wide policies, plans, processes, and tools, required to improve USACE performance and support annual reporting requirements related to greenhouse gases (GHG), energy/fuel efficiency, renewable energy, green buildings, regional and local planning, water use efficiency, pollution prevention, sustainable acquisition, electronic stewardship, and data centers. The Corps' ED&M staff frequently updates policy, guidance and technical documents and interacts with regional and national stakeholders at the federal, state, local and private sectors.

d. Many of the Corps aging workforce, possessing required knowledge, abilities, and skills, will be retiring soon. There will be a surge of labor costs to market and recruit employees of choice, and attracting and retaining disciplined, competent, professional talented employees, who can deliver innovative solutions now and into the future.

3. Highlights of Initiatives and Priorities:

a. The USACE strategy plan is called the "Campaign Plan". The Corps' Campaign Plan describes its vision, strategy, goals and objectives for the entire organization. The Commanding General's four priorities are:

(1) Support the War Fighter: Deliver innovative, resilient, and sustainable solutions to DoD and the Nation;

(2) Transform Civil Works: Deliver enduring and essential water resource solutions using effective transformation strategies;

(3) Reduce Disaster Risks: Deliver support that responds to, recovers from, and mitigates disaster impacts to the Nation: and

(4) Prepare for Tomorrow: Build resilient People, Teams, Systems, and Processes to sustain a diverse culture of collaboration, innovation, and participation to shape and deliver strategic solutions.

b. These four goals are compatible with the accomplishment of the Civil Works Program. They are accomplished through Strategic Goals one through five:

(1) Assist in providing for safe and resilient communities and infrastructure.

(2) Help facilitate commercial navigation in an environmentally and economically sustainable fashion.

(3) Restore degraded aquatic ecosystems and prevent future environmental losses.

(4) Implement effective, reliable, and adaptive life-cycle performance management of infrastructure.

(5) Build and sustain a high quality, highly dedicated workforce.

4. Performance under Various Levels: The Expenses appropriation funds ED&M labor, Mandatory costs, and Discretionary costs for HQ, eight (8) Major Subordinate Commands (MSC), and six (6) Field Operating Activities (FOA). The proposed Funding and FTE has remained constant at the FY12 level and does not provide for inflation or growth in labor or mandatory items such as rent, utilities and communication costs. FY15 Appropriation funding for the former program accounts/campaign accounts will be recognized as remaining item and will be funded by the Expense program, in separate bins.

5. Execution. Appropriations for the Expenses Program are insufficient to fully fund labor and all mandatory requirements. Funding for non-labor requirements is sufficient for effective accomplishment of the mission. Since labor Funding represents 70% of total Funding for the program, labor management is of top priority:

a. Work of the Expenses Program is accomplished through subdivision of work among HQUSACE, eight MSCs, and six FOAs. Within HQUSACE, work is managed by three groups – the two mission directorates, Civil Works and Military Programs, and all others comprising the support group are represented by the CoS.

b. Work Allowance Documents (WADs) and Funding Authorization Documents (FADs) provide work and Funding authorization to 16 of the 17 work subdivisions that execute Corps ED&M activities.

c. The Directorate of Resource Management (DRM) allocates Funding based on Congressional direction, appropriation, OMB apportionment, and priority.

d. Allocation of Expenses Program Funding among work subdivisions is accomplished by DRM through successive recommendations of the Program Advisory Working Group (PAWG), Headquarters Prioritization Group (HPG), and Senior Program and Budget Advisory Council (SPBAC).

e. Sub-allocations within non-HQUSACE work subdivisions are accomplished for both labor and non labor items at the discretion of the managers, mindful of need to maintain adequate force strength.

f. Sub-allocation of Expenses Program Funding among the three management groups within HQUSACE is accomplished by the Chief of Staff (CoS) through successive recommendations of the Headquarters Operations Prioritization (HOP) Group and Junior Program and Budget Advisory Council (JPBAC).

g. Execution of Expenses Program Funding are based on collective recommendations of constituent offices within the three management groups within HQUSACE and is accomplished by the Executive Directors of the mission directorates and CoS.

h. Allocations for any given year must be obligated in that year to the fullest extent practicable to include obligations by performing organizations of funding provided under Corps-to-Corps government orders. Unobligated amounts are to be returned to DRM IAW dates of the close out plan.

i. DCW establishes deadlines for completion, by work subdivision, of basic milestone and obligation schedules for both labor and non-labor activities. Labor funding must be devoted to labor activities and scheduled and reported accordingly.

j. The DCW will review performance of all work subdivisions at monthly Project Review Board (PRB) meetings and Directorate Management Reviews (DMRs) in terms of actual versus scheduled milestones and obligations. DRM also will host quarterly execution reviews.

6. ED&M of the Regulatory Program should be charged to the Expenses appropriation, not the Regulatory Program appropriation. The following activities pertaining to the Regulatory Program are ED&M and should be charged to Expenses:

a. Costs associated with the development of regional general permits in accordance with 33 CFR § 325.2(e) (2).

b. Costs associated with the development, review, and approval for the use of Emergency procedures in accordance with 33 CFR § 325.2(e) (4) and ER 500-1-.1

c. Costs associated with the division staff participation in public hearings in accordance with 33 CFR § 327.5.

d. Costs associated with the process of making navigability determinations in accordance with 33 CFR § 329.14(b), § 329.15, and § 329.16.

e. Costs associated with the reissuance of the nationwide permits including the development and implementation of regional conditions in accordance with 33 CFR § 330. Exercising the regional discretionary authority in accordance with 33 CFR § 330.

f. Costs associated with the referral of permit applications to the division or headquarters in accordance with 33 CFR § 325.8.

g. Costs associated with administrative oversight of the Administrative Appeals Program in accordance with 33 CFR § 331 except for those costs incurred by the division engineer's designated Appeal Review Officer while executing his/her duties as Review Officer.

h. Costs associated with duties assigned to the Administrative Appeals Review Officer and any general and administrative costs that are not directly related to the execution of an administrative appeal review. Review Officers who work on non-appeal related division level tasks are to charge to ED&M (or other appropriate Funding).

7. Details and Developmental Assignments. Persons detailed to vacant positions are detailees for whom funding is provided through PR&C to home offices, obligation authority for cross-charging of labor costs to host offices and MIPRing to home offices, and obligation authority for TDY costs. Persons not filling vacant positions are developmental assignees for whom labor costs are absorbed by home offices. TDY costs are handled in the same way as for detailees. Funding for developmental assignments and details will derive solely from hiring lag provided within the annual funding allocation.

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APPENDIX D

Flood Control and Coastal Emergencies Execution Guidance

1. The Flood Control and Coastal Emergencies (FCCE) account funds all Public Law (PL) 84-99 activities, includes responsibility for disaster preparedness, inspection of non-Federal flood risk management projects, emergency operations, rehabilitation of damaged flood risk management projects, emergency dredging, emergency water assistance, Advance Measures for the imminent threat of unusual flooding, and participation in the hazard mitigation program.

2. Previously appropriated Funding, Funding previously transferred from other appropriations for flood control, and new FY 2014 Funding will be used to fund these purposes.

a. CECW-HS will:

(1) Provide guidance on prioritization and execution of FCCE Funding;

(2) Maintain data on Funding needs for preparedness, operations, and emergency water, Advance Measures, inspections of eligible non-Federal flood risk management projects, and preparation of Project Implementation Reports (PIRs);

(3) Provide FCCE work allowances quarterly for priority preparedness activities, inspections, and participation in the hazard mitigation program;

(4) Provide FCCE work allowances upon request for priority emergency operations, emergency water, Advance Measures, and preparation of PIRs;

(5) Revoke Funding surplus to current FY preparedness and operational requirements.

b. CECW-I will:

(1) Maintain data on Civil Works project repair requirements and PL 84-99 project rehabilitation requirements;

(2) Provide FCCE work allowances as directed/requested by CECW-HS, for PL 84-99 rehabilitations and project repairs determined by CECW-HS to be eligible for FCCE Funding;

(3) Revoke Funding surplus to current FY rehabilitation and repair requirements;

(4) Manage transfers into the FCCE account of Funding from other flood control appropriations as needed.

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3. Primavera project schedules and obligation/expenditure (2101) schedules are to be developed in P2 for all FCCE activities funded under the CCS codes having the first two digits of 31, 32, 33, 41, 42, and 51.

APPENDIX E

Regulatory Program Execution Guidance

1. The purpose of this Appendix is to provide guidance for the execution of the Regulatory Program budget. USACE's Regulatory Program mission is to protect aquatic resources while allowing reasonable development through efficient decision-making. USACE's jurisdiction extends to the navigable waters, their tributaries, and adjacent wetlands and certain other waters. The following three national program goals are established to indicate progress towards meeting program objectives:
 - a. No Net Loss of Wetlands.
 - b. Avoidance and Minimization of Impacts to Aquatic Resources.
 - c. Permit Processing Timeframes.
2. The following five metrics are established to indicate progress towards meeting the national program objective under the USACE Campaign Plan, which directs us to implement streamlined and transparent regulatory processes:
 - a. Websites updated to increase transparency with the public. For FY14, additional appeal information will be provided. The type of information provided will change on an annual basis.
 - b. Implementation of GP and IP decision document templates and QMS Regulatory Enterprise Standards.
 - c. Headquarters' development of technical and watershed-based tools, including CEA Tools for implementation by districts.
 - d. Reauthorize Nationwide Permits by March 19, 2017.
 - e. Draft and implement metrics to measure improvement within ORM2 to align with public access to and submission of data.
3. The appropriation for FY 2014 is \$200,000,000 and will expire on 30 Sep. 2015.
4. Programmed Schedule. Obligation and expenditure schedules are to be developed in P2 following the guidance detailed in the main body of this Circular. These P2 obligation and expenditure schedules will establish the Baseline schedules for measuring FY 2014 execution and are reported on quarterly at Directorate Management Review meetings. Please ensure schedules are accurate before the schedules are locked. Adjustments may be made to the basic schedule once the yearly appropriation has been received.

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5. Programmed Carryover. Carryover that is scheduled for business reasons includes funding obligated on fully funded contracts, labor, or other actions that are not scheduled to be completed until FY 2015. Funding provided in FY 2014 should not be programmed beyond FY 2015.

6. Work Allowances. See guidance provided in the main body of this Circular.

7. Execution Metrics:

a. With emphasis on linking performance with budget levels, obligation and expenditure Baselines will be created in P2. Program performance as measured through the achievement of the *eleven* (eight external and three internal) performance measures will inform resource execution and allow headquarters, divisions and districts to manage and confirm progress towards achieving established performance targets for all aspects of the Regulatory Program.

b. The Regulatory Program goals and eight external performance measures were developed through a collaborative process with OMB and have an equal focus on all of the Program's Goals. The eight performance measures enable USACE to report on program effectiveness and results which directly correlate to adequate levels of funding for district staff. In addition to the eight performance measures, the Regulatory Program has developed three internal metrics to measure the effectiveness of the Administrative Appeals Program. In addition to these measures, five additional metrics are used to measure the degree to which we have achieved the national program objective of implementing streamlined and transparent regulatory processes through the USACE Campaign Plan. All metrics are included in the Command Monitoring Requirements (CMR) via the Strategic Management System (SMS) to enable monitoring and analysis of district/division/program performance and budget execution.

c. Administrative Appeals Program. Districts and Divisions are required to enter all data into the ORM 2 database and report performance for each of these performance measures each quarter. Headquarters will also run performance reports to inform national program execution. Headquarters will provide all Districts and Divisions a 10-calendar day period before the national performance reports are run to insure all district/division data are current.

d. For FY 2014, District Regulatory Programs and Division Administrative Appeal Review Officers will receive funding based on a \$200 million appropriation for the national Regulatory Program. The Districts' FY 2014 base allocations does not provide for any increases to the Districts for locality pay or increases associated with the general costs of doing business. Districts must manage their Regulatory Program budget carefully to ensure labor for all on-board staff is covered.

e. To assist in determining whether USACE is meeting its commitments to customers, stakeholders, and Congress, Regulatory will continue to utilize the Office of Management and Budget-Program Assessment and Rating tool's eight performance

measures. The Regulatory program will also implement three internal performance measures for the Administrative Appeals program. In addition, the Regulatory program will implement five internal metrics to track the progress in achieving the national program objective of implementing streamlined and transparent regulatory processes through SMS. Note an increase in Performance Measure 2, 3, and 7 due to increased funding.

Regulatory Permit Program Performance Measures (External)	FY 2014 Targets
1. Individual Permit Compliance The Corps shall complete an initial compliance inspection on XX% of the total number of all individual permits (including LOPs) issued during the preceding FY where authorized work is underway.	10%
2. General Permit Compliance. The Corps shall complete an initial compliance inspection on XX% of the total number of all General Permits (including NWP) issued during the preceding FY where authorized work is underway.	10%
3. Mitigation Site Compliance The Corps shall complete field compliance inspections of XX% of active mitigation sites each fiscal year. Active mitigation sites are those sites authorized through the permit process and being monitored as part of the permit process but have not met final approval under the permit special conditions (success criteria).	10%
4. Mitigation Bank/In Lieu-Fee Compliance The Corps shall complete compliance inspections/audits on XX% of active mitigation banks and in lieu fee programs annually.	20%
5. Resolution of Non-compliance Issues. The Corps will reach resolution on XX% of all pending non-compliance actions for permits with special conditions and/or mitigation requirements that are unresolved at the end of the previous fiscal year and have been received during the current fiscal year.	20%
6. Resolution of Enforcement Actions. The Corps shall reach resolution on XX% of all pending enforcement actions (i.e., unauthorized activities) that are unresolved at the end of the previous fiscal year and have been received during the current fiscal year.	20%
7. General Permit Decisions. The Corps shall reach permit decisions on XX% of all General Permit applications within 60 days.	80%
8. Individual Permits. The Corps shall reach permit decisions on XX% of all Standard Permits and Letters of Permission (LOPs) within 120 days. This standard shall not include Individual Permits with Formal Endangered Species Act (ESA) Consultations.	50%
Regulatory Appeal Program Performance Measures (Internal)	FY 2014 Targets
1. Completion of Appeals of Approved Jurisdictional Determinations: The Corps shall complete the review of all accepted Approved Jurisdictional Determination appeals in 90 days.	25%
2. Completion of Appeals of Declined Proffered Permits: The Corps shall complete the review of all accepted Declined Proffered Permit appeals in 90 days.	25%
3. Completion of Appeals of Permits Denied with Prejudice: The Corps shall complete the review of all accepted Permits Denied with Prejudice appeals in 90 days.	25%

Regulatory National Program Campaign Plan Objective Metrics	FY 2014 Targets – Tracked in SMS
1) District websites updated with appeal information.	90% of district websites are updated
2) Implementation of GP and IP decision document templates and QMS Regulatory Enterprise Standards.	Complete GP/SP decision templates drafting and implement in 7 test districts.
3) Development and implementation of technical and watershed-based tools, including CEA Tools.	Complete development for 3/8 MSCs of technical and watershed-based tools, including CEA Tools.
4) Reauthorize Nationwide Permits by March 19, 2017.	100% field implementation of 2012 NWP.
5) Draft and implement metrics to measure improvement within ORM2 to align with public access to and submission of data.	100% completion of metric development.

8. Reallocation. There are no restrictions on District Reallocation of funding among the Permit, Compliance, Enforcement, and District Appeals accounts. In consultation with Headquarters, a Division may reallocate up to 10% of a District's annual allocation to other Districts within its Division. Reallocations should be limited to short term, current FY Regulatory labor needs and will not result in a re-Baseline of a District's allocation in future FYs. Please note this is not the same as re-baselining. Re-baselining is a more labor extensive process requiring Division approval and a review at Headquarters. The detailed plan should include current and future workload projections, performance, staffing and historic budget information. The plan should support the re-baseline recommendations provided to Headquarters for review.

9. Division Level Funding:

(1) Headquarters will distribute Work Allowances to the Divisions' Administrative Appeals account CCS 600 (013579), to administer the Administrative Appeals Program and related costs incurred by the Division Engineer designated Review Officer. In accordance with the 16 April 2013 CECW-OR memorandum, subject: Guidance on the Use of Administrative Appeals Funds in the Regulatory Program, this funding may be used by the Division Engineer's designated Review Officer for expenses, except when specifically assigned duties are not related to the Regulatory Administrative Appeals program. Please refer to Appendix C, Section 6 of this EC for additional guidance on Review Officer charging practices.

(2) Expenditures at the Division are limited to the costs incurred by the Division Engineer's designated Review Officer while executing his/her duties in accordance with 33 CFR § 331.

(3) In the event a Review Officer is working on an appeal from outside his/her own Division, they are to charge to their own Division's Administrative Appeals account for all costs incurred in managing those appeals.

(4) Unless acting as the Division Engineer's designated Review Officer, other Division staff may not charge to the Regulatory appropriation, including Administrative Appeals account without prior Headquarters approval.

(5) Divisions should not distribute Division Appeals account funding to the Districts via Military Interdepartmental Purchase Request (MIPR) or Work Allowances to support District staff work on appeal related activities.

b. District Level Funding:

(1) In accordance with the 7 October 2004 memorandum to USACE Commanders regarding Regulatory Work Category Codes, Districts may no longer program funding in the following CCS codes: 110, 120, and 130.

(2) Permit Evaluation - CCS 100 (008204). All permit related work items must be established under CCS 100 in the District's P2 work breakdown structure.

(3) Unauthorized Activities - CCS 210 (008205). All enforcement (unauthorized) related work items must be established under CCS 210 in the District's P2 work breakdown structure. As a reminder, Districts should not expend more than 25% of their overall allocation in the unauthorized and compliance categories combined.

(4) District Level Appeals – CCS 600 (0135790). All District level appeal related work items must be established under CCS 600 in the District's P2 work breakdown structure. This includes District costs assembling, copying, and transmitting the administrative record to the Division assigned Review Officer, as well as other appropriate costs as listed in Section 2 of the 16 April 2013 Memorandum from CECW-CO-R, entitled Guidance on the Use of Administrative Appeals Funds in the Regulatory Program.

(5) Compliance Activities – CCS 800 (010688). All compliance related work items must be established under CCS 800 in the District's P2 work breakdown structure. See above expenditure limits for this CCS code.

(6) Funding may not be programmed into or out of the Studies account CCS 300 (088870), EIS account CCS 500 (088890), Other Navigation Regulation account CCS 400 (008207) without prior Headquarters approval. Districts may not fund any new studies, EISs or other navigation regulations activities from other accounts. See also 7 December 1997 Memorandum Subject: Guidance on EIS Preparation, Corps Regulatory Program.

10. Obligation Schedule and Fund Distribution. Funding is distributed directly to each District's CCS 100 account informed by the Regulatory Program allocation formula which considers among other things the following factors:

- a. Workload.
- b. FTE Execution.
- c. Performance.
- d. Efficiency factors.

11. Funding has been retained at Headquarters for national Regulatory Program priorities including: policy support, science and technology tool development (e.g., ORM2, RIBITS, CEA, ERDC Regional Supplements, 87 manual revisions, HGM guidebooks, National Wetland Plant List, Tech Notes and Reports and the Wetlands Regulatory Assistance Program (WRAP), etc.), litigation and emerging requirements during the year. District Regulatory chiefs are expected to appropriately manage their funding to avoid furloughs and meet the performance measure targets. Districts and Divisions should not expect to receive additional funding from Headquarters to cover normal operating expenses near the end of the fiscal year. Prior year funding should be obligated by 31 Dec of the current fiscal year. Any amounts not obligated will be deducted from the FY allocation.

12. Funding From External Sources:

a. Section 214 of the Water Resources Development Act of 2000, as amended (WRDA-214), and Section 6002(j) of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), as amended, provides for the acceptance of funding from non-Federal public entities into the Regulatory Program.

b. Tracking of WRDA 214 and/or SAFETEA-LU Funding: All funding received in accordance with local agreements under WRDA 214 and/or SAFETEA-LU shall be programmed under the 96 2014/2015 3126 appropriation code for FY14. A new two year funding code shall be established each year. Districts shall expend carryover WRDA 214 and/or SAFETEA-LU funding in the 96 X 3126 appropriation code prior to expending WRDA 214 and/or SAFETEA-LU funding in any previous two-year appropriation codes IAW the 5 Mar 2013 memorandum on Programming of Funds Accepted from a Reimbursable Agreement within the Regulatory Program. Districts will establish a separate work item for each funding agreement. The following CCS codes will be used for tracking of this funding: CCS 991 – WRDA 214 CCS 992 –SAFETEA-LU.

c. Tracking and acceptance of other Federal/Non-federal funding arrangements: All funding received in accordance with local agreements that may be established under

public law, executive order or judiciary finding shall be programmed under the 96 2014/2015 3126 appropriation code for FY14. Districts shall expend other reimbursable carryover funding in the 96 X 3126 appropriation code prior to expending the other reimbursable funding in other two-year appropriation codes. Districts will establish a separate work item for each funding agreement. The following CCS code will be used for the tracking of funding: 999 – All other reimbursables.

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APPENDIX F

Maintenance and Operation of Dams Execution Guidance

1. The costs of the FERC Hydropower Coordination, Removal of Sunken Vessels, and Clearing, Snagging, and Straightening of Channels programs that have not been funded from the Operation and Maintenance (O&M) appropriation through FY 2014 will be funded from the Maintenance and Operation of Dams (M&O Dams) appropriation. M&O Dams Funding will be distributed to districts and executed in the FERC Hydropower Coordination program (Program Code 190014), the Removal of Sunken Vessels Program (Program Code 190021), and the Clearing, Snagging, and Straightening of Channels program (Program Code 190020), respectively, and not in the affected Civil Works projects. Surplus M&O Dams Funding in these programs should be offered for revocation. Points of contact are Mr. Kyle Jones, CECW-CO, (202) 761-4108, and Mr. Jeff McKee, CECW-CO, (202) 761-8648.
2. To fund allision repairs, M&O Dams Funding will be distributed to districts and executed in the Allision Damage Repairs program (Program Code 404651). Surplus M&O Dams Funding in this program should be offered for revocation. Any Funding recovered from vessel owners for costs incurred with M&O Dams Funding will be returned to the Allision Damage Repair program as M&O Dams appropriation reimbursements, revoked (reallocated) by HQUSACE, and made available by HQUSACE to fund additional allision repairs. Until initial allision repair costs have been reimbursed and M&O Dams Funding is sufficient to fund all allision repairs, it will be necessary to set priorities. Accordingly, the MSC in any request for M&O Dams funding should provide a business case describing the immediate impacts of the allision on commercial navigation and the consequences of inaction, and describing the alternative course of action if M&O Dams Funding were not made available, such as deferring the repair, redirecting O&M Funding within the Civil Works project, or reprogramming O&M Funding to the Civil Works project. Point of contact is Mr. Jeff McKee, CECW-CO, (202) 761-8648.
3. M&O Dams Funding will not be used for any purpose other than the four Program Codes enumerated above. O&M Funding appropriated after FY 2014 will not be used for these four Program Codes. However, Operation and Maintenance Funding on a Civil Works project may be used to execute allision repairs under the Program Code of the Civil Works project.

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APPENDIX G

Collection and Distribution of Civil Works Appropriation Reimbursements

1. Damages and Settlements. Funding collected from damages and settlement reimbursements will be accumulated at each District in AMSCO project 099951. The collected Funding will not be available for use by the District. The amount of the collected Funding attributable to each Civil Works project will be recorded in CEFMS. On a periodic basis, CECW-I and CERM will revoke the collected Funding from AMSCO 099951 in each appropriation which exceed a threshold of \$5,000 applied to each Civil Works project and will distribute to that Civil Works project the revoked Funding in the amounts revoked, with two exceptions: first, at the request of an MSC, CECW-I and CERM will distribute revoked Funding attributable to one Civil Works project to a different Civil Works project in that MSC; second, FUSRAP and Maintenance and Operation of Dams settlement Funding will be returned to the undistributed balance for the respective account and distributed for priority work. An MSC may request a non-periodic distribution in extraordinary circumstances.
2. Commodities. Funding collected from the sale of commodities will be accumulated at each District in AMSCO project 099952. The collected Funding will not be available for use by the District. The amount of the collected Funding attributable to each Civil Works project will be recorded in CEFMS. On a periodic basis, CECW-I and CERM will revoke the collected Funding from AMSCO 099952 in each appropriation which exceed a threshold of \$5,000 applied to each Civil Works project and will distribute to that Civil Works project the revoked Funding in the amounts revoked. However, at the request of an MSC, CECW-I and CERM will distribute revoked Funding attributable to one Civil Works project to a different Civil Works project in that MSC. An MSC may request a non-periodic distribution in extraordinary circumstances. CECW-I will include in each Work Allowance remarks that the Funding is only to finance the costs of commodity sales activity and other natural resources management activities, or to replace any other project Funding that was used to finance such costs before the initial distribution to the project.
3. Real Estate. Funding collected from real estate fees will be accumulated at each District in AMSCO project 099953. The collected Funding will not be available for use by the District. The amount of the collected Funding attributable to each Civil Works project will be recorded in CEFMS. On a periodic basis, CECW-I and CERM will revoke the collected Funding from AMSCO 099953 in each appropriation which exceed a threshold of \$5,000 applied to each Civil Works project and will distribute to that Civil Works project the revoked Funding in the amounts revoked. An MSC may request a non-periodic distribution in extraordinary circumstances. The distributed Funding is to be used to fund the costs, including refunds of excess fees to applicants, of entering into and managing covered real estate transactions, including outgrants and exchange or disposal transactions. CECW-I will include in each Work Allowance remarks that the Funding is only to finance the costs of entering into and managing covered real estate transactions, or to replace other project Funding that will have been used to finance

such costs before the initial distribution to the project. All real estate transactions other than covered transactions will be funded with available project Funding in the applicable appropriation.

4. Project Cost Reimbursements. Funding collected will be accumulated at each District in AMSCO project 099954. The collected Funding will not be available for use by the District. The amount of the collected Funding attributable to each Civil Works project will be recorded in CEFMS. On a periodic basis, CECW-I and CERM will revoke the collected Funding from AMSCO 099954 in each appropriation which exceed a threshold of \$5,000 applied to each Civil Works project and will distribute to that Civil Works projects the revoked Funding in the amounts revoked. An MSC may request a non-periodic distribution in extraordinary circumstances, such as fiscal closeout of a project.

APPENDIX H

Use of Program Code in P2

1. The P2 Program Code data field is used to correlate P2 projects with line items contained in Congressional Appropriation bills, reports and acts. The associated Program Code Description field contains the “official” project name such as shown in the authorizing legislation. The Program Code is a project level code which is entered in Primavera P6 Web. Only those Program Codes which are on the list of valid values in Primavera can be selected. A P2 project can be associated with only one Program Code.
2. In CEFMS, the data field named AMSCO is used to identify projects at the Congressional line item level. In the PRISM legacy system, which has been replaced by P2, this identifier was known as CWIS or PWI. (Note that CEFMS also contains a data field named PWI (Project Work Item) which is a separate number and is not addressed by this guidance.) Funding has historically been budgeted and allocated using the AMSCO/CWIS/PWI number. All P2 projects that are associated with an historic AMSCO/CWIS/PWI should populate the Program Code field in Primavera with this historic AMSCO/CWIS/PWI number. Projects that are initiated in P2 and are not associated with an historic AMSCO/CWIS/PWI project (i.e. new projects), will also need a Program Code assigned. For these new projects, the new Program Code and AMSCO will be the same as the P2 Project Number which is generated when the project is initiated in Primavera. If there are multiple P2 projects that are budgeted and funded as one Congressional line item, and that line item is not associated with an historic AMSCO/CWIS/PWI, then the P2 Project Number of the first P2 project established for the Congressional line item, or the “parent” project, if any, will be added to the list of valid Program Codes, and entered as the Program Code in Primavera for this project and all subsequent associated P2 Projects.
3. To add a new AMSCO to the CEFMS list of valid AMSCO values, users must submit a request to the Finance Center (CEFC-AF), including the number, name, and the appropriation account(s) that will provide Funding for the AMSCO. HQUSACE periodically receives a list of new AMSCO entries, and after review HQUSACE adds these to the list of valid Program Codes in Primavera. In most cases a new AMSCO added to CEFMS should be available in Primavera within a few days. If a Program Code is missing from the Primavera list and needs to be added, or if a Program Code name needs to be changed, a request should be submitted to Ms. Elinor G. Case (cf: William D. Caldwell) at HQUSACE via e-mail. Include the proposed Program Code number (typically the P2 Project Number for a new project) and name. The name should be the “official” project name such as shown in authorizing legislation. The state(s) in which the project is located should be identified at the end of the name. Follow the same naming standard for both Program Code name and AMSCO name. Requests for new Program Codes will be reviewed by HQUSACE, and then the new

Program Code number and name will be added to the list of valid Program Code values in Primavera. The District/Lab/Center will then need to log-in to Primavera P6 Web and enter the Program Code into the Program Code field on the applicable P2 project(s).

4. After a Program Code is assigned to a P2 project in Primavera, the Program Code will be visible in Oracle Financial Analyzer (OFA) after the next successful completion of the nightly OFA load process. The OFA-CW data entry forms for the PBS, CWAS, CAP, and 2101 modules require that a Program Code must be assigned on a project before the data entry form can be used to submit data updates for that project.

5. Within OFA-CW, the Project dimension contains two hierarchical views that utilize the Program Code. These views are named "Program Code View" and "EROCC/Program Code View". These views can be used to produce reports organized by Program Code, with the capability to drill down to the individual P2 project(s) within each Program Code. Projects that have not yet been assigned a Program Code are listed under "N/A". Each MSC/District/Lab/Center should run data quality reports to find and correct instances of "N/A" Program Codes, and assure that a valid Program Code has been assigned to every CW direct funded P2 Project which has status of "Approved".

6. In most cases, the P2 Program Code should be the same number used as the AMSCO in CEFMS. There may be exceptions, such as:

a. There are some cases where the same historic AMSCO/CWIS/PWI was inadvertently assigned to two different Congressional line-items. Since the Program Code is a unique USACE-wide identifier, only one Congressional line-item may use the historic AMSCO/CWIS/PWI as the Program Code and a new Program Code will need to be established for the other Congressional line-item. In some of these cases, we resolve this situation by assigning a new number to be used as the AMSCO/Program Code for one of the duplicates. An alternative solution in some cases is to continue using the same AMSCO on both items, but for one of the items add a "-1" to the end of the Program Code to differentiate it from the other Program Code.

b. In some cases, particularly in FCCE, Regulatory, and in some Labs and Centers, an individual P2 project is funded from multiple AMSOs. In these cases, we usually recommend that a "primary" AMSCO be assigned as the Program Code.

7. Points of contact for this guidance are Elinor Case (202) 761-4115 and Bill Caldwell (202) 761-4094.

APPENDIX I

Standard Operating Procedures for Recording Work Allowances for Project-Based Accounts

1. Regular Funding of I, C, O&M, and MR&T (other than Parent Programs and Project Funding Pots):

a. Initial Work Allowances:

(1) Funding identified in the Act or Statement of Managers for a PPA are issued to the P2 Program Code for the PPA using the C Work Allowance code. Where the PPA spans multiple EROCs, the total is distributed in multiple C-coded Work Allowances.

(2) Where Funding is withheld from a PPA in a District receiving a C allocation, the H (Withhold) Work Allowance code is used. The full amount of the C-coded allocation is issued to the PPA in the District, a negative Work Allowance using the H Work Allowance code is issued to the PPA in the District for the withheld portion, and an exactly offsetting positive Work Allowance using the H Work Allowance code and CCS 033 (indicating undistributed Funding) is issued to the same PPA on the Headquarters (S0) database. Later, the withheld portion may be issued in one or more Work Allowances using a negative H Work Allowance for S0 and a positive H Work Allowance for the District.

b. Appropriation Reimbursements are collected into four P2 Program Codes (99951 through 99954) at all Districts. This Funding is not available to the collecting Districts. To make the Funding available to the collecting or other Districts, HQUSACE issues a negative Work Allowance against one of the four P2 Program Codes in one or more Districts using the ALC (Allocation – Collected Funding) Work Allowance code, and issues the Funding in an equal and offsetting amount to the P2 Program Code for the recipient project using the ALC Work Allowance code. Issuance of collected Funding in this manner is not a Reprogramming.

c. Corrections are accomplished by issuing a negative Work Allowance in the original code. The Funding is then available for issuance.

d. A Rescission enacted for the FY or a sequestration under the Balanced Budget Enforcement and Deficit Control Act is applied on a pro-rata basis to each PPA. The Rescissions or sequestrations are applied by issuing negative Work Allowances with the RES (Rescission) or GRH (Sequestration) Work Allowance code.

e. The statutory one percent deduction (DED) for the O&M account is applied in the same manner as a Rescission (RES). The deducted Funding is treated as a Project Funding Pot (see below).

f. Funding authorized to be transferred to another appropriation is revoked using the T (Transfer) Work Allowance code in the original account.

g. Reprogramming to or from a PPA is coded as CLM, CGR, EMR, or REP. To be coded as EMR or CLM, a Reprogramming must meet the conditions in paragraph 7.b.(4)(b) or 7.b.(5)(b), respectively, of this Circular. To determine whether a Reprogramming exceeds Reprogramming limits and therefore requires prior Committee notification (CGR), P2 computes the Baseline for the PPA, computes the Reprogramming limit based on the Baseline, and compares cumulative net Reprogrammings, including the proposed Reprogramming, to the limit. Both regular Funding and supplemental Funding are included in the computations, and the Baselines, limits, and cumulative net Reprogrammings combine regular and supplemental Funding. The same code may not necessarily apply to both the receiving PPA and the donor PPA, except that the donor PPA is coded as CLM or EMR if the receiving PPA is coded as CLM or EMR, respectively.

h. Undistributed Balance and Non-Offsetting Work Allowances.

(1) The undistributed balance is comprised of Funding previously reprogrammed from PPAs in one-way Reprogrammings and not yet reprogrammed to other PPAs in one-way Reprogrammings. When Funding previously reprogrammed from PPAs by HQ and included in the undistributed balance is reprogrammed (reissued) to PPAs, the applicable Reprogramming Work Allowance code of CLM, CGR, EMR, or REP is used for receiving PPAs. This Funding is not the same as previously unissued Funding.

(2) HQUSACE Appropriation Manager approval is required for any non-offsetting Work Allowance, as this would affect the undistributed balance.

2. Regular Funding of I, C, O&M, and MR&T (Parent Programs). See paragraph 6.c.(3)(b) and Appendix G, paragraph 9 of this Circular:

a. Each Parent Program includes a Master P2 Program Code, usually on the HQ (S0) database. Ordinarily, no work is executed under the Master Program Code.

b. All Funding provided in the Act or Statement of Managers is issued to the Master Program Code using the C Work Allowance code. The H Work Allowance code is not used.

c. Funding is reallocated to, from, and among Children using the RLC Work Allowance code. Funding may be reallocated over time.

d. Reprogrammings arise only when Funding is moved into or out of the CCS or set of CCS for the Parent Program. P2-OFA checks compliance with Reprogramming limits for the entire CCS or set of CCS.

e. Corrections, Rescissions, sequestrations, statutory deductions, transfers, and non-offsetting Work Allowances among Parent Programs are managed in the same manner as for specifically authorized studies and projects, as described in paragraph 1 above.

3. Regular Funding of I, C, O&M, and MR&T (Project Funding Pots). See paragraph 6.c.(3)(c) and Appendix G, paragraph 12 of this Circular:

a. Each Project Funding Pot is funded in a Master P2 Program Code, usually on the HQ (S0) database. No work is executed under the Master Program Code.

b. All regularly appropriated Funding provided by the Act or Statement of Managers is issued to the Master Program Code using the C Work Allowance code. The H code is not used. Thereafter, Funding is passed through to individual specifically authorized studies and projects by issuing to the Master Program Code a negative Work Allowance using the ALL Work Allowance code, and issuing to the Program Codes of the individual studies and projects positive Work Allowances summing to the same amount using the ALL code.

c. Once Funding is passed through to a recipient study or project, the Funding becomes part of the Reprogramming Baseline for the recipient.

d. Once all never-issued Funding has been passed through to eligible PPAs from the Master Program Code, then the Master Program Code may be used to facilitate Reprogrammings. Funding may be reprogrammed into or out of the Master Program Code for a Project Funding Pot (except in the case of earmarks) in the same manner as described in paragraph 1.g. and 1.h. Funding previously reprogrammed into a Master Program Code in turn either may be reprogrammed to eligible PPAs, in which case there will not have been a net Reprogramming into or out of the Master Program Code, or may be passed through to qualifying studies or projects using the ALL Work Allowance code, just as is other Funding in the Master Program Code, in which case there will have been a net Reprogramming into the Master Program Code.

e. Corrections, Rescissions, sequestrations, statutory deductions, transfers, and non-offsetting Work Allowances for Project Funding Pots are managed in the same manner as for specifically authorized studies and projects, as described in paragraph 1 above.

4. Regular Funding of Flood Control and Coastal Emergencies:

a. There are no PPAs in the FC&CE account, except for Statutory Earmarks.

b. Regularly appropriated Funding and Funding transferred from other appropriation accounts are carried in the undistributed balance. This Funding is issued (reallocated) to qualifying Civil Works and Public Law 84-99 rehabilitation projects and to preparedness and response activities using the RLC Work Allowance code. Regular

Funding also is revoked (reallocated) from projects and activities using the RLC code. The undistributed balance fluctuates based on these transactions.

5. Regular Funding of FUSRAP:

- a. Initial Work Allowances are issued using the ALL code, except that the C code is used where the Act or Statement of Managers has specified an amount.
- b. The H code is used as in paragraph 1.a.2.
- c. The undistributed balance is comprised of never-issued and withheld Funding.
- d. Reprogrammings are exactly offset, and do not enter the undistributed balance. The REP and CGR codes are used.
- e. Corrections, Rescissions, and sequestrations are managed as under paragraphs 1.c. and 1.d. There are no statutory deductions or transfers for FUSRAP.

6. Supplemental Funding for Accounts Other than FC&CE:

a. Issuance of Funding from FY 2012 or Thereafter. Each supplemental appropriation or Statutory Earmark therein provided in FY 2012 or thereafter is treated as a Project Funding Pot, with certain limitations as discussed below:

(1) Each supplemental appropriation and each Statutory Earmark within that supplemental appropriation has its own Master Program Code. Supplemental Funding is distributed to the applicable Master Program Code using the SUP Work Allowance code. The H code is not used. The CCS for undistributed Funding in the Master Program Code is 033, representing Funding not distributed for use. The Master Program Code is a PPA.

(2) The Funding from each Public Law has a unique Public Law Code. If there is a Statutory Earmark, the earmarked Funding has a separate Contingency Code as well as the applicable Public Law Code. The Public Law Code and the Contingency Code, if applicable, are assigned to the Funding when it is distributed to the Master Program Code. The Public law Code and the Contingency Code follow the Funding.

(3) Funding is passed through to individual PPAs by issuing to the Master Program Code a negative Work Allowance using the SUP (instead of ALL) Work Allowance code, and, using the SUP code, issuing to the Program Codes of the recipient PPAs positive Work Allowances summing to the same amount.

(4) Once Funding is passed through to a recipient PPA, the Funding becomes part of the Reprogramming Baseline for the recipient.

(5) Once all supplemental Funding in a Master Program Code has been passed through to eligible PPAs, then the Master Program Code may be used as a “clearing house” to facilitate Reprogrammings by serving alternately as the recipient and the source of reprogrammed Funding. However, since the Master Program Code is not a PPA, the Funding enters or leaves the Master as a reallocation, RLC. Funding reallocated into and out of the Master Program Code retains its Public Law Code and Contingency Code.

b. Issuance of Funding from Before FY 2012:

(1) For each supplemental appropriation from FY 2006 through FY 2010, the Funding has been issued with a unique CCS. The CCS follows the Funding. Once Funding is passed through to a recipient PPA, the Funding becomes part of the Reprogramming Baseline for the recipient.

(2) A Master Program Code has been established in each account for all pre-FY 2012 supplemental Funding. The Master Program Code may be used as a “clearing house” to facilitate Reprogrammings by serving alternately as the recipient and the source of reprogrammed Funding. However, since the Master Program Code is not a PPA, the Funding enters or leaves the Master as a reallocation, RLC. Funding reallocated into and out of the Master Program Code retains its CCS.

c. Reprogramming Prohibitions. The following are prohibited for supplemental Funding in the non-FC&CE accounts.

(1) Reprogrammings that are not exactly offset in amount between the source and the recipient. Supplemental Funding must not enter the undistributed balance, for if it did it would lose its identity.

(2) Reprogrammings that are not exactly offset in Public Law Code and Contingency Code (for FY 2012 or thereafter) or in CCS (for FY 2006 through FY 2010). The identity of supplemental Funding must not be changed.

d. Corrections, Rescissions, sequestrations, and transfers are managed in the same manner as for regular Funding, as described in paragraph 1 above. There are no statutory deductions for supplemental Funding.

7. Supplemental Funding for FC&CE. The principles and procedures applicable to FC&CE are the same as described in paragraph 6.a. above, with the following exceptions:

a. There are no PPAs in the FC&CE account except for Statutory Earmarks.

b. Each supplemental appropriation and each earmark therein from FY 2006 on has its own Master Program Code. There remains undistributed Funding in a number of the Master Program Codes.

c. For each supplemental appropriation from FY 2006 through FY 2010, the Funding has a unique set of CCS, not just one CCS.

d. Funding is issued using the Reallocation (RLC) Work Allowance code instead of the SUP code. Funding is moved among FCCE work activities using the RLC code instead of Reprogramming codes.

e. Funding reprogrammed into a Master Program Code does not need to retain its CCS, as the Master Program Code distinguishes the supplemental appropriation or earmark.

f. The following are prohibited for supplemental Funding in FC&CE:

(1) Reallocations that are not exactly offset in amount. Supplemental Funding must not enter the undistributed balance, for if it did it would lose its identity.

(2) Reallocations of Funding from one supplemental appropriation or earmark into or out of the Master Program Code for another supplemental appropriation or earmark. The identity of supplemental Funding must not be changed.

8. Additional Resources. Remaining Items and other Project Funding Pots are shown in the "Remaining Items and Funding Pots" file at <https://workplan.usace.army.mil/>. Work allowance codes are displayed in Table G-1. Guidance will be available at the Training tab in the PMBP Portal.

TABLE I-1
P2 Work Allowance Types

CODE	TYPE	DESCRIPTION 1/
ALLOCATION (HQ ONLY)		
ALC	ALLOCATE COLLECTIONS	Revocation of collected appropriation reimbursements from the source AMSCO where collected, or equal and offsetting allocation of the revoked Funding to a PPA.
ALL	FURTHER ALLOCATE	Revocation of Funding from Funding Pot, or equal and offsetting allocation of revoked Funding to a PPA.
ATB	ACROSS THE BOARD	Deduction of a pro-rated amount from each PPA pursuant to enacted across the board reduction of current-year Funding. Negative number.
C	ALLOCATE CONFERENCE	Allocation of amount from Statement of Managers table accompanying latest annual E&W appropriations Act.
DED	STATUTORY DEDUCTION	Deduction of a pro-rated amount from each PPA pursuant to current-year Act, or allocation of deducted Funding to Funding Pot.
H	WITHHOLD C OR ALLOCATE WITHHELD	Withholding of all or portion of amount from Statement of Managers table accompanying latest annual E&W appropriations, or allocation of withheld Funding.
RES	RESCISSION	Cancellation of prior-year Funding enacted in current-year Act. Negative number.
SEQ	SEQUESTRATION	Sequestration under Balanced Budget Enforcement and Deficit Control Act, as amended by the Budget Control Act.
SUP	ALLOCATE SUPPLEMENTAL	Revocation of supplemental funds from supplemental Funding Pot, or equal and offsetting allocation to a PPA.
T	TRANSFER	Revocation of Funding to be transferred out of the account. Negative number.
REPROGRAMMING CODES		
CGR	REPROGRAM – PRIOR CONGRESSIONAL	A reprogramming requiring prior Congressional notification (exceeds limits). The CGR code may apply to donor, recipient, both, or neither.
CLM	REPROGRAM – SETTLED CLAIM, CHANGED CONDITIONS, OR REAL ESTATE JUDGMENT	A reprogramming in C or MR&T (C) for a settled contractor claim, changed conditions, or real estate deficiency judgment. The CLM code applies to donor as well as recipient.
EMR	REPROGRAM – RESPOND TO EMERGENCY	A reprogramming in O&M or MR&T (M) to respond to an emergency. Use of the EMR code requires post-facto Congressional notification. The EMR code applies to donor as well as recipient.
REP	REPROGRAM – OTHER	A reprogramming not requiring Congressional notification. The REP code may apply to donor, recipient, both, or neither.
OTHER CODES		
O	OTHER	Allocation or reallocation of Bonneville Power Administration (3123 CCS 390) Funding
REC	RECONCILIATION	An increase in the current FY work allowance above the Conference amount to match the CRA allotment when the allotment cannot be reduced, together with the offsetting reduction in current FY work allowances for donor projects to finance the increase. The REC code applies to donor as well as recipient.
RLC	REALLOCATION	A movement of Funding that does not qualify as a reprogramming or reconciliation.

1/ Corrections are accomplished by issuance of a negative work allowance that offsets the error, using the same work allowance code as the original, erroneous work allowance.

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APPENDIX J

Calculation of USACE Reprogramming Limits, Examples

Limits apply to Cumulative Net Amount. Limits apply to both Reprogrammings from a project and Reprogrammings to a project, although only Reprogrammings to a project are shown in the examples below. Cumulative Net Amount is net, that is, Reprogrammings to a project and from a project offset each other, at least in part. Limits do not apply to Reprogrammings that reduce the Cumulative Net Amount reprogrammed.

Reprogramming Example No. 1 (Investigations), PPA needs \$100,000 to fully fund award of an A-E contract.

FY 2014 Initial Allocations:	\$ 0
Prior Unexpended Amount:	<u>\$551,477</u>
FY 2014 Baseline:	\$551,477
Reprogramming Limit:	\$ 49,999
Cumulative Net Amount:	$\$0 + \$100,000 = \$100,000 > \$49,999$

Committee notification required because receiving PPA did not Receive an Appropriation for FY 2014 and the Reprogramming is not for Existing Obligations and Concomitant Administrative Expenses," so its limit is \$49,999.

Reprogramming Example No. 2 (Construction), PPA needs \$800,000 to award a fully funded contract. Funding in the amount of \$250,000 has been reprogrammed to the PPA earlier in the FY.

FY 2014 Initial Allocations:	\$2,487,000
Prior Unexpended Amount:	<u>\$ 312,354</u>
FY 2014 Baseline:	\$2,799,354
Reprogramming Limit:	\$ 419,903.
Cumulative Net Amount =	$\$250,000 + \$800,000 = \$1,050,000 > \$419,903$

Committee notification required.

Reprogramming Example No. 3 (Operation and Maintenance), PPA needs a third Reprogramming action for \$1,200,000 to fully fund a contract. Previous Reprogrammings include:

#1 +	\$3,000,000
#2 -	<u>\$ 600,000</u>
net	\$2,400,000

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FY 2014 Initial Allocations:	\$20,230,000
Prior Unexpended Amount:	<u>\$ 354,488</u>
FY 2014 Baseline:	\$20,584,488
Reprogramming Limit:	\$ 3,087,675.

Cumulative Net Amount = \$3,000,000 - \$600,000 + \$1,200,000 = \$3,600,000 >
\$3,087,675

Committee Notification NOT required for first or second actions because in both cases the Cumulative Net Amount did not exceed \$3,087,675. Committee notification required for third action.

APPENDIX K

Processing and Approval of Reprogramming Actions for PPA's

	Committee Notification Required?	Who Approves in P2-OFA
Initiate a new PPA (move Funding into a PPA never before funded in the applicable account, other than O&M or MR&T M)	Not Auth.	Not Auth.
Reprogram all but a remainder of less than \$1,000 from a continuing PPA		
Eliminates the PPA (see EC for discussion)	Not Auth.	Not Auth.
Does not eliminate the PPA (see EC for discussion)	See below	DIV/FOA, then HQ Manager
Investigations & MR&T Investigations – limits on Cumulative Net Amount reprogrammed to or from a continuing PPA		
Except in the case of a receiving PPA that did not Receive an Appropriation in FY14		
Increase Cumulative Net Amount reprogrammed to both \$50,000+ and > 25% of Baseline, or to > \$150,000	Before	DIV/FOA, then HQ Manager
Otherwise 1/	No	Dist/FOA
In the case of a receiving PPA that did not Receive an Appropriation in FY14		
Increase Cumulative Net Amount reprogrammed to receiving PPA to \$50,000+	Before	DIV/FOA, then HQ Manager
Otherwise 1/	No	Dist/FOA
Construction & MR&T Construction – limits on Cumulative Net Amount reprogrammed to or from a continuing PPA		
When Reprogramming to receiving PPA is for settled claim, Changed Conditions, or real estate deficiency judgment (Use CLM Work Allowance code for both receiving PPA and contributing PPA. Limit does not count toward limits below)		
Increase Cumulative Net Amount reprogrammed to receiving or donating PPA for settled claim, Changed Conditions, or real estate deficiency judgment to > \$3,000,000	Before	DIV/FOA, then HQ Manager
Otherwise 1/	No	Dist/FOA
In any other case, except in the case of a receiving PPA that did not Receive an Appropriation in FY14		
Increase Cumulative Net Amount reprogrammed to both > \$150,000 and > 15% of Baseline, or to > \$3,000,000	Before	DIV/FOA, then HQ Manager
Otherwise 1/	No	Dist/FOA
In the case of a receiving PPA that did not Receive an Appropriation in FY14		
Increase Cumulative Net Amount reprogrammed to receiving PPA to > \$300,000, where reprogramming is for Existing Obligations and Concomitant Administrative Expenses	Before	DIV/FOA, then HQ Manager
Increase Cumulative Net Amount reprogrammed to receiving PPA to \$50,000+, where reprogramming is NOT for Existing Obligations and Concomitant Administrative Expenses	Before	DIV/FOA, then HQ Manager
Otherwise 1/	No	Dist/FOA
O&M and MR&T O&M – limits on Cumulative Net Amount reprogrammed to or from a continuing PPA		
When Reprogramming is to enable the Corps to respond to an Emergency (as defined). (Use EMR Work Allowance code for both receiving PPA and contributing PPA. Limit does not count toward limits below.)		
In any other case, except in the case of a receiving PPA that did not Receive an Appropriation in FY14		
Increase Cumulative Net Amount reprogrammed to both > 15% of Baseline and > \$150,000, or to >\$5,000,000	Before	DIV/FOA, then HQ Manager
Otherwise 1/	No	Dist/FOA
In the case of receiving PPA that did not Receive an Appropriation in FY14		
Increase Cumulative Net Amount reprogrammed to > \$150,000	Before	DIV/FOA, then HQ Manager
Otherwise 1/	No	Dist/FOA
FUSRAP – limits on Cumulative Net Amount reprogrammed to or from a continuing PPA		
Increase Cumulative Net Amount reprogrammed to receiving PPA to both \$50,000+ and > 15% of Baseline	Before	DIV/FOA, then HQ Manager
Otherwise 1/	No	Dist/FOA

1/ Includes a Reprogramming that reduces the Cumulative Net Amount reprogrammed.

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APPENDIX L

Appropriations Committee Notification Examples

Honorable Mike Simpson
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States House of Representatives
Washington, D.C. 20515-6015

Dear Mr. Chairman:

This letter is to inform you that the Department of the Army plans to reprogram \$AAA,AAA of [name account, e.g. Construction] funds to the XXXXXX project from the YYYYYY project.

(The two paragraphs that follow are written for the situation where the reprogramming to the XXXXXX project requires Committee notification (exceeds the reprogramming limit on a cumulative net basis) and the reprogramming from the YYYYYY project does not. Use the format of the first paragraph for both projects if both require notification).

Thus far since enactment of the Energy and Water Development Appropriations Act, 2014 (the Act), Division D of the Consolidated Appropriations Act, 2014, Public Law 113-76, a cumulative net amount of \$BBB,BBB has been reprogrammed to the XXXXXX project. With this reprogramming, cumulative net reprogrammings to the XXXXXX project since enactment would be \$CCC,CCC. The reprogramming baseline for the XXXXXX project is \$DDD,DDD, and the reprogramming limit for the XXXXXX project is \$EEE,EEE. In accordance with sections 101(a)(5) and 101(a)(__) of the Act, prior notification of the Appropriations Committees of the House of Representatives and the Senate is required for the XXXXXX project, since the cumulative net reprogrammings to the project would exceed the reprogramming limit.

Thus far since enactment of the Act, a cumulative net amount of \$FFF,FFF has been reprogrammed from the YYYYYY project. With this reprogramming, cumulative net reprogrammings from the YYYYYY project since enactment would be \$GGG,GGG. The reprogramming baseline for the YYYYYY project is \$HHH,HHH, and the reprogramming limit for the YYYYYY project is \$JJJ,JJJ. Prior notification in accordance with sections 101(a)(5) and 101(a)(__) is not required for the YYYYYY project, since the cumulative net reprogrammings to the project would not exceed the reprogramming limit.

The XXXXXX project was authorized (explain). The additional funds are required for the XXXXXX project to fund (explain). The funds are not required for the YYYYYY project because (explain). No commitment has been made to restore the funds used in this reprogramming to the project(s) from which they were obtained.

I am sending an identical letter to the Honorable Dianne Feinstein, Chairman, Subcommittee on Energy and Water Development, Committee on Appropriations, United States Senate.

Very truly yours,

Jo-Ellen Darcy
Assistant Secretary of the Army
(Civil Works)

CF: Honorable Marcy Kaptur
Ranking Member

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Honorable Dianne Feinstein
Chairman, Subcommittee on Energy
and Water Development
Committee on Appropriations
United States Senate
Washington, D.C. 20510-6030

Dear Madam Chairman:

This letter is to inform you that the Department of the Army plans to reprogram \$AAA,AAA of [name account, e.g. Construction] funds to the XXXXXX project from the YYYYYY project.

(The two paragraphs that follow are written for the situation where the reprogramming to the XXXXXX project requires Committee notification (exceeds the reprogramming limit on a cumulative net basis) and the reprogramming from the YYYYYY project does not. Use the format of the first paragraph for both projects if both require notification).

Thus far since enactment of the Energy and Water Development Appropriations Act, 2014 (the Act), Division D of the Consolidated Appropriations Act, 2014, Public Law 113-76, a cumulative net amount of \$BBB,BBB has been reprogrammed to the XXXXXX project. With this reprogramming, cumulative net reprogrammings to the XXXXXX project since enactment would be \$CCC,CCC. The reprogramming baseline for the XXXXXX project is \$DDD,DDD, and the reprogramming limit for the XXXXXX project is \$EEE,EEE. In accordance with sections 101(a)(5) and 101(a)(___) of the Act, prior notification of the Appropriations Committees of the House of Representatives and the Senate is required for the XXXXXX project, since the cumulative net reprogrammings to the project would exceed the reprogramming limit.

Thus far since enactment of the Act, a cumulative net amount of \$FFF,FFF has been reprogrammed from the YYYYYY project. With this reprogramming, cumulative net reprogrammings from the YYYYYY project since enactment would be \$GGG,GGG. The reprogramming baseline for the YYYYYY project is \$HHH,HHH, and the reprogramming limit for the YYYYYY project is \$JJJ,JJJ. Prior notification in accordance with sections 101(a)(5) and 101(a)(___) is not required for the YYYYYY project, since the cumulative net reprogrammings to the project would not exceed the reprogramming limit.

The XXXXXX project was authorized (explain). The additional funds are required for the XXXXXX project to fund (explain). The funds are not required for the YYYYYY project because (explain). No commitment has been made to restore the funds used in this reprogramming to the project(s) from which they were obtained.

I am sending an identical letter to the Honorable Mike Simpson, Chairman, Subcommittee on Energy and Water Development, Committee on Appropriations, United States House of Representatives.

Very truly yours,

Jo-Ellen Darcy
Assistant Secretary of the Army
(Civil Works)

CF: Honorable Lamar Alexander
Ranking Member

APPENDIX M

Format for Reprogramming Data Sheet

	DONOR PROJECT	GAINING PROJECT
APPROPRIATION ACCOUNT		
BUSINESS PROGRAM		
PROJECT NAME		
FY 2014 BASELINE (SUM OF ALLOCATIONS AND UNEXPENDED CARRY-IN)		
PROPOSED REPROGRAMMING AMOUNT		
WHY IS FUNDING SURPLUS (DONOR); PROPOSED USE OF FUNDING (GAINER)		
IF FUNDING WERE NOT REPROG., IN WHICH FY COULD THE DONOR USE IT (ASSUME ENACTMENT OF PRES. FY 2015 BUDGET)		N/A
BUDGET HISTORY SINCE FY 2011 (<u>NOT ENACTED HISTORY</u>) (SHOW FY's BUDGETED)		
2011		
2012		
2013		
2014		
2015		
IF NOT IN MOST RECENT BUDGET, WHY NOT?		
FY AND PAGE NUMBER FOR LATEST J SHEET		
CONSISTENT WITH POLICY?		
IF CONST OR PED, DID OMB EVER "CLEAR" IT WITH A FAVORABLE EXECUTIVE BRANCH POSITION? IF SO, WAS IT LOW BUDGET PRIORITY?		
IF CONST OR PED, DOES IT MEET CURRENT CONST GUIDELINES? WHICH (E.G. BCR, INUNDATION HAZARD TO LIFE, ETC.)?		
SUMMARY OF BUSINESS CASE AND ANY SPECIAL CONSIDERATIONS	N/A	
NAMES AND CONGRESSIONAL DISTRICTS OF AFFECTED MEMBERS FOR DONOR PROJECT		N/A
DO MEMBERS FOR DONOR PROJECT OBJECT?		N/A
NAME OF USACE P.O.C. WHO CONSULTED WITH OFFICES OF MEMBERS		N/A
DROP DEAD DATE, AND WHY	N/A	

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APPENDIX N

Format for Request to Award a Continuing Contract Using the Primary Clause

Requests for approval to award continuing contracts shall be consistent with the format in the following example. Requests should be developed at the time of the Acquisition Plan and submitted 60 days prior to the proposed solicitation date.

BUSINESS CASE FOR USE OF CONTINUING CONTRACT

1. Availability of Full Funding. Demonstrate that Funding available on the project or for Reprogramming to the project within section 101 limits are insufficient to fully fund the contract, including all contingencies and associated in-house costs.
2. Description of Contract Acquisition Strategy. Provide a comprehensive multi-year acquisition plan with an overall description of the project to include biddable and awardable scope, the schedule for award, contract duration, and estimated cost for each year of construction. Include a description of the benefits that would be achieved through awarding the construction contract.
3. Contract Earnings and Expected Funding Stream:
 - a. Provide a Funding table showing the required Funding stream by fiscal year for the contract, and the Funding sources by fiscal year (e.g. included in PY appropriations, President's Budget request for PY+1).
 - b. Discuss the timing of contract award.
 - c. Discuss likelihood of follow-on Funding.
 - d. Describe cost growth risks and controls (material cost growth trends, recent bid climate, potential for Changed Conditions, opportunities value engineering savings, opportunities for technology driven savings, etc).
4. Evaluation of Contract Alternatives. Provide analysis of various contracting options, including pros and cons for each option investigated. Contracting vehicles to be investigated should include, but not limited to:
 - a. Multiple Fully Funded Contracts Awarded Sequentially.
 - b. Delaying Contract Award until Sufficient Funding Is Available.
 - c. Fully Funded Contract with Base Bid, and Option(s).
 - d. Continuing Contract with Primary Clause.

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5. Management Controls. Although the Primary Clause prohibits the Contractor from working beyond the exhaustion of available Funding, there must be management controls to ensure that the Contractor has adequate notice of exhaustion of Funding and is positioned to conclude work before exhaustion. Describe the management controls.

6. Recommendation. Describe the recommended course of action.