

## CHAPTER E-1

### FUNDING FOR IN-HOUSE DESIGNS

1. Purpose. Engineering Division prepares in-house designs on selected projects in order to develop and retain technically competent staff necessary to meet the demands of evolving programs in the areas of military construction; hazardous, toxic, and radiological waste (HTRW); operating and maintaining (O&M); and support for others. HQUSACE has set planning and design rate targets (total design cost divided by the programmed amount) for each military funds type (MCA, MCAF, MCAR, FHA/FHAF, OMA, etc). Historically, design expenditures have exceeded the targets set by HQUSACE for various reasons (not reporting lost effort, unfunded changes to the design, etc). To minimize exceeding of design rate targets and to have accurate cost data, funds control on all in-house designs is a priority of the division. Consequently, it is necessary that one organization, Engineering Management and Support Section (EN-EP), performs this function. The division can only accept responsibility for funds control of those tasks, which flow through EN-EP.
2. Applicability. This SOP, which rescinds EN POLICY 6-6, Design Management Procedures, Scheduling of In-house Design, dated 28 Jul 88, is applicable to all elements within Engineering Division preparing in-house designs in support of the military construction; civil works; HTRW; O&M; and support for others programs.
3. References. CHAPTER C-1, MANAGEMENT OF WORK WITHIN ENGINEERING DIVISION.
4. Initial Budgets. The initial budget for each in-house design is the most critical one. In that Engineering Division's performance on meeting budgeting commitments is rated by SAD and HQ,USACE using information from the AMPRS database, it is imperative that realistic budgets are provided to the Project Engineers. Each branch should develop a budget by design phase based on manday estimates from the sections involved. The Project Engineers in EN-EP will be responsible for developing the initial project budget based on input from the branch chiefs within Engineering Division. The Project Engineers will compare the total requested budget for the division with the amount the Project Manager is willing to provide based on the HQUSACE design target. When the requested design rate exceeds the target, the Project Engineers will verify with the branch chiefs that the estimates can not be lowered in order to meet the target. Unresolved discussions of lowering man-day estimates will be addressed to the Chief, Engineering Division, where the decision will be made to design the project for the amount derived from the target or to inform the Project Manager that the project can not be designed within the target and provide the reasoning. If the latter course is taken, the branch chiefs will provide the justifications for exceeding the targets. Once the initial budget has been agreed to by the Project Manager, it will loaded into the AMPRS database as well as Engineering Division's funds control system.
5. Changes to Budgets. Once the initial schedule has been entered into the AMPRS database, allowable changes to the overall budget will be limited to scope/criteria changes and unscheduled delay impacts.

Each branch chief can move excess funds within the branch on a particular project in order to cover a section over budget on that project. The Project Engineers should be provided with the revised budgets for each section within that branch in order that the funds control system can be changed.

6. Scope/Criteria Changes and Unscheduled Delay Impacts. Engineering Division will request a change to a project budget, if an approved change to the scope of work or criteria change requires additional time to complete the design or if a design is stopped at an unscheduled stopping point. Each change in the scope of work and criteria change will be negotiated prior to any effort being expended to complete the change. It is imperative that each designer is fully aware of the approved scope of the design, so that out of scope comments or requests from the customer are not incorporated without the proper approval, including funding and schedule change, being obtained by the Project Manager. When a Project Manager inserts an unscheduled stop into the schedule, the impact to the budget will be addressed prior to the restart of the design. The Project Engineers will request input from each branch chief as to the impact caused by the stop. Using this input, the Project Engineers will formally request the Project Manager adjust the budget in the AMPRS database. Unresolved conflicts between the Project Manager and the Project Engineers on the revised budget will be referred to the Chief, Engineering Management Branch for resolution.

7. Budgeting Control. The Project Engineers will be responsible for having the initial project budget and subsequent revisions entered into the funds control system. Each branch and section chief has daily access to the funds control system in order to monitor expenditures during the design process. EN-EP will distribute on a biweekly basis a consolidated report for all in-house designs, showing original budgets, current budgets, expenditures, remaining funds, and percent expended (based on current budget).

8. Budgeting Problems. It is the responsibility of each branch chief to insure that each project is designed in accordance with the branch budget. However, for those instances in which the branch chief has no control over, the Project Engineers should be informed as soon as possible in order that the consequences to missing the budget are addressed to the Chief, Engineering Division and that a plan is developed to minimize the impacts to that design as well as the other work in Engineering Division.