DEPARTMENT OF THE ARMY EC 11-2-201
U.S. Army Corps of Engineers
CECW-I Washington, D.C. 20314-1000

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EXPIRES 30 SEPTEMBER 2011
Programs Management
EXECUTION OF THE ANNUAL CIVIL WORKS PROGRAM

1. Purpose.

a. 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) 2011 Civil Works Program is conducted in accordance with the Full-Year Continuing Appropriations Act for FY 2011, Public Law 112-10, 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 112-10.

b. Public Law 112-10 provides that, with specified exceptions, the provisions and conditions of the Energy and Water Development and Related Agencies Appropriations Act for 2010 (Public Law 111-85) apply to FY 2011 appropriations. For this reason, many features of this EC are unchanged from EC 11-2-198, its counterpart for FY 2010. However, this EC does include clarifications and policy changes.

c. This document does not provide guidance on execution of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. See EC 11-2-195, Change No. 2.

2. Applicability. This Circular applies to all USACE elements having Civil Works responsibilities and is applicable to all USACE Civil Works activities. This document is published at http://140.194.76.129/publications/eng-circulars/.

3. Objective. The objective for the execution of the FY 2011 Civil Works Program is to execute the Civil Works program effectively and efficiently, consistent with the full-year Continuing Appropriations Act and Administration policies. Execution performance measurement will be based on attainment of schedule milestones and obligation targets.

4. References.

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

b. ER 37-2-10, Financial Administration - Accounting and Reporting - Civil Works Activities.

c. ER 1105-2-100, Planning - Planning Guidance Notebook.

d. ER 11-1-321, Value Engineering for Army Programs.

e. ER 37-1-30, Financial Administration – Accounting and Reporting.

f. Energy and Water Development and Related Agencies Appropriations Act, 2010, Public Law 111-85.

g. Full-Year Continuing Appropriations Act for FY 2011, Public Law 112-10.

h. ER 11-2-292, Capability Estimates during Defense of Civil Works Program.

5. Scheduling and Execution. See Appendices A through F.

a. Network Schedules.

(1) In accordance with the Project Management Business Process, each Project Manager and the Project Management Team are to create and maintain network analysis schedules for each project in P2 based on the Fiscal Year (FY) 2011 appropriations provided as well as carry-in funds. 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.

(2) 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 2011. 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.

b. Obligation and Expenditure Schedules, Milestones, and Metrics.

(1) The project network schedules will form the foundation for accurate and realistic milestone, obligation, and expenditure schedules that will be measured in Project and Program Review Boards (PRB) at all organizational levels. Performance will be

evaluated based on attainment of schedule milestones and obligation targets. The guidance on Civil Works FY 2011 metrics is provided in Appendix A.

(2) By law, obligations may not exceed available funds. For fully funded contracts, sufficient funds should be available at the time of bid opening or proposal receipt to cover the full contract amount. For contracts with a continuing contracts clause or incremental funding clause, sufficient funds should be available or made available to cover the Government estimate of contractor earnings and associated in-house costs for the FY.

(3) Project Managers should carefully plan the execution of their projects both to avoid unscheduled carryover whenever possible, and to avoid scheduling work for which funds or resources are not available. Funds that are carried into FY 2011 and not scheduled for execution will receive special scrutiny.

c. Value Engineering.

(1) Value Engineering (VE) Workshops will be performed in accordance with Reference 4.d.

(2) 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. Civil Works Peer Review. Milestones for Civil Works Peer Review must be updated in P2 and will be tracked at the quarterly DMR.

6. Work Allowances and Reconciliations.

a. Program Code. Assignment of a proper Program Code in P2 must be completed prior to issuance of any work allowance. The Program Code field will be used to store the Congressional line-item identifier. The associated P2 Program Code Description field will contain the "official" project name such as shown in the authorizing legislation. Only those Program Codes which 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 G for additional information. All Corps of Engineers Financial Management System (CEFMS) transactions involving Civil Works funds 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. Program, Project, or Activity (PPA).

(1) A program, project, or activity (PPA) is a specifically authorized project study, project, or program funded in the Investigations (I), Construction (C), Operation and Maintenance (O&M), or Mississippi River and Tributaries (MR&T) appropriation, or a project funded in the Formerly Utilized Sites Remedial Action Program (FUSRAP) appropriation, or work that has received an allocation in the most recent Act providing annual appropriations for Energy and Water Development, or work that has received a specified amount in a first-tier line item in a table of allocations in the Statement of Managers accompanying the Act. Since there was no Statement of Managers accompanying the full-year Continuing Appropriations Act for FY 2011, the applicable Statement of Managers is the one accompanying the FY 2010 Act.

(2) A first-tier line item, as used in the above definition, is a line item that received a specified amount not in parentheses, or that did not receive a specified amount but is grouped with first-tier line items that did. On the other hand, a sub-item is a line item that is named with an amount in parentheses, or that is named without an amount and is grouped with line items with amounts in parentheses.

(3) While first-tier Remaining Items are PPAs, items of work within the first-tier Remaining Items are not PPAs. Examples include Continuing Authorities Program (CAP) projects, Planning Assistance to States studies, and Floodplain Management Services studies. No CAP projects are considered specifically authorized, even those that individually have been modified in an Act but still are to be carried out under the CAP program.

c. Work Allowances.

(1) The funds distribution document is the Funding Authorization Document (FAD) issued by the Resource Management Directorate. Work allowances are the work authorization documents that provide instructions from HQUSACE as to the allocation of the funds available under the FAD. For the I, C, O&M, MR&T, FUSRAP, and FC&CE accounts, the work allowances provide allocations among various P2 Program Codes.
The combination of the FAD and work allowance provides expenditure authority and instructions to ensure that the funds appropriated by Congress are used for the purposes intended by Congress (31 U.S.C. 1301).

(2) Work allowances for specifically authorized studies and projects.

(a) Initial work allowances will be issued in accordance with the FY 2011 Work Plan. There will be one work allowance per Program Code, except where multiple Engineer Reporting Organizations (EROCs) receive work allowances for the same Program Code. All initial work allowances will be issued using the CRA (Work Plan) transaction code. See Appendix I, Table I-2.

(c) All regularly appropriated funds for inland waterway construction and rehabilitation projects will be issued in the Construction account, 96X3122. Work allowances for funds to be derived from the general fund are issued using category- class-subclass (CCS) 220 or 814, and work allowances for funds to be derived from the Inland Waterways Trust Fund (IWTF) are issued using CCS 310.

(d) Work allowances for projects funded in part from the Inland Waterways Trust Fund (IWTF) will be issued in incrementts on at least a monthly basis. This will be accomplished through the use of the C, H, ALW, and ALP codes. The reason for monthly work allowances is that the FADs (which equal the sum of work allowances) for IWTF funds 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 funds 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 funds from the IWTF account may be awarded. See paragraph 9.d.(1).)

(3) Work allowances for Programmatic Remaining Items, Parent Programs, and Project Funding Pots. See also Appendix I.

(a) A Programmatic Remaining Item is a first-tier Remaining Item for which all work is executed under the Program Code for the Remaining Item. Funds are issued to that Program Code in a limited number of EROCs through work allowances, just as for specifically authorized studies and projects.

(b) A Parent Program is a PPA (the Parent) comprised of several studies or projects that are authorized as components (Children) of the Parent. The Parent and Children share a unique category-class-subclass (CCS) or set of CCS, so the PPA is identified by its CCS or set of CCS. Each Child has its own Program Code, but is not a PPA. Funds are distributed initially to the Master Program Code for the Parent using a CRA transaction code, then reallocated within the PPA to the Children using the RLC (Reallocation) code. Parent Programs are the Floodplain Management Services (FPMS) Program, the Planning Assistance to States (PAS) Program, the Research and Development Program, and the Great Lakes Remedial Action Program (listed under States) in Investigations; the nine Continuing Authorities Programs (CAP) (Sections), the Employees Compensation Program, and the Estuary Restoration Program in Construction; and the Regional Sediment Management Program in Operation and Maintenance.

(c) A Project Funding Pot is a PPA from which funds are in turn passed through to specifically authorized study and project PPAs that have their own Program Codes and that exist independently of the Project Funding Pot. (The study and project PPAs funded by a Project Funding Pot also may receive funds on their own in the same fiscal year.) Funds are distributed initially to a Master Program Code for each Project

Funding Pot using a CRA transaction 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) transaction code for the Master Program Code and a positive ALL code for the receiving study or project PPAs. At that point the passed through funds become "project funds" of the receiving PPAs. Project Funding Pots are the Independent Peer Review line item in Investigations; the Safety of Dams Program and South Florida Everglades Ecosystem Restoration Program (listed under States) in Construction; the Federal Energy Regulatory Commission Hydropower Coordination, National Natural Resources Management Activities, Protection, Clearing, and Straightening of Channels, Removal of Sunken Vessels, and Emergency Activities line items in Operation and Maintenance, and the Channel Improvement (Construction) and Channel Improvement (O&M) line items in MR&T. In addition, the movement of funds from a specifically-authorized Program Code to a lower-level Program Code within it (for example, from a basin-wide study to a sub-basin study) will be treated as an ALL distribution from a Project Funding Pot.

d. Reconciliations.

(1) When funds allotted to a Program Code in CEFMS during the Continuing Resolution (CR) period (the period prior to the date of enactment of annual appropriations) exceed the amount of the P2 – Oracle Financial Analyzer (P2-OFA) work allowance issued after enactment of appropriations, the project funding account in CEFMS should be reduced by the difference. If funds already had been obligated in the CR period in excess of the work allowance, and cannot be de-obligated, reconciliation is required (see Appendix H for definition). Divisions are responsible for ensuring that reconciliations of work allowances with allotments from the CR period are carried out where necessary, including identifying the appropriate source Program Codes. Reconciliation (REC) transactions in P2-OFA must be offsetting, that is, both the donor and the recipient must use the REC code. The MSC and HQUSACE Appropriation Manager must approve any REC transaction. Note that funds obligated on or after the date of enactment in excess of the work allowance must be covered with a reprogramming, not a reconciliation.

(2) The Districts on a monthly basis are to examine the P2-OFA reports on variances between P2-OFA and CEFMS, and to reconcile those variances. The variance reports are located in the P2-OFA Navigator under "Work Allowance Analysis – Acct Class". Each appropriation account (including CAP) has two variance reports (Detail and Summary) for Recovery Funds (REC), Regular Funds (REG), and Supplemental Funds (SUPP). The Detail report lists the variances by project. The Summary Report lists the variances by Civil Works Type of Funds.

7. Reprogrammings and Reallocations. See Appendices G through M.

a. Nature of Reprogrammings and Reallocations.

(1) Reprogramming. A reprogramming is any movement within an appropriation to or from a Program Code, with the following exceptions.

(a) The pass-through of funds from the Master Program Code for a Project Funding Pot to a recipient study or project, as discussed in paragraph 6.c.(3)(c) above.

(b) A reconciliation, as discussed in paragraph 6.d. above.

(c) A reallocation, as discussed in paragraph 7.a.(2) below.

(2) Reallocation. All movements of funds within a Program Code are reallocations, unless the funds are being moved to or from a PPA within the Program Code. See paragraph 6.b. In addition, all movements of funds between Program Codes within a Parent Program are reallocations.

(3) During the CR period and the period pending apportionment of annual energy and water development funds, a re-allotment of CR funds among Program Codes (movement in CEFMS from the project funding account of one Program Code to that of another Program Code) is a reprogramming, with the exceptions noted in paragraph 7.a.(2) above.

(4) Most sets of reprogramming transactions have offsetting donors and recipients, although CECW-I can initiate or approve non-offsetting transactions. Any non-offsetting reprogramming changes the undistributed balance in the account. See Appendices H and I.

b. Processing of Reprogrammings and Reallocations.

(1) There are three types of reprogrammings: REP (reprogramming with no Committee notification required); CGR (reprogramming subject to prior notification of the Committees); and EMR (reprogramming to enable USACE to respond to an emergency, with post-facto notification to the Committees required).

(2) The District should develop its schedule for execution of appropriated funds in collaboration with the Non-Federal Sponsor. Funds that are not scheduled for execution in the current FY are surplus. For funds that are surplus to a PPA, the District should dialog with the Non-Federal Sponsor and other stakeholders concerning a potential reprogramming of the surplus funds. For funds that are surplus within a PPA, such as funds on CAP projects and PAS studies, the District should dialog with the Non- Federal Sponsor concerning the planned reallocation of the surplus, with the expectation that the surplus will be reallocated to improve execution of the PPA within that District or elsewhere. Each reprogramming or reallocation action shall be treated as a one-time transaction with no commitment or expectation to return funds to the source study or project.

(3) CGR reprogrammings . 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 if they are in excess of reprogramming limits on a cumulative net basis. See paragraphs 7.d., 7.e., 7.f., and 7.g. below, except for paragraph 7.g.(7). Any reprogramming that would exceed these limits on a cumulative net basis must be submitted by the Division through the Regional Integration Team (RIT) to CECW-I for coordination 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. All proposed reprogramming requests that will require congressional notification should include a draft letter for signature by the ASA(CW) (see Appendix L) and a reprogramming data sheet (see Appendix M). The transaction in P2-OFA 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 transaction in P2-OFA.

(4) EMR Reprogrammings. As discussed in paragraph 7.g.(7), sections 101(a)(8) and (9) of the FY 2010 Energy and water Development and Related Agencies Appropriations Act (E&WDAA) establish post-facto notification requirements for a reprogramming in the Operation and Maintenance account or the MR&T Maintenance sub-account that enables USACE to respond to an emergency.

(a) EMR reprogrammings should be used only when all of the criteria below are met:

- The reprogramming is in the O&M account or MR&T Maintenance sub-account.

- The reprogramming to the recipient PPA enables USACE to respond to an emergency. See Appendix H and paragraph 8. In the case of supplemental funds, since supplemental funds are by nature for responses to emergencies, the recipient PPA must qualify for the supplemental funds.

- The reprogramming would be over the applicable reprogramming limit on a cumulative net basis for either the source PPA or the recipient PPA, such that a normal reprogramming without Congressional notification (REP) is not authorized. See paragraph 7.g.

- The reprogramming is time-sensitive, such that there is insufficient time for coordination of a CGR reprogramming from the time the District became aware of the need for the reprogramming to the time that the funds must be obligated or used for a solicitation.

(b) An EMR reprogramming should be coordinated within the vertical team, including the Division, the RIT, CECW-IF, the HQUSACE Appropriation Manager, and ASA(CW). EMR reprogrammings require approval in OFA by the MSC and the HQUSACE Appropriation Manager, who first will ensure that the criteria above are met.

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 CECW-IF through the RIT. The letters will be processed to SACW once the reprogramming has been approved by the HQUSACE Appropriation Manager.

(5) For guidance on reallocations among CAP projects, see Appendix B.

c. Reprogramming Prohibitions.

(1) Funds Specified by Statute. Funds may not be reprogrammed from a PPA if the funds were specified for the PPA in statutory language. (Funds may be reprogrammed to a PPA for which funds are specified by statute, so long as any statutory language does not otherwise limit the amount of funds that may be applied to that PPA.)

(2) Creation of a New PPA. Funds appropriated in Title I of any E&WDAA (including funds made available for Title I appropriations by Public Law 110-5, the Revised Continuing Appropriations Resolution, 2007, and Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriations Act, 2011) may not be reprogrammed in order to create or initiate a "new" PPA. From Appendix H, a new PPA is a PPA that has never received a work allowance in the applicable appropriation account, except in the case of operation and maintenance funding for a specifically authorized PPA. The term is synonymous with the term "new start." Note that maintenance dredged material disposal facilities individually funded in the Construction appropriation and safety of dams projects funded in the Safety of Dams line item in the Construction appropriation are not new PPAs, as the original projects previously had been funded with Construction funds. This is an absolute prohibition in section 101(a)(1) of the FY 2010 E&WDAA. The prohibition does not apply to reallocating funds to work within an ongoing PPA that is not itself a PPA. To ensure compliance with this provision, HQUSACE Appropriation Manager approval is required for any reprogramming or reallocation to a Program Code (other than a Program Code with a Parent Program's CCS) that has never received funds in the applicable account.

(3) Elimination of a PPA. Funds appropriated in Title I of any E&WDAA (including funds made available for Title I appropriations by Public Law 110-5, the Revised Continuing Appropriations Resolution, 2007, and Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriations Act, 2011) may not be reprogrammed from a PPA to eliminate the PPA. This is an absolute prohibition in section 101(a)(2) of the FY 2010 E&WDAA.

(a) Generally, a reprogramming of funds from a PPA "eliminates" the PPA when no funds remain, or so few funds remain 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. To ensure compliance with this provision, HQUSACE Appropriation Manager approval is needed for any reprogramming from a Program Code (other than a Program Code with a Parent Program's CCS) that would leave less than $1,000 on the Program Code.

(b) In the cases enumerated below, no further work on the PPA is possible, and the reprogramming of all or any amount of funds from the PPA does not eliminate it. In these cases, all or any amount of funds may be reprogrammed from the PPA so long as the reprogramming is otherwise permissible. It is not an elimination of a PPA if:

- 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

- 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

- For a specifically authorized study PPA in the Investigations or MR&T (Investigations) account for a potential construction project, the study PPA has been converted to, and funded as, a CAP project, or the construction project has received Construction or MR&T (Construction) appropriations for implementation; or

- The following conditions are met for a terminated study or project PPA: no funds were provided for the PPA in the most recent E&WDAA 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.

d. Statutory Restriction on Increases to Funds or Personnel. Pursuant to section 101(a)(3) of the FY 2010 E&WDAA, absent prior notification by the ASA(CW) to the Committees, funds appropriated in Title I of any E&WDAA (including funds made available for Title I appropriations by Public Law 110-5, the Revised Continuing Appropriations Resolution, 2007, and Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriations Act, 2011) may not be reprogrammed to a PPA to increase funds or personnel for the PPA, if funds for the PPA have 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.

(1) Funds are "denied" to a PPA if:

(a) The funds are expressly denied in the FY 2010 E&WDAA, or in the narrative in the Statement of Managers, or in the narrative in the House or Senate Report if not superseded by the Statement of Managers, or in Public Law 112-10 or the accompanying Senate Report; or

(b) The President's Budget for FY 2010 included funds for the PPA, and the Statement of Managers for FY 2010 did not; or

(c) The PPA is listed in a table within the FY 2010 Statement of Managers and provided $0. A blank does not equal $0.

(2) Funds are "restricted" to a PPA if the FY 2010 E&WDAA, or the narrative in the FY 2010 Statement of Managers, or the narrative in the House or Senate Report if not superseded by the Statement of Managers, or Public Law 112-10 or the accompanying Senate Report states that the funds provided to the PPA shall not exceed a certain amount.

e. <u>Statutory Restriction on Purpose</u>. Pursuant to section 101(a)(4) of the FY 2010 E&WDAA, absent prior notification by the ASA(CW) to the Committees, those funds that were appropriated in Title I of any E&WDAA (including funds made available for Title I appropriations by Public Law 110-5, the Revised Continuing Appropriations Resolution, 2007, and Public Law 112-10, the Department of Defense and Full-Year Continuing Appropriations Act, 2011) and for which a purpose was stated by the applicable 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 funds provided for a PPA are to be used, or how any portion of such funds is to be used, the funds, or the affected portion thereof, may not be reprogrammed from the PPA absent notification by the ASA(CW). This restriction applies even when funds are excess to the needs for a specific PPA. This restriction applies to funds restricted as to purpose in FY 2011 or in any prior FY, and it applies until the restricted funds are 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.

f. <u>Section 1418 Limit on Resumptions</u>.

(1) Section 1418 of Public Law 112-10 provides that, absent prior notification by the ASA(CW) to the House and Senate Committees on Appropriations, FY 2011 funds shall not be used to fund "new starts or resumptions." Since paragraph 7(c)(2) absolutely prohibits reprogramming to new PPA's (i.e. new starts), section 1418 has the effect of limiting reprogrammings of FY 2011 funds to "resumptions." These limits are in addition to limits under paragraph 7.g.

(2) For purposes of section 1418, a resumption (Section 1418-type resumption) is a PPA for which funds were not made available by the Energy and Water Development

and Related Agencies Appropriations Act, 2010, Public Law 111-85. See Appendix H for a definition of when funds are "made available." Note that funds could have been made available by an allocation pursuant to the FY 2010 Conference Report or by a reprogramming taking place between 28 October 2009 and 30 September 2010, among other things. A section 1418-type resumption is not the same as a "resumption" for purposes of budget development.

(3) Where funds are being reprogrammed to a Section 1418-type resumption, those funds must be carried-in funds from FY 2010 or before, unless the ASA(CW) has provided prior notification to the House and Senate Appropriations Subcommittees on Energy and Water Development. In determining whether the source project has funds from FY 2010 or before, assume "first in, first out," that is, the oldest funds are used first, and remaining funds are those appropriated most recently. If the share of available funds that was appropriated before FY 2011 is no less than the amount planned to be reprogrammed, the planned reprogramming involves carried-in funds only. Otherwise, prior notification is required. The notification process is described in paragraph 7.b.(3).

g. Statutory Restriction on Augmentation or Reduction. Pursuant to sections 101(a)(5) through (10) and 101(b) of the FY 2010 E&WDAA, 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. These restrictions apply to reprogrammings to PPAs in the I, C, O&M, MR&T, and FUSRAP accounts. These restrictions do not apply to reallocations. See Appendix J for examples of reprogramming limit calculations.

(1) A PPA has a "baseline" for each appropriation account in which it is funded. See Appendix H for the definition of "baseline." Only PPAs have baselines. Each work allowance for supplemental funds, collected appropriation reimbursements, or funds withheld from the PPA in a previous FY increases the baseline. Therefore, many baselines change over time.

(2) As reprogrammings of any of these funds take place on or after 1 October 2010, the amounts reprogrammed are included in the cumulative net reprogramming totals and applied toward a reprogramming limit for the PPA that is calculated using the baseline. Funds in counterpart Recovery Act appropriations are not included in cumulative net reprogramming totals. These limits are discussed below.

(3) Special rules apply in the case of any receiving PPA that is continuing (not a new PPA) but that "did not receive an appropriation" in FY 2011. See Appendix H for the definition of "did not receive an appropriation." 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 PPA with a baseline of more than $100,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011, the cumulative net amount of reprogrammings on or after 1 October 2010 is limited to the greater of $49,999 or 25 percent of the baseline, up to a maximum of $150,000.

(b) For a PPA with a baseline of no more than $100,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011, the cumulative net amount of reprogrammings on or after 1 October 2010 is limited to a maximum of $49,999.

(c) For a receiving PPA that did not receive an appropriation in FY 2011, but to which funds otherwise may be reprogrammed legally (e.g. it is not a new PPA), the cumulative net amount of reprogrammings into the PPA on or after 1 October 2010 is limited to a maximum of $49,999, irrespective of the baseline.

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

(a) For a PPA with a baseline of more than $2,000,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011, the cumulative net amount of reprogrammings on or after 1 October 2010 is limited to 15 percent of the baseline up to a maximum of $3,000,000.

(b) For a PPA with a baseline of no more than $2,000,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011, the cumulative net amount of reprogrammings on or after 1 October 2010 is limited to a maximum of $300,000.

(c) For a receiving PPA that did not receive an appropriation in FY 2011, but to which funds otherwise may be reprogrammed legally (e.g. it is not a new PPA), the cumulative net amount of reprogrammings into the PPA on or after 1 October 2010, if greater than $49,999, must be for existing obligations and associated administrative expenses (see Appendix H for definition) and is limited to a maximum of $300,000, irrespective of the baseline. Each reprogramming that is into a receiving PPA that did not receive an appropriation in FY 2011 and that results in cumulative net reprogrammings into the PPA on or after 1 October 2010 exceeding $49,999 requires the approval of the CECW-I Appropriation Manager or Program Manager, who will determine whether or not it is for existing obligations and associated administrative expenses.

(d) Notwithstanding the three immediately foregoing paragraphs, a maximum cumulative net amount of $3,000,000 may be reprogrammed into a PPA on or after 1 October 2010 for settled contractor claims, changed conditions, or real estate deficiency judgments. The limit under this paragraph is separate from the limits under the three immediately foregoing paragraphs. See Appendix H for a definition of "changed conditions."

(6) Operation and Maintenance and MR&T Maintenance (except to Enable USACE to Respond to Emergencies). Prior notification to the Subcommittees is required when:

(a) For a PPA with a baseline of more than $1,000,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011, the cumulative net amount of reprogrammings on or after 1 October 2010 is limited to 15 percent of the baseline up to a maximum of $5,000,000.

(b) For a PPA with a baseline of no more than $1,000,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011, the cumulative net amount of reprogrammings on or after 1 October 2010 is limited to a maximum of $150,000.

(c) For a receiving PPA that did not receive an appropriation in FY 2011, but to which funds otherwise may be reprogrammed legally (e.g. it is not a new PPA), the cumulative net amount of reprogrammings into the PPA on or after 1 October 2010 is limited to a maximum of $150,000, irrespective of the amount of the baseline.

(7) Operation and Maintenance and MR&T Maintenance (To Enable USACE to Respond to Emergencies). In accordance with sections 101(a)(8) and (9) of the FY 2010 E&WDAA, 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. Such a reprogramming does not count toward the limits in paragraph 7.g.(6). See Appendix H for the definition of an emergency. See paragraph 7.b.(4), above, for guidance on the appropriate use and processing of reprogrammings to enable USACE to respond to emergencies.

(8) Formerly Utilized Sites Remedial Action Program. The cumulative amount of reprogrammings into a receiving PPA on or after 1 October 2010 is limited to a maximum of 15 percent of the baseline or $49,999, whichever is greater. However, see also paragraph 7.f.

h. Permanent Appropriations. Maintenance and Operation of Dams and the other permanent appropriations do not receive appropriations through Title I of E&WDAAs or Title IV of the full-year Continuing Appropriations Act for FY 2011. Reprogrammings of funds in these appropriations are not subject to the prohibitions or restrictions on reprogramming in Section 101 of the FY 2010 E&WDAA.

i. Bonneville Power Administration Funds. Within the Operation and Maintenance account, funds with category-class-subclass 390 to 396 are derived from the Bonneville Power Administration and are not appropriated in Title I of E&WDAAs or Title IV of the full-year Continuing Appropriations Act for FY 2011. These funds are not included in the O&M baseline, and reprogrammings of these funds are not subject to the restrictions on reprogramming in Section 101 of the FY 2010 E&WDAA.

j. Reprogramming Limitations for Safety of Dams Funds.

(1) Any proposed reprogramming from an Action Class I, II, or III safety of dams project (dam safety assurance, seepage control, or static instability correction) must be coordinated with the District and Division Dam Safety Officers (DSO), and the Division DSO must concur that the funds are excess.

(2) If the proposed reprogramming requires Congressional notification, the Division DSO must notify CECW-EC by e-mail of the proposed reprogramming, concurrent with Division coordination with the RIT. The Chief, CECW-CE, will advise the Chief, CECW-I, if there is another potential use of those funds that would mitigate a serious life, property or other risk at another USACE project. They will jointly determine whether to reprogram as recommended by the Division or to propose reprogramming to a higher national need. Any such decision will be coordinated with the Division.

k. Other Policy Limitations for Reprogrammings. The following limitations are reflected in OFA:

(1) The MSC and HQUSACE Appropriation Manager must approve any reprogramming of Maintenance and Operation of Dams (M&O Dams, 96X5125) funds. M&O Dams funds that are surplus to the requirement for which they were provided should be offered for revocation.

(2) The MSC and the HQUSACE Appropriation Manager, after coordination with the manager of Inspection of Completed Works (ICW) funds, must approve any reprogramming of funds from an ICW CCS to another CCS. MSCs should offer surplus ICW funds for revocation.

(3) If the movement of funds to or from a Program Code is coded as a reallocation or a reconciliation, and the CCS is not for a Parent Program, the MSC and HQUSACE Appropriation Manager must approve the transaction to confirm that it represents one of the three exceptions in paragraph 7.a.(3) above.

(4) The MSC and HQUSACE Appropriation Manager must approve any reprogramming of O&M funds to respond to emergencies (EMR). See paragraph 7.b.(4).

(5) The MSC and HQUSACE Appropriation Manager must approve any reprogramming of funds coded as supplemental. This is to ensure that the recipient project qualifies for the funds and is competitive compared to other unfunded work nationwide that also qualifies.

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

(7) If the funds reprogrammed from a donor are supplemental funds with a CCS of 706, 707, 708, 70A, 70B, 70C, 70D, or 70E, the funds reprogrammed to a recipient in an offsetting reprogramming must use the same CCS as the funds from the donor.

(8) If the funds reprogrammed from a donor are supplemental funds appropriated for FY 2011 or thereafter, the funds reprogrammed to a recipient in an offsetting reprogramming must use the same Public Law code and Contingency (Event) code as the funds from the donor.

l. Documentation. Documentation of each field reprogramming action must be loaded into the Work Allowance Module in P2/OFA to ensure that quarterly reports to Congress and other reports on reprogramming are accurate. Reallocations that move funds between EROCs, Type of Funds (CCS), or Program Codes / AMSCOs must also be loaded into P2-OFA. Accurate descriptions explaining the use of the funds on the gaining PPA and the reason the funds are excess to the source PPA must be included in the P2-OFA Work Allowance Module. Actual movement of funds in CEFMS will not be accomplished until receipt of reprogramming approval through an email confirmation from P2-OFA.

8. Policy on Response to Emergencies.

a. Operation and Maintenance and MR&T (Maintenance) funds reprogrammed pursuant to sections 101(a)(8) and (9) of the FY 2010 E&WDAA, the one percent of funds set aside pursuant to the Operation and Maintenance paragraph of the FY 2010 E&WDAA, and emergency supplemental funds in all appropriations all are authorized for limited purposes related to response to emergencies. Accordingly, additional controls, including approval of transactions by the HQUSACE Appropriation Manager, are placed on the allocation and reprogramming of these funds to ensure that the intended uses are consistent with these purposes.

b. The term “emergency” is defined in Appendix H. An emergency could involve the failure of a key project component, or the impacts of a major storm or natural event. Note that an emergency must be an actual or imminent event, not a gradually developing condition, and must have significant consequences.

c. Response to an emergency could include immediate response under emergency conditions, or later restoration of project conditions that existed just prior to the emergency.

d. Costs of response to an emergency do not include any allocable costs of additional maintenance and repairs over and above restoration of conditions that existed just prior to the emergency. Regular funds must be used for additional maintenance and repairs. The approved work to respond to the emergency and the allocable costs of any additional work each will be identified as a separate line item in the solicitation and contract, and funded separately.

e. EMR Reprogrammings. Reprogrammings to enable USACE to respond to emergencies are discussed in paragraphs 7.b.(4) and 7.g.(7).

f. One Percent Set-Aside.

(1) A proviso in the Operation and Maintenance paragraph in the FY 2010 E&WDAA applies to FY 2011 Operation and Maintenance funds, and specifies that one percent of the funds provided for each PPA under that heading shall not be allocated to a field

operating activity prior to the beginning of the fourth quarter of the fiscal year 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 paragraph provides that the Chief of Engineers shall allocate during the fourth quarter any remaining funds that have 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 8.c.

(2) The one percent set-aside will be managed as follows. One hundred (100) percent of the amount included in the FY 2011 Work Plan for each O&M PPA will be issued to that PPA in the applicable EROC or EROCs using a CRA (Work Plan) transaction code. At the same time, a work allowance equal to negative one percent of the amount issued with the CRA transaction code will be issued to the PPA using the DED (Deduction) transaction 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 funds will be with the ALL transaction code, as is the case for other Project Funding Pots. Until sometime in the fourth quarter of FY 2011, the retained funds will be available for emergency activities. In the fourth quarter of FY 2011, remaining retained funds, if any, will be allocated to the original PPAs on a pro-rata basis.

g. Supplemental Appropriations.

(1) Work accomplished with supplemental appropriations must be within the statutory purposes of the appropriations that they supplement. Generally, emergency supplemental appropriations for Civil Works are to enable USACE to respond to emergencies, or certain types of emergencies. The language of each emergency supplemental appropriations act specifies the purposes of the appropriations. For instance, recent supplemental appropriations acts for the Operation and Maintenance account have stated that the funds are "to dredge navigation channels and repair other Corps projects related to natural disasters." Others have specified that the funds are for response to the 2005 hurricanes. Therefore, in the case of the recent supplemental appropriations for Operation and Maintenance, these funds are authorized to be used only for responses to natural events (or specified natural events, as the case may be), but are not authorized to be used for responses to project component failures unrelated to natural events.

(2) The work accomplished with supplemental funds must be within the scope of work approved by CECW-I for supplemental funds. This ensures that supplemental funds are applied to the best uses nationwide.

(3) Reprogramming of supplemental O&M or MR&T (Maintenance) funds should be coded as REP or CGR, unless the criteria in paragraph 7.b.(4) are met for use of the EMR code.

9. Contracting. See Appendices N and O.

a. Acquisition Strategies.

(1) An acquisition plan or strategy should be developed for each contract. The focus for all FY 2011 acquisition strategies must be to scope project activities in such a way that scheduled FY 2011 activities can be accomplished within available funding. Development of the strategy should include assessment of fully funded contracts, base contract with options, continuing contracts including incrementally funded contracts, IDIQ contracts, job order contracts, purchase order contracts, etc. to ensure an awardable contract. 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, OTHCONSVC – 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.

(2) Scoping. Care must be taken in development of the contract scope, the government estimate, and the timing of the contract award, to ensure uncertainties (e.g. escalating energy and material costs) are adequately included and sufficient funds are available within the District to cover scheduled activities for the fiscal year.

b. Availability of Funding for Contract Solicitation. Funds must be available prior to solicitation for the entire contract amount for fully funded contracts, for the base contract amount on 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 funds are 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 funds must be available at the time of bid opening or proposal receipt.

c. Continuing Contracts.

(1) Section 103 Statutory Limit on Amounts Committed to Continuing Contracts. For any contract under the continuing contract authority, the amount estimated for FY 2011 contractor activities and reserved to the contract, including for modifications, must not exceed the amount provided for the project in the FY 2011 appropriations that remains unobligated, plus any unobligated carry-in for that project, plus any amounts reprogrammed to that project pursuant to section 101.

(2) To facilitate compliance with Section 103 and its antecedents dating from FY 2006, the Department of Defense has approved USACE's use of that clause while HQUSACE undergoes the notice and comment process and develops a final clause for publication in the AFARS. See Reference 4.m. 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.

(3) 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 clause approved for use by DoD.

(4) Approval authorities for use of these clauses is as follows. See also Appendix O.

(a) The District Commander may approve use of the Special Clause with Alternate language, if funds to be reserved for the contract and set aside for contingencies are sufficient to fully fund a useful increment of work (increment of work that produces benefits or outputs, and will remain in a safe condition) or navigation reach, plus associated in-house costs. This clause is to be used only for projects not included in the President's budget for the forthcoming FY.

(b) The MSC Commander may approve use of the Special Clause, based on a Request for Approval (see Appendix O) submitted by the District, if:

- The project is funded under the O&M account, or the MR&T account (Maintenance sub-account), and

- The Special clause is the most cost-effective, and

- No funds have been or are scheduled to be reprogrammed from project in the current FY, and

- The performance period for the contract does not extend beyond the forthcoming FY, and

- For the forthcoming FY, the amount from the President's Budget, except as reduced in any House Report or Senate Report, or by any Conference Report if available, is sufficient to fully fund the contract, associated in-house costs, and any other scheduled work on the project.

(c) HQUSACE or ASA(CW) must approve all other uses of continuing contracts.

d. Inland Waterways Trust Fund (IWTF) Contracts.

(1) In accordance with section 104 of the FY 2010 E&WDAA, no continuing contract (including an incrementally funded contract) may be awarded that commits additional funding from the IWTF unless or until such time that a permanent solution to enhance revenues in the IWTF is enacted.

(2) 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 projects, including advertisement 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 not recommend ASA(CW) approval of an additional financial commitment that is not affordable in FY 2011, after consideration of any offsets. Divisions should coordinate funding priorities with CECW-I and CECW-CO.

e. Reporting. CECW-I prepares a quarterly report documenting the status of all existing contracts using the “true” continuing and “Special” continuing contract clauses. The report lists each contract separately, with current year and projected out-year obligation requirements. Divisions will be requested to update the information quarterly.

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

10. Obligations for Inland Waterway Projects. The FY 2010 E&WDAA provides that funds will be derived from the IWTF "only" for certain projects named in that Act. This provision applies in FY 2011.

a. For projects not named in the FY 2010 E&WDAA, any obligations in FY 2011, whether from unobligated balances or any additional funds provided to the project, are 100 percent from the general fund, even if the projects were authorized as 50/50.

b. Projects named in the FY 2010 E&WDAA are cost shared in FY 2011 50/50 between the general fund and the IWTF. If a cost shared project is in 50/50 balance on a cumulative basis, any obligations in FY 2011, whether from unobligated balances or any additional funds provided to the project, are 50/50. If a cost shared project is not in 50/50 balance on a cumulative basis, the next obligations, whether from unobligated balances or any additional funds applied to the project, shall be exclusively from the general fund or the IWTF, as the case may be, until 50/50 balance is restored.

11. Implementation. This guidance is effective immediately.

FOR THE COMMANDER:

STEVEN L. STOCKTON
Director of Civil Works

15 Appendices:

App A - Civil Works PRB Metrics
App B - Standard Operating Procedures for Continuing Authorities Program
App C - Expenses Program Execution Guidance
App D - Flood Control and Coastal Emergencies Execution Guidance
App E - Formerly Utilized Sites Remedial Action Program Execution Guidance
App F - Regulatory Program Execution Guidance
App G - Use of Program Codes in P2
App H - Reprogramming-Related Definitions
App I - Standard Operating Procedures for Recording Work Allowances, Reprogrammings, and Other P2-OFA Transactions
App J - Calculation of USACE Reprogramming Limits, Examples
App K - Processing and Approval of Reprogramming Actions
App L - Appropriations Committee Notification Examples for Sections 101 and 1418
App M - Format for Reprogramming Data Sheet
App N - Conditions and Approval Levels for Use of Contract Clauses
App O - Format for Approval to Award a Continuing Contract

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APPENDIX A

Civil Works PRB Metrics

1. Goals. Do what we said we would do. Execute funds effectively.

2. Set and Re-Set of Basic Schedules.

a. Regular Funds.

(1) Adjusted Current 2101 obligation schedules are maintained for the current FY (CFY). Basic schedules for obligations 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. Consequently, beginning with the forthcoming Basic schedules for FY 2011, there always are Basic obligation 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 funds 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. Supplemental Funds. Beginning with the already-established Basic schedules for FY 2011, there always are Basic obligation schedules in effect for the CFY. The Basic schedules for supplemental funds in an account are re-set whenever the Basic schedules for regular funds in the account are set or re-set for the current FY. If supplemental funds are appropriated in the meantime, the new supplemental funds are excluded from the calculation of CFY actual obligations and progress against Basic until the next re-set of Basic schedules.

c. Key Milestones. Beginning with the forthcoming Basic schedules for FY 2011, there always are Basic schedules for key milestones (see paragraph 6) in effect for the CFY. The Basic schedules for key milestones are re-set whenever the Basic schedules for regular funds are set or re-set for the CFY.

3. Overview of Metrics. There are three metrics. Each metric is applied to each account as discussed below.

a. Obligation Rating against Available.

b. Obligation Rating against Basic.

c. Percent of Program Codes on Schedule Based on Key Milestones. This metric is being tested in FY 2011.

4. Obligation Rating against Available.

a. Metric. The metric measures the percent of available funds that are scheduled for obligation in the CFY in the Adjusted Current 2101 obligation schedules. This metric is applied in each FY only after the re-set of Basic schedules following appropriation and distribution of annual funds.

b. Application of Metric: The metric is applied at the account level. Regular/ARRA and supplemental are rated separately. CAP is broken out from other Construction. The supplemental-funded Program Codes in the New Orleans area Hurricane and Storm Damage Reduction System (CG and FCCE) and the supplemental-funded Mississippi Coast Program Code (FCCE) are exempted. 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:

Account	Green	Yellow	
Investigations	80%	70%	
Construction/CAP	80%	70%	(except New Orleans Katrina funds)
O&M	95%	90%	(except MRGO)
MR&T	90%	80%	
FUSRAP	95%	90%	
FCCE	80%	70%	(except New Orleans / Miss. Katrina funds)
Regulatory	95%	90%	
Expenses	98%	95%	

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

5. Obligation Rating against Basic.

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.

b. Application of Metric: The metric is applied at the account level. Regular /ARRA and supplemental are rated separately. CAP is broken out from other Construction. The previous month'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.

c. Calculation of Ratings: Green is 95 percent (94.50 percent rounded) or more. Yellow is 90 percent (89.50 percent rounded) or more.

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

6. Percent of Program Codes on Schedule Based on Key Milestone Types.

a. The universe of Program Codes scored by the metric for each MSC or FOA is those Program Codes in the I, C, O&M, MR&T, FUSRAP, and FC&CE accounts whose P2 projects have at least one key milestone planned in the Basic schedule for the CFY. Each Program Code in the universe is weighted equally. Within the universe, the number of Program Codes that are scored grows from month to month as new key milestones arise for Program Codes without previous scores. The universe is re-set when the Basic schedules are re-set.

b. The metric evaluates each type of key milestone rather than each specific key milestone. This permits substitutions to be counted (for instance, a CC800 contract award milestone for one contract or P2 project is attained rather than an originally planned CC800 milestone for another contract or P2 project within the Program Code).

c. The criterion for a Program Code to be scored as "on schedule" is that either: 1) for each type of key milestone, at least the number planned for its P2 projects through the next-to-latest month is attained no later than 30 days after the planned date of the latest of those key milestones; or 2) if key milestones attained through the latest month do not have corresponding key milestones of the same types planned through the next-to-latest month, they all have corresponding milestones of the same types planned in the Basic schedules for later in the CFY. Under this criterion, a previously missed key milestone type is forgiven when it is attained within 30 days after the planned date of a later key milestone.

d. Each Program Code is scored as follows:

1. When the Basic schedules are first set for FY 2011, each Program Code is scored whose P2 projects have key milestones planned in the Basic schedule through the next-to-latest month, or whose P2 projects attained through the latest month milestone types that all are planned in the Basic schedule for later in the CFY.

2. Thereafter, each Program Code is re-scored monthly as in paragraph 6.d.1.

3. When the Basic schedules are re-set, each Program Code that appears in both the previous universe and the new universe carries its previous score forward as its initial score under the new Basic schedule. A Program Code appearing in the new universe that was not in the previous universe does not have an initial score.

4. Procedures in paragraphs 6.d.2. and 6.d.3 are reiterated indefinitely. Whenever the Basic schedules are re-set, the re-set itself does not change Program Code scores, but it does modify the universe of Program Codes and the basis (the Basic schedule) for

re-scoring of Program Codes. Carrying scores forward in this manner enables the evaluation of performance over time.

e. The score for an MSC's or FOA's account is the percentage of the scored Program Codes in the universe for that account that are scored as on schedule. An account rating of 90 percent (89.50 percent rounded) to 100 percent is green. An account rating of 80 percent (79.50 percent rounded) to 89 percent (89.49 percent rounded) is yellow.

f. Regular/ARRA and supplemental funds are not rated separately for an account. CAP is broken out from other Construction. The rating for CFY-1 and the projected end-of-year rating (Current versus Basic) for the CFY also are displayed to provide insight on progress in improving performance against the standard.

g. Key milestones for I, MR&T, C, O&M and CAP (where applicable) are:

Milestone Description	**Milestone Code**	**WBS**
Submit Draft Reconnaissance Report	CW150	21000 (including children)
Recon Report Approval	CW170	21000 (including children)
Execution of Feasibility Cost Sharing Agreement	CW130	21000 (including children) 21V0C – CAP
Alternative Formulation Briefing	CW190	22000 (including children)
Feasibility Scoping Meeting	CW050	22000 (including children)
Division Commander's Notice	CW260	22000 (including children)
Submit Chief's Report	CW270	22000 (including children)
Approve Feasibility Report	CW170	22000 (including children) 2200C (including children) - CAP
Design Agreement Execution	CW130	30DG0
Submit Final LRR/GRR or DDR	CW160	30AJ0
CW Review Board Meeting	CW245	Any WBS
Approve Final LRR/GRR or DRR	CW170	30AM0
PPA Execution	CW130	30AP0 22V00 – CAP
Contract Award	CC800 & CW801	30000 (including children) , 60000 and 61000 CAP – 30000 including children
Project Physical Completion	CW450	30000 (including children) Same for CAP
Notice of Project Completion	CW480	30000 (including children) Same for CAP

h. Key milestones for FUSRAP are:

Milestone Description	**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

***** The reports for the PRB/DMR's will pull for any WBS. The WBS codes listed above are the proper codes for FUSRAP according to REF8010G**

i. Key milestones for FCCE projects are:

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

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

j. Update of Ratings: Ratings will be updated monthly.

k. PMs should use the Source Appropriation activity code for Milestone Activities to ensure that the fund type is properly identified.

l. If a PM is not using a WBS template for a project, the PM should use the "WBS Code (Override)" activity code to ensure that the project milestones are captured.

7. PRB Slides. For an MSC/FOA and USACE-wide, the FY 2011 slide looks like this.

	Regular/ARRA Funds						Supplemental Funds					
	Percent of Available Funds Scheduled for Obligation			Obligations as a Percent of Basic			Percent of Available Funds Scheduled for Obligation			Obligations as a Percent of Basic		
Account	Act. CFY-1	Proj.CFY (Bas)	Proj. CFY (Adj Curr)	Act. CFY (Thru Prev. Mo.)	Act. CFY (YTD)	Proj. CFY (EOY)	Act. CFY-1	Proj.CFY (Bas)	Proj. CFY (Adj Curr)	Act. CFY (Thru Prev. Mo.)	Act. CFY (YTD)	Proj. CFY (EOY)
Investigations												
C (Non-CAP)												
CAP												
O&M												
MR&T												
FUSRAP												
FCCE												
Regulatory												
Expenses												
All Accounts												

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APPENDIX B

Standard Operating Procedures for Continuing Authorities Programs

1. Guidance. Implementation of the FY 2011 Continuing Authorities Program (CAP) is based on guidance contained in Appendix F, Amendment 2, dated 31 Jan 07, of the Planning Guidance Notebook, ER 1105-2-100 (Reference 4.d.), Appendix F, and the following execution guidance.

2. Contracts. Continuing contracts and incrementally funded contracts will not be used for CAP. All CAP contracts will be fully funded.

3. CAP Project Classification. Project status is classified in P2 using six codes:

a. Unstarted status means that funds have never been provided to the project for the Feasibility phase.

b. Projects that have received funds under CAP are classified as one of the following:

(1) Active.

(2) Deferred. A deferred project is a project that is not Suspended (see paragraph 5), but on which substantial progress is not anticipated in the current fiscal year (CFY) or CFY+1. If the project has a capability in the CFY or CFY+1, it should not be classified as Deferred. If the project does not have any funds scheduled for obligation in the CFY or CFY+1, it automatically is deferred.

(3) Suspended. A project is automatically Suspended in accordance with paragraph 5. In accordance with paragraph 5, a Suspended project should be either reaffirmed and returned to Active or Deferred status, or Terminated. A Suspended project is not eligible for funding or for execution of an agreement.

(4) Converted. A Converted project has been converted to a study in 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.

(5) 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.

(6) 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.

c. Districts at any time may reclassify projects, other than Unstarted or Suspended projects, to Active, Deferred, Completed, Terminated, or Converted.

4. CAP Database.

a. Data in the P2-OFA CAP database include estimates of project-specific capabilities for the CFY by quarter and for CFY+1 through CFY+6 by fiscal year, planned or actual agreement execution date, and date of the latest reaffirmation letter.

b. CAP data are used to manage suspension processes, select projects for funding, and determine funding amounts, among other things. Poor data jeopardizes the opportunities for otherwise qualified projects to receive funds. 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 funds, and will reflect the results in the CAP data.

5. Processes for Suspension and Reaffirmation.

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

(1) It did not receive funds in either CFY-1 or CFY-2; and

(2) 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 named, with or without a specified amount, in the Statement of Managers (Conference Report or Joint Explanatory Statement) for either CFY-1 or CFY-2; and

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

(5) It was not included in the President's budget for the CFY.

b. In the event that a priority project phase is Suspended, it loses its status as a priority project phase.

c. During the CFY, a Suspended project automatically is returned to Active status if either:

(1) It is named in the Statement of Managers for the CFY; or

(2) It is reaffirmed in writing by the Non-Federal Sponsor.

d. 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.

e. For each Suspended project and each project that would be Suspended as of 1 October of CFY+1, the District will 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 paragraphs, depending on the stage of project development:** (1) 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. (2) 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. (3) 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. (4) 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 /

f. If and when the project is reaffirmed in writing, the District will enter the reaffirmation date in the CAP database.

g. 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.

6. Processes for Assignment of Funds, Reallocation of Funds, and Authorization of Agreements. The HQUSACE Program Manager will coordinate decisions on the funding of projects with decisions on authorizations to execute new agreements in accordance with the following processes.

a. Assignment of Funds to Priority Project Phases. A "priority project phase" is a project phase that is ranked sufficiently high in accordance with paragraph 7 such that the total amount for which it qualifies in the CFY and CFY+1 is affordable within the total amount available for reallocation in the CFY and CFY+1 within the applicable section. Generally on a quarterly basis, as discussed below, the HQUSACE Program Manager will update a list of priority project phases in each section and will update the amount of funds assigned in the CFY to each priority project phase.

(1) The Program Manager will estimate for each CAP section the total amount available for reallocation through CFY+1 (anywhere from four to seven quarters). Numerically, the total amount available for reallocation is equal to: 1) all funds that are available on projects in the section but not scheduled for execution in the CFY on those projects (that is, the sum of project surpluses in the CFY); plus 2) the balance in the Master Program Code for the section; plus 3) the assumed or actual appropriation for the section for the CFY; plus 4) the Army's "ceiling" amount or the President's Budget amount, if available, for the section in CFY+1; minus 5) any contingency established by the Program Manager.

(2) The Program Manager will determine the amounts for which each project phase in the section qualifies in the CFY and in the CFY+1. The amount for each FY is equal to the sum of stated capabilities for the project phase in the CAP database for that FY, with the following exceptions.

(a) For a project with design work that was begun under pre-31 January 2006 rules but has not been funded continuously, the total on a cumulative basis for which the project phase qualifies will be limited to the amount needed to develop and execute the D&I agreement.

(b) If the agreement applicable to the phase (Feasibility Cost Sharing Agreement or Project Partnership Agreement) has not been executed and is not scheduled for execution in the next two fiscal quarters, the total on a cumulative basis for which the project phase qualifies will be limited to no more than $100,000 for the phase, unless a waiver is granted to ER 1105-2-100, Appendix F, or the $100,000 limits do not apply. (The $100,000 limits do not apply to phases that do not require agreements, namely, the feasibility phase of Section 206 and 1135 projects with feasibility work already under way as of 31 January 2006, the feasibility phase of Section 14 and 208 projects with Planning and Design Analysis under way as of 31 January 2006 and the decision document approved by 31 January 2007, design work continuously funded since 31 January 2006, and Section 204 feasibility work.)

(3) Following the ranking priorities in paragraph 7 for the CFY, and assuming that any amounts specified for projects in the Congressional justification sheets for CFY+1 are provided to those projects in those amounts in CFY+1, the Program Manager will identify additional priority project phases that are affordable in the CFY and CFY+1 within the available amount under paragraph 6.a.(1). The program Manager will assign to the identified priority project phases for the CFY the amounts for which they qualify in the CFY under paragraph 6.a.(2); provided, that amounts previously assigned for the CFY will not be reduced except as a consequence of enacted rescissions, changes in capabilities, or changes in status with respect to paragraph 6.a.(2) or paragraph 7; provided further, that no project phase previously assigned an amount is entitled to be a priority project phase solely by virtue of that previous assignment.

b. Reallocation of Assigned Funds.

(1) Generally on a quarterly basis, the HQUSACE Program Manager will reallocate assigned funds to priority project phases within each section. To minimize the need for FADs, the Program Manager will attempt to keep the reallocations of surplus project funds entirely within Districts, although there will be some gaining and some losing Districts.

(2) The amount reallocated to a priority project phase through a given quarter will be equal to its CFY capability through that quarter, but not to exceed the amount assigned to the priority project phase. However, if an agreement is required for the priority project phase but has not been executed, the total amount reallocated will be limited to no more than a cumulative $100,000 for the priority project phase, unless a waiver is granted to ER 1105-2-100, Appendix F, or these limits do not apply, as discussed in paragraph 6.a.(2)(b).

(3) Should the quarterly capability for a priority project phase increase, or should the priority project phase become eligible for additional assigned funds (such as when an agreement is executed) during a quarter, the Division may request that the Program Manager reallocate additional funds to the priority project phase.

c. Authorization of Agreements.

(1) No agreement will be executed without specific authorization from CECW-I. The HQUSACE Program Manager may authorize an agreement if:

(a) The project is Active, the phase is fully funded, and the scheduled execution date is in the next two fiscal quarters; or

(b) The project is Active, and the RIT documents to the HQUSACE Program Manager that Non-Federal Sponsor funds would be lost unless an agreement were executed by a date certain; or

(c) The project is Active, the phase currently is identified as a priority project phase, the scheduled execution date is in the next two fiscal quarters, and the Program Manager determines that the post-agreement work is affordable in the CFY and CFY+1.

(2) Each authorized agreement will be 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 authorized agreement under ER 1105-2-100, Appendix F are two separate actions.

(3) The Program Manager may revoke the authorization to execute an agreement if the agreement is not executed by, or within a reasonable period after, the scheduled execution date on which the authorization was based.

7. Selection of Priority Project Phases. In identifying additional priority project phases, the HQUSACE Program Manager will rank project phases as follows.

a. Section 14 Projects. Priority project phases are the Active and Unstarted Section 14 project phases that are affordable in the CFY and CFY+1 and address the most significant risks and adverse consequences, irrespective of status or previous funding history. An Unstarted project must have a letter of intent from the Non-Federal Sponsor pursuant to paragraph F-10.b. of ER 1105-2-100, Appendix F, and must have been coordinated with the Appropriations Committees.

b. Other Project Phases. Candidates to be identified as priority project phases will be ranked as follows.

(1) First: Project Phases That Are Covered by Already-Executed Agreements, plus Coordination, plus Project Phases for Which No Agreements Are Required. If not all eligible project phases in this step are affordable in the CFY and CFY+1, the HQUSACE Program Manager will give highest priority to project phases that meet some combination of the following criteria: performance is high (beginning with budgeted projects and Section 107 projects that SACW has determined produce high priority outputs); percent of total Federal cost that has been allocated through CFY-1 is high; and funding the phase contributes to the targets of about 20 percent of funds for Feasibility and about 80 percent of funds for D&I within the CAP section.

(2) Second: Other Project Phases with Agreements Scheduled for the Next Two Fiscal Quarters. If not all eligible projects in this step are affordable in the CFY and CFY+1, the HQUSACE Program Manager will give highest priority to project phases that meet some combination of the criteria in paragraph 7.b.(1).

(3) Third: Other Project Phases Previously Funded. If not all eligible projects in this step are affordable in the CFY and CFY+1, the HQUSACE Program Manager will give highest priority to project phases that meet some combination of the criteria in

paragraph 7.b.(1), along with consideration for a project in the Feasibility phase of whether the project has a Federal Interest Determination.

(4) Fourth: Other Never-Funded Project Phases. To be identified as a priority project phase, an Unstarted project must have been coordinated with the Appropriations Committees. If not all eligible projects in this step are affordable in the CFY and CFY+1, the HQUSACE Program Manager will give highest priority to project phases that meet some combination of the criteria in paragraph 7.b.(1).

8. Reprogramming and Reallocation Limitations.

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

b. Approval of the MSC and the HQUSACE Program Manager are required for reallocations among projects within a CAP section, except as follows.

(1) Districts may approve reallocations of up to $1,000 to CAP Coordination.

(2) Districts may approve reallocations, without limit, to Active projects that have executed agreements for the applicable phase.

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APPENDIX C

Executive Direction and Management
Expenses Program Execution Guidance

1. General. The Expenses Program appropriation funds Executive Direction and Management (ED&M) functions of the Civil Works Program (CWP) 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; development, 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.

The FY10 Energy and Water Development Appropriations Act (E&WDA) 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 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: 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.

Executive Order 13514, signed October 2009, requires Federal agencies to set a 2020 greenhouse gas emissions reduction target within 90 days; increase energy efficiency; reduce fleet petroleum consumption; conserve water; reduce waste; support sustainable communities; and leverage Federal purchasing power to promote environmentally-responsible products and technologies. To this end, the Corps is establishing USACE-wide policies, plans, processes, and tools, required to support annual reporting requirements related to greenhouse gasses (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. 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: Under the Government Performance Results Act (GPRA), each agency is required to establish a Strategic Plan. The USACE strategic plan is called the "Campaign Plan". The Corps' Campaign Plan describes its vision, strategy, goals and objectives for the entire organization. Desired outcomes are for four goals: (1) deliver USACE support to combat, stability, and disaster operations through forward deployed and reach back capabilities; (2) deliver enduring and essential water resource solutions through collaboration with partners and stakeholders; (3) deliver innovative, resilient, sustainable solutions to the armed forces and the nation; (4) and build and cultivate a competent, disciplined, and resilient team equipped to deliver high quality solutions. These goals provide direction toward the accomplishment of the Civil Works Program Strategic Goals. The Civil Works mission is accomplished through four strategic goals: (1) enable and assist in the development of safe and resilient communities and infrastructure; (2) promote sustainable water resources, marine transportation systems and healthy aquatic ecosystems; (3) implement effective, reliable, and adaptive life-cycle project performance and (4) build and sustain a competent team. Funds provided support management of the CWP, through eight business lines, namely commercial navigation, flood and coastal storm damage reduction, environmental management, hydropower generation, regulatory, recreation, emergency management, and storage for water supply.

The ED&M program includes Campaign Initiatives (formerly Program Accounts) which are designed to improve routine operations in program development, planning, design, construction and operation and maintenance. The Campaign initiatives investments were aligned with the USACE campaign plan goals.

Campaign initiatives address improvement in management of human capital to enhance technical expertise and professionalism, as well as improvement of communication through public involvement in risk reduction strategies. It will assure adequate participation in National committees, and improve the technical competency at the regional and district level

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 remains constant at the FY10 and FY11 895 FTE level, and does not provide for inflation or growth in labor or Mandatory items such as rent, utilities and communication costs. At the 2012 ceiling level, This FTE reduction will release funding for Mandatory costs and a minimum amount for discretionary requirements; travel, training, supplies and support services. Any reduction in FTEs, impacts the review and processing time of Project Cooperation Agreements (PCA), the quality and responsiveness on civil works planning, program development and budgetary matters with OMB and Congress, asset management improvements, Engineer and Scientist career program

management, and the improvement gained in workload and workforce planning in the regions. It also inhibits the evolution of the aging workforce, most of whom have specialized education, training and/or skills.

5. Execution. Appropriations for the Expenses Program have been suppressed for several years and continue to remain insufficient to fully fund labor and non-labor requirements for efficient effective accomplishment of the mission. Limited funding necessitates greater management control consistent with 2012 manpower requirements. Since labor funding represents 70% of total funding for the program, labor management is of top priority.

a. Work. Work of the Expenses Program is accomplished through Program/Project/Activities (PPAs), including HQUSACE, the Campaign Account, eight MSCs, six FOAs, and the Commander's Reserve. Within HQUSACE, work is managed by three groups – the two mission directorates, Civil Works and Military Programs, and all others comprising the support group represented by the CoS.

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

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

d. Allocations among PPAs. Allocation of Expenses Program funding among PPAs 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. Allocations within non-HQUSACE PPAs. Allocations within non-HQUSACE PPAs are accomplished for both labor and non labor items at the discretion of the PPAs, mindful of need to maintain adequate force strength.

f. Allocations within HQUSACE. 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. Allocations within HQUSACE Management Groups.
Allocation 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 within the Campaign Account. Allocations of Expenses Program funding within the Campaign Account is accomplished by the three management groups within HQUSACE by consensus, with the Deputy Commanding General (DCG) serving as arbiter, as necessary. All initiatives of the Campaign Account are assigned to one of the four goals of the Corps' Campaign Strategic Plan. Each of the four goal champions receives a single allocation to be sub-allocated as he/she sees fit to optimize use of available funding in pursuit of his/her goal. Any reallocations between/among goals are

accomplished by agreement between/among involved goal champions and coordinated through DRM.

i. Obligation of Allocations. Allocations for any given year, including Campaign Account allocations, must be obligated in that year to the fullest extent practicable. Unobligated amounts, including Campaign Account amounts, are to be returned to DRM IAW dates of the close out plan. Funding of Corps-to-Corps government orders remaining unobligated for 24 months are revoked for reallocation by DRM.

j. Milestone and Obligation Schedules. DCW establishes deadlines for completion, by PPAs, 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.

k. Performance Review. The DCW will review performance of all PPAs at monthly Project Review Board (PRB) meetings and Directorate Management Reviews (DMRs) in terms of actual versus scheduled milestones and obligations. The Campaign Goal Champions will review performance of their Campaign Account initiatives continually to optimize use of their allocations in accomplishment of their goals, adjusting production and resourcing schedules, as necessary to that end. DRM will host quarterly execution reviews. Any execution level funding not obligated within 2 years will be revoked.
Any execution level undelivered order funding not expended within 2 years will be revoked, unless sufficient justification is provided and approved.

6. Regulatory. Certain ED&M activities under the Regulatory Program are assigned by regulation to HQUSACE and the division offices:

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

b. Costs associated with the 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 § 300. Exercising the regional discretionary authority in accordance with 33 CFR § 300.

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 administering the administrative appeals program in accordance with 33 CFR § 331 except for those costs incurred by the division engineers designated review officer while executing his/her duties as review officer.

h. Costs associated with duties assigned to the administrative appeals review officer that are not directly related to the execution of an administrative appeals review.

i. General and administrative costs associated with the administrative appeals review officer assigned to the division.

7. Details and Developmental Assignments. Persons detailed to vacant positions are detailees for whom funding is provided through PR&C to home offices, obligational authority for cross-charging of labor costs to host offices and MIPRing, to home offices, obligational 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 hirelag 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) funded program includes responsibility for disaster preparedness, emergency operations, rehabilitation of flood damage reduction projects, provision of emergency water, advance measures when the threat of flooding is imminent, and participation in the hazard mitigation program.

2. The FY 2011 E&WDAA provided no appropriation for the FCCE program. Unallocated funds from the FY08 War Supplemental (PL 110-252), and the FY09 Supplemental (PL 111-32) are being used for current preparedness activities. Preparedness activities include personnel salaries, and emergency facilities; the review and updating of response plans based on lessons learned from recent disasters; training of personnel and teams to develop critical skills; procurement and prepositioning of critical supplies and equipment which likely would be otherwise unavailable during the initial response stages; periodic exercises to test and evaluate plans, personnel, and training; inspection of non-Federal flood damage reduction projects to ensure their viability to provide flood protection and assess their eligibility for post-flood rehabilitation; laboratory support for field operations; and liaison with state and local governments and agencies. Available funds will be used to fund emergency management employees salaries and facility costs; conduct limited District/MSC exercise; conduct scheduled inspections of non-federal flood damage reductions projects; perform critical emergency response training; award and maintain necessary emergency contracts for debris, power, water, roofing and ice; and operate and maintain emergency information systems (ENGLink) and Deployable Tactical Operation Systems (DTOS). Be advised that permanent change of station (PCS) costs are funded out of regional rates for districts and from FCCE for MSCs as vacancies are filled.

3. The FY09 Continuing Resolution Supplemental (PL 110-329) and the FY09 June Supplemental (PL 111-32), provided funds for Emergency Operations which continue to be used to support EOC Operations, including field representatives and LNO's in support of emergency activities; technical assistance, floodfight operations, maintenance of equipments and replenishment of supplies used during emergency operations and after action reports. This headquarters will undertake necessary measures to ensure emergency operations activities in the field, such as flood response and EOC activations, will continue.

4. Funding for the following response activities will be provided based on availability of funds: project investigations & rehabilitations; advance measures activities; and emergency water assistance activities. These activities will be prioritized and funded on a case by case basis. To maintain the most critical elements of this program, a funding strategy that establishes a priority for future FCCE execution will be developed to maximize program efficiency and effectiveness, we will follow this strategy:

a. CECW-HS and CECW-IN will perform a review of un-obligated FCCE funds with the MSC and revoke excess unobligated funds for use on unfunded requirements. Project rehabilitations funded by the previous supplemental appropriations will continue. Projects currently funded for E&D or construction will continue.

b. CECW-HS will prioritize rehabilitation projects and provide funding for investigation, E&D and construction based on the project priority and funds available. The following ranking criteria will be used to determine project rehabilitation priorities:

(1) Populations and improved property protected by the damaged Flood Damage Reduction Project:

(a) Urban projects protecting populated urban areas.

(b) Rural projects protecting rural communities

(c) Projects protecting agriculture only areas

(2) Severity of existing project damages:

(a) Category A - Projects that have been breached or have failed

(b) Category B - Projects with major erosion, slumping or seepage damage that could result in project failure during the next flood event.

(c) Category C - Projects with minor erosion, slumping or seepage damage that will not result in project failure during the next flood event.

c. Funding for Continuing Eligibility Inspections and Initial Eligibility Inspections of non-federal Flood Damage Reduction Projects will continue in order to maintain continuity in the inspection program and visibility of local sponsor O&M activates.

d. Funding for preparation of Project Investigation Reports (PIR) for project rehabilitation will continue, if funds are available, in order to identify, validate, and prioritize new requirements. As of this guidance all existing investigation requirements have been funded.

e. Funding for advance measures and emergency water assistance activities will be limited to technical assistance.

5. Program Schedules. Obligation and expenditure schedules are to be developed in P2 by a date to be determined by HQ CECW-I. Follow the guidance detailed in the main body of this guidance document. Districts are required to prepare and enter work schedules in P2/OFA for all FCCE allocations, except Emergency Operation activities. Emergency Operation activities requiring Category 200 FCCE funds will not be

scheduled in P2. These activities include EOC Operations, field representatives and LNO's in support of emergency activities; technical assistance; floodfight operations; maintenance of equipments and replenishment of supplies used during emergency operations; and after action reports. USACE emergency/disaster assistance is limited to the preservation of life and the protection of residential and commercial developments, to include public and private facilities that provide public services. The timely response of critical USACE assets in emergency operations precludes the entering of P2 data and schedules.

6. HQ requests that commanders take the necessary actions to ensure that the FCCE program is executed according to the above strategy in coordination with HQ staff and inform appropriate public sponsors of these funding limitations. If necessary, a request for the transfer of funds from other accounts will be initiated.

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APPENDIX E

Formerly Utilized Sites Remedial Action Program (FUSRAP)

1. The purpose of this document is to provide guidance on the execution of the FUSRAP program. The objective of FUSRAP is to identify, evaluate, and remediate sites with radioactive contamination resulting from Manhattan Engineering District (MED) and Atomic Energy Commission (AEC) activities. USACE uses three outcome performance measures to indicate progress meeting this objective:

a. Minimize risk to human health and the environment

b. Maximize the cubic yardage of contaminated material disposed in a safe and legal disposal facility; and

c. Return the maximum number of affected individual properties to beneficial use.

The appropriation for FY 2011 is $130,000,000. The direction provided in this document is in accordance with the direction from Congress.

2. Programmed Schedule. Obligation and expenditure basic schedules are to be developed in P2/OFA by June 16, 2011. Follow the guidance detailed in the main body of this guidance document. These P2/OFA obligation and expenditure schedules will be the baseline schedules for measuring FY 2011 execution.

3. Programmed Carryover. Carryover that is scheduled for business reasons includes funds obligated on fully funded contracts, real estate actions, etc. that are not scheduled to be completed until FY12 or later.

4. Work Allowances. Follow the guidance detailed in the main body of this guidance document.

5. Execution Metrics. With emphasis on producing products and providing services on time, a project baseline shall be created in Primavera Project Manager at the same time that the obligation and expenditure baseline is created in OFA to allow for comparison of work scheduled versus work performed. Baseline schedules will be compared to actual execution each month as a measure of USACE's ability to plan and execute work. To determine whether USACE is meeting its commitments to customers, stakeholders, and the Congress, the following metrics/performance measures will be used by HQUSACE to monitor program execution:

Six performance measures listed below serve as indicators to assist in monitoring progress in meeting the program objective. These measures are listed in OFA. Districts are to schedule in P2/OFA the completion of these measures as appropriate.

The indicators are:

a. **Number of records of decision (ROD) signed.** As studies are completed and best alternatives for cleanup activities are decided, the number of RODs will increase. A final ROD establishes the final cleanup standard, which controls the actual estimate of the remaining environmental liability for each site.

b. **Number of Remedial Investigations (RI) completed.** The RI establishes the baseline risk assessment whereby the level of risk to human health and the environment is identified.

c. **Number of action memorandums signed.** Where warranted by risk or other limited factors, action memorandums allow USACE to move toward reducing risk more rapidly than through production of a ROD. No action memorandums are presently identified.

d. **Cubic yardage of contaminated material disposed.** Target soil amounts are dependent on previous year funding and scheduled activities.

e. **Individual properties returned to beneficial use.**

f. **Number of remedies in place or response complete.** As select portions of sites or complete sites meet their remedial action goals, the risk to human health and the environment is reduced to within acceptable levels and properties are able to be used within a community without fear of increasing cancer risk or further degrading the environment.

6. Reprogramming Limits. Section 101 (a) (10) and 101(b) of Public Law 111-278 established legal limits restricting reprogramming authority. In FY11, the baseline is defined as the unexpended carry-in funds plus the new allocated FY 2011 funds. For FUSRAP, the following reprogramming restriction applies: **reprogramming is restricted to up to 15 percent of the baseline of the receiving project or $49,999, whichever is higher.**

Example: Project 1 has received $10M in FY 2011 appropriated funds and has $500K in unexpended FY09 funds. Project 2 has received $250,000 in FY11 appropriated funds and carried over $50K in unexpended FY09 funds. During the 4th quarter additional needs are identified at Project 2 and excess funds are available at Project 1. Under the FY 2011 reprogramming rule, Project 2 can receive only $49,999 ($300,000 x 15% = $45,000 which in this case is less than $49,999) without prior notification to the Committees being required.

Note: Districts shall notify Division and HQ (CECW-I) by email of **all** reprogramming and/or reallocation actions prior to the initiation of the movement of funds in P2/OFA.

APPENDIX F

Regulatory Program Execution Guidance

1. The purpose of this document is to provide guidance on 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 other waters. USACE uses three program goals to indicate progress towards meeting these objectives.

a. No Net Loss of Aquatic Resources

b. Avoidance and Minimization of Impacts to Aquatic Resources

c. Permit Processing Timeframes

The appropriation for FY 2011 is $190,000,000.

2. 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 2011 execution.

3. Programmed Carryover. Carryover that is scheduled for business reasons includes funds obligated on fully funded contracts, real estate actions, etc. that are not scheduled to be completed until FY 2011 or later.

4. Work Allowances. Follow the guidance detailed in the main body of this Circular.

5. Execution Metrics. With emphasis on linking performance with budget levels, obligation and expenditure baselines will be created in P2. Budget execution will be compared with the eight performance measures listed below to allow for confirmation that Districts are striving to meet all performance goals. The Regulatory program goals and performance measures were developed through a collaborative process with OMB and have a focus on the program's High Priority Performance Goal. These performance measure targets are an important aspect of measuring program results and adequate levels of funding. In addition to these eight performance measures, the Regulatory program will monitor the effective and efficient delivery of the Regulatory Administrative Appeals Program. These measures have been included in the Command Monitoring Requirements (CMR) to track performance and to continue to analyze the link between District execution for each measure, District budgets, workload, and the Divisions' execution of the 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, through the CMR chain. To reduce

workload in the field, Headquarters will run these reports at the national level. Headquarters will provide all Districts and Divisions a 10-day period before the performance reports are run to insure all data is up to date.

For FY 2011, Districts and Division Administrative Appeal Program review officers will receive funding based on a $190 million appropriation for the national Regulatory program. The FY 2011 allocations remained unchanged from the FY 2010 appropriation and do 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. To determine whether USACE is meeting its commitments to customers, stakeholders, and Congress, the Administrative Appeals Program will strive to achieve a 90-day goal for all appeals decisions and the following eight performance measures will be used by Headquarters to monitor District program execution:

Measure	**FY 2011 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.	5%
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).	5%
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.	75%
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%

** High Priority Performance Goal

6. Reprogramming. There are no restrictions on District reallocation of funds among the Permit, Compliance and Enforcement accounts. Divisions are encouraged to establish parameters for District transfers among these accounts. In consultation with Headquarters, a Division may reallocate up to 1% of a District's annual allocation to other Districts within their Division. Reallocations should be limited to short term, current FY needs and will not be reflected by Headquarters in a rebaseline of a District's allocation in future FYs. No funds may be reprogrammed from a District to the Division for use by the Division for any purpose.

A. Division Level Funding.

(1) No funds may be programmed into or reprogrammed out of the Division Appeals account 29600 (013579) without Headquarters approval, except as provided in (2), below. Expenditures at the Division are limited to the costs incurred by the Division Engineer designated review officer while executing his/her duties in accordance with 33 CFR § 331. Divisions must seek and gain Headquarters approval for all Regulatory account expenditures not associated with the execution of the administrative appeals program to ensure all national regulatory priorities are executed effectively.

(2) HQ will provide $150,000 to seven of the eight Divisions to administer the administrative appeals program. Divisions may distribute these funds to the Districts via Military Interdepartmental Purchase Request (MIPR) to support of District staff in accordance with the 10 May 2000 Guidance on the Use of Administrative Appeals Funds in the Regulatory Program

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 funds in the following CCS codes; 110, 120, and 130. Within 90 days of the publication of this EC, Districts will reprogram all remaining funds in these codes to CSS 100.

(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.

(4) Compliance Activities – CCS 800 (010688) All Compliance related work items must be established under CCS 800 in the District's P2 work breakdown structure.

(5) Funds may not be programmed into or reprogrammed out of the Studies account CCS 300 (088870), EIS account CCS 500 (088890), or Other Navigation Regulation account CCS 400 (008207) without Headquarters approval.

7. <u>Obligation Schedule and Fund Distribution</u>: Funds are distributed directly to each District's CCS 100 account based on an allocation formula which considers the following factors.

a. Workload,

b. Performance,

c. Locality pay costs,

d. Efficiency factors

Limited funds have been retained at Headquarters for national regulatory priorities including: litigation, improvements to data management (ORM2 & RIBITS), and emerging requirements during the year. District Regulatory chiefs are expected to appropriately manage their funds to avoid furloughs and meet the target performance measures. Districts and Divisions should not expect to receive additional funds from Headquarters to cover normal operating expenses near the end of the year.

APPENDIX G

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.) Funds have 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 2 or 3 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 Karl Nilson (cf: William 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. Please 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) the following day after 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 “EROC/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 AMSCOs. In these cases, we usually recommend that a “primary” AMSCO be assigned as the Program Code.

Report cases such as these where there is a question concerning the application of this guidance to HQUSACE (CECW-IN, Attn: Karl Nilson).

7. Points of contact for this guidance are Karl Nilson (202-761-4215) and Bill Caldwell (202-761-4094).

APPENDIX H

Reprogramming-Related Definitions

1. The **baseline** for a PPA is equal to unexpended funds carried into the current FY, plus the amount, if any, identified in the Act providing energy and water development appropriations for the current FY or in the tables in the Statement of Managers for the current FY (or, for FY 2011, the amount identified for the PPA in the HQUSACE Work Plan), plus any additional amount allocated by HQUSACE in a work allowance or work allowances in the FY (including any work allowances for supplemental funds, collected appropriation reimbursements, allocations from Funding Pots, or funds withheld from the PPA in a previous FY), minus statutory rescissions, minus deductions such as the one percent O&M deduction for emergencies, but excluding reprogrammings and without adjustment for the withholding of funds in the current FY. Funds in counterpart Recovery Act appropriations are not included in baselines. Funds issued using appropriation 8861 (Inland Waterways Trust Fund) and carried unexpended into the FY are included in the baselines for appropriation 3122 (Construction). The term is synonymous with the terms "base amount," "base level," and "base." Only PPAs have baselines.

2. **Changed conditions** are equivalent to differing site conditions, for purposes of Construction and MR&T Construction reprogrammings. The costs of changed conditions eligible for reprogramming under the "changed conditions" reprogramming rule will be 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.

3. The **cumulative net amount** is the net value of all reprogrammings into and out of a PPA on or after 1 October 2010 until enactment of an Act providing energy and water development appropriations for the next FY. Reprogrammings into and out of a PPA offset each other, at least in part. The cumulative net amount is used to determine whether limits for reprogramming have been exceeded. See Appendix I for business rules on limits. See Appendix J for examples.

4. A continuing PPA that **"did not receive an appropriation"** is a PPA that is not a new PPA in the applicable appropriation, but for which no funds were specified in the Act providing energy and water development appropriations for the applicable FY, no funds were specified in a table in the accompanying Statement of Managers for the applicable FY (or, for FY 2011, no funds were included in the USACE Work Plan), no funds were specified in a supplemental appropriations Act for the applicable FY, and no funds otherwise were received from HQUSACE in a work allowance from funds provided in the regular annual appropriations for energy and water development for the

applicable FY. If a PPA received funds appropriated in the applicable FY to a Funding Pot, it did receive an appropriation. If a PPA received funds for the applicable FY only from supplemental appropriations that were not specified for that PPA, it "did not receive an appropriation."

5. An **emergency** is an actual or imminent natural disaster, storm event, other act of God, accident, act of terrorism, or 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 or incrementally developing condition is not an emergency.

6. **"For existing obligations and concomitant administrative expenses,"** as included in Section 101(a) (6) and (7) of the FY 2010 E&WDAA, means for accomplishing work that was initiated in a prior fiscal year and for the purpose of satisfying existing financial, legal, or contractual obligations and associated administrative expenses. This term must be construed narrowly. Examples include: paying in-house labor for costs associated with a contract for which performance is still under way; reserving additional funds on an already-awarded "true" or "special" continuing contract; making payments on an already-executed lease; and financing a within-scope contract modification. This term applies only to PPAs in the Investigations and MR&T (Investigations) accounts ($49,999 limit) and the Construction and MR&T (Construction) accounts ($300,000 limit). See Appendix I.

7. A **first-tier line item** is a study, project, program, or Remaining Item that receives a specified amount without parentheses in a table in the Statement of Managers, or that did not receive a specified amount but is grouped with first-tier line items that did.

8. Funds for a PPA were **"made available by the Energy and Water Development and Related Agencies Appropriations Act, 2010, Public Law 111-85"** if it received funds in one of four ways:

(a) In the FY 2010 E&WDAA itself. This is true even if the work allowance and FAD were not issued until after FY 2010.

(b) In the Statement of Managers accompanying the FY 2010 E&WDAA. This is true even if the work allowance and FAD were not issued until after FY 2010. PPA's that received funds through a Funding Pot funded in the Statement of Managers are included.

(c) In the supplemental appropriations act for FY 2010. This is true even if the work allowance and FAD were not issued until after FY 2010. For FY 2010, the supplemental funds have a Category-Class-Subclass of 70E.

(d) Through a reprogramming of funds that took place during the period from enactment of the FY 2010 E&WDAA (28 October 2009) through 30 September 2010. The reprogramming would have been under the authority of section 101 of the FY 2010 E&WDAA.

See also paragraph 17.

9. A **new PPA** is a PPA that has never received a work allowance in the applicable appropriation account, except in the case of operation and maintenance funding for a specifically authorized PPA. The term is synonymous with the term "new start."

10. A **P2 Program Code** is a mandatory field in P2 used to store the unique Congressional line-item identifier. See appendix G.

11. A **Parent Program** is a PPA comprised of individual projects and activities that are not specifically authorized, but that have their own P2 Program Codes. The Parent Program is a PPA, but the constituent projects and activities are not.

12. A **program, project, or activity (PPA)** is a specifically authorized project study, project, or program funded in the I, C, O&M, or MR&T appropriation, or a project funded in the FUSRAP appropriation, or work that has received an allocation in the most recent Act providing annual appropriations for Energy and Water Development, or work that has received a specified amount in a first-tier line item in a table of allocations in the Statement of Managers accompanying the Act. Since there was no Statement of Managers accompanying the full-year Continuing Appropriations Act for FY 2011, the applicable Statement of Managers is the one accompanying the FY 2010 Act.

13. A **Project Funding Pot** is a PPA that is a conduit for funding specifically authorized PPAs. The funds are provided to recipient PPAs using the ALL transaction code and become part of the baselines for the recipient PPAs.

14. A **reallocation** is a movement of funds within a Program Code (except to or from a PPA within the Program Code), or a movement of funds between Program Codes within a Parent Program.

15. **A reconciliation** is an increase in the current FY work allowance for a PPA, Program Code, or P2 Project to equate its work allowances to its CRA allotments in CEFMS, or the offsetting reduction in work allowances and allotments on other projects with carry-in to finance the increase.

16. A **reprogramming** is any movement of funds within an appropriation to or from a Program Code, with the following exceptions: a) the pass-through of funds from the Master Program Code for a Funding Pot to a recipient study or project; or b) a reconciliation; or c) a reallocation.

17. A **"Section 1418-type resumption"** is a PPA for which funds were not "made available by the Energy and Water Development and Related Agencies Appropriations Act, 2010, Public Law 111-85." See also paragraph 8.

18. A **sub-item** is a line item that is identified by the applicable Statement of Managers within a first-tier line item and that is named with an amount in parentheses, or is named without an amount and is grouped with sub-items that did receive amounts in parentheses.

APPENDIX I

Standard Operating Procedures for Recording Work Allowances, Reprogrammings, and Other P2-OFA Transactions

1. Specifically Authorized Studies and Projects and Environmental Infrastructure Programs.

a. Each specifically authorized study or project is a PPA and must have its own Program Code. However, elements of the study or project, though they may have their own Program Code, are not considered PPAs unless they are separately implementable and have a separate authorization.

b. Initial Work Allowances.

(1) Funds identified for a specifically authorized study or project are issued to the P2 Program Code for the study or project using the CRA (Work Plan) transaction code. Where the study or project spans multiple EROCs, the total is distributed in multiple CRA-coded work allowances.

(2) Where funds are withheld from a PPA receiving a CRA allocation, the H (Withhold) transaction code is used. The full amount from the Work Plan is issued using the CRA transaction code, and a negative work allowance is issued for the withheld portion using the H transaction code. Later, the withheld portion may be issued in one or more work allowances using the ALW (Allocation of Withheld) transaction code or the ALP (Allocation of Prior Year Withheld) transaction code.

(3) Supplemental funds are issued using the SUP (Supplemental) transaction code.

c. Appropriation reimbursements are collected into four P2 Program Codes (99951 through 99954) at all Districts. These funds are not available to the collecting Districts. To make the funds 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 Funds) transaction code, and issues the funds in an equal and offsetting amount to the P2 Program Code for the recipient project using the ALC transaction code, followed by FADs. Issuance of collected funds in this manner is not a reprogramming.

d. Corrections are accomplished by issuing a negative work allowance in the original code (CRA, ALL, SUP, etc.). The funds are then available for issuance.

e. A rescission enacted for the FY is applied on a pro-rata basis to each PPA. If a sub-item had received a specified amount, a pro-rata portion of the first-tier line item's rescission is applied to the sub-item. The rescissions are applied by issuing negative work allowances with the RES (Rescission) transaction code.

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

g. Funds authorized to be transferred to another appropriation are revoked using the T (Transfer) transaction code in the original account and are issued using the T code in the new account.

h. Reprogramming to or from a PPA is coded as CGR, EMR, or REP. To determine whether a reprogramming exceeds reprogramming limits and therefore requires prior Committee notification (CGR), P2-OFA 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 funds and supplemental funds are included in the computations, and the baselines, limits, and cumulative net reprogrammings combine regular and supplemental funds. The same code may not necessarily apply to both the receiving PPA and the donor PPA, except that the donor PPA is coded as EMR if the receiving PPA is coded as EMR. To be coded as EMR, a reprogramming must meet the conditions in paragraph 7.b.(4)(a) of this Circular.

i. Funds previously reprogrammed (revoked) from PPAs by HQ and included in the undistributed balance will be reprogrammed (reissued) to studies and projects using the applicable transaction code of REP, EMR, or CGR for receiving PPAs. These funds are not the same as previously unissued funds.

2. Programmatic Remaining Items.

a. A Programmatic Remaining Item is a first-tier Remaining Item for which all work is executed under the Program Code for the Remaining Item. See Table I-1.

b. Funds are issued to one or more EROCs through work allowances using the CRA transaction code. One hundred percent of the funds provided in the Work Plan are issued. No funds are withheld.

c. Allocations, corrections, rescissions, statutory deductions, transfers, reprogrammings, and reallocations are managed in the same manner as for specifically authorized studies and projects, as described in paragraph 1 above.

3. Parent Programs. See paragraph 6.c.(3)(b) 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 funds provided in the Work Plan are issued to the Master Program Code using the CRA transaction code. The H transaction code is not used. Funds are reallocated among Children using the RLC transaction code. Funds may be reallocated over time.

c. Corrections, rescissions, and statutory deductions are managed in the same manner as for specifically authorized studies and projects, as described in paragraph 1 above.

d. Reprogrammings arise only when funds are 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.

4. Project Funding Pots. See paragraph 6.c.(3)(c) 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. Funds provided in the Work Plan are issued to the Master Program Code using the CRA transaction code. The H code is not used. Thereafter, funds are passed through to individual specifically authorized studies and projects by issuing to the Master Program Code a negative work allowance using the ALL transaction 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. Supplemental funds are not distributed through Funding Pots. They are distributed directly to specifically authorized studies and projects.

d. Once funds are passed through to a recipient study or project, the funds become part of the reprogramming baseline for the recipient.

e. Corrections, rescissions, and statutory deductions are managed in the same manner as for specifically authorized studies and projects, as described in paragraph 1 above.

g. Funds may be reprogrammed into or out of the Master Program Codes for Project Funding Pots in the same manner as described in paragraph 1.i.

5. Non-Offsetting Transactions. A non-offsetting transaction is a reprogramming or reallocation that is not offset by another reprogramming or reallocation. The net effect of a non-offsetting transaction is that HQUSACE is either retaining reprogrammed or reallocated funds and adding them to the undistributed balance, or providing

reprogrammed or reallocated funds and subtracting them from the undistributed balance. Accordingly:

a. HQUSACE Appropriation Manager approval is required for any non-offsetting transaction.

b. Appropriation Managers will not approve non-offsetting reprogrammings or reallocations that increase the unissued balance by minor amounts, since these funds must be tracked. Instead, the Division should identify a recipient within the Division and process the transaction.

7. P2-OFA Transaction Codes. P2-OFA transaction types and codes for FY 2011 are shown in Table I-2. Guidance will be available at the Training tab in the PMBP Portal.

TABLE I-1

ORG	Program Code	CCS	Programmatic Remaining Item, Parent Program, or Project Funding Pot	Type
			INVESTIGATIONS	
ERDC	328393	180	Access to Water Data	P
ERDC	53919	294	AIS Support Tri-CADD	P
ERDC	53836	280	Coastal Field Data Collection	P
IWR	126628	291	Committee on Marine Transportation Systems	P
IWR	53856	292	Environmental Data Studies	P
IWR	53918	295	Flood Damage Data	P
HQ	190004	250	Flood Plain Management Services	P-C
LRE	190005	197	Great Lakes Remedial Action Plans (listed under States)	P-C
multiple	53820	260	Hydrologic Studies	P
HQ	190006	179	Independent Peer Review	FP
multiple	53900	240	International Water Studies	P
IWR	133938	179	National Flood Risk Mgmt Prog (FEMA/MAP MOD Coord.)	P
IWR	53929	179	National Shoreline Study	P
SPK	53923	181	Other Coord -- CALFED	P
NAB	17253	171	Other Coord -- Chesapeake Bay	P
multiple	53907	181	Other Coord -- Coord w/ Other Agencies	P
MVN	17251	171	Other Coord -- Gulf of Mexico	P
HQ	53921	178	Other Coord -- Interagency / International	P
multiple	14713	173	Other Coord -- Interagency Water Res. Dev.	P
multiple	14405	174	Other Coord -- Inventory of Dams	P
SPD	53931	181	Other Coord -- Lake Tahoe	P
multiple	53933	175	Other Coord -- National Estuary Program	P
multiple	53904	176	Other Coord -- North American Waterfowl	P
NWD	17252	171	Other Coord -- Pacific NW Forest Cases	P
multiple	17250	171	Other Coord -- Special Investigations	P
HQ	190007	186	Planning Assistance to States	P-C
HQ	151558	296	Planning Support Program	P
HQ	88039	220	Precipitation Studies (NWS)	P
ERDC	31293	293	Remote Sensing/GIS Support	P
ERDC	190008	300	Research and Development	P-C
ERDC	53850	270	Scientific & Technical Info Centers	P
UFC	53890	210	Stream Gaging (USGS)	P
IWR	53841	291	Transportation Systems	P
multiple	76371	179	Tribal Partnership Program	P
			CONSTRUCTION	
HQ	75098	740	Aquatic Plant Control Program	P
HQ	902517	517	CAP Section 14	P-C
HQ	902420	420	CAP Section 103	P-C
HQ	902216	216	CAP Section 107	P-C
HQ	902232	232	CAP Section 111	P-C
HQ	902792	792	CAP Section 204	P-C

HQ	902516	516	CAP Section 205	P-C
HQ	902732	732	CAP Section 206	P-C
HQ	902518	518	CAP Secti0on 208	P-C
HQ	902722	722	CAP Section 1135	P-C
HQ	190010	640	Dam Safety & Seepage/Stability Correction Prg	FP
HQ	190034	750	Employees Compensation	P-C
HQ	150575	737	Estuary Restoration Program	P-C
IWR	76175	250	Inland Waterways Users Board - Board Expense	P
IWR	76183	250	Inland Waterways Users Board - Corps Expense	P
multiple	76322	900	Restoration of Abandoned Mines	P
ERDC	31323	430	Shoreline Erosion Control Devel and Demo	P
SAJ	151542	771	South Florida Everglades Ecosystem Restoration, FL	FP
			OPERATION AND MAINTENANCE	
ERDC	8284	495	Aquatic Nuisance Control Research	P
ERDC	8329	640	Asset Management/Facilities and Equipment Maintenance	P
IWR	88933	640	B/M Support for O&M -- Optimization Dredging Data	P
multiple	8258	640	B/M Support for O&M -- Perf Based Budgeting Support	P
ERDC	7855	640	B/M Support for O&M -- Recreation Mgmt Support Prg	P
ERDC	150609	640	B/M Support for O&M -- Stewardship Support Program	P
ERDC	60000	110	Coastal Inlet Research Program	P
MVS	8252	640	Cultural Resources (NAGPRA/Curation)	P
NAP	330117	110	Dredge McFarland Ready Reserve	P
MVN	8304	110	Dredge Wheeler Ready Reserve	P
IWR	88926	640	Dredging Data and Lock Performance Monitoring System	P
ERDC	89500	110	Dredging Operations and Environmental Restoration	P
ERDC	86000	110	Dredging Operations Technical Support Program (DOTS)	P
HQ	8248	640	Earthquake Hazards Reduction Program	P
HQ	190013	640	Emergency Activities (1% Deduction)	FP
HQ	81369	640	Facility Protection	P
HQ	190014	641	FERC Hydropower Coordination	FP
HQ	329431	640	F&WL Operating Fish Hatchery Reimbursement	P
LRE	8266	110	Great Lakes Tributary (Sediment Transportation) Model	P
multiple	8315	640	Inland Waterway Navigation Charts	P
multiple	30767	221	Inspection of Completed Federal Flood Control Projects	P
IWR	330059	640	Long Term Option Assessment for Low Use Nav	P
ERDC	8321	110	Monitoring of Completed Navigation Projects	P
HQ	30745	640	National (Levee) Flood Inventory	P
SAM	8242	110	National Coastal Mapping Program	P
HQ	88935	640	National Dam Safety Program (Portfolio Risk Assess)	P
HQ	84910	500	National Emergency Preparedness Program (NEPP)	P-C
HQ	8270	640	National Natural Resources Management Activities	P/FP
IWR	151527	640	National Portfolio Assessment for Reallocation	P
NWP	116676	310	Nationwide Evaluation of Hydropower Rehabilitation	P
IWR	8295	640	Program Development Tech Support (ABS-P2, WINABS)	P

IWR	8265	495	Protection of Nav -- Harbor Maintenance Fee Data Collection	P
HQ	190020	420	Protection of Nav -- Protect / Clear / Straighten	FP
HQ	190021	410	Protection of Nav -- Removal of Sunken Vessels	FP
IWR	17460	490	Protection of Nav -- Waterborne Commerce Statistics	P
SWF	150612	640	Recreation One Stop (R1S) National Recreation Reservation	P
ERDC	8303	110	Regional Sediment Management Program	P
HQ	88000	600	Reliability Models for Major Rehab	P
IWR	329421	640	Responses to Climate Change at Corps Projects	P
HQ	329906	640	Shoreline Use Permit Study	P
IWR	8241	290	Water Operations Technical Support (WOTS)	P
			MISSISSIPPI RIVER AND TRIBUTARIES	
MVD	15240	320	Channel Improvement (Construction)	FP
MVD	77040	420	Channel Improvement (O&M)	FP
1/P = Programmatic; P-C = Parent; FP = Funding Pot				

TABLE I-2
P2-OFA Work Allowance Transaction Types

CODE	TYPE	DESCRIPTION 1/
	ALLOCATION (HQ ONLY)	
ALC	ALLOCATION OF COLLECTIONS	Revocation of collected appropriation reimbursements from the source AMSCO where collected, or equal and offsetting allocation of the revoked funds to specifically authorized study / project.
ALL	FURTHER ALLOCATION	Revocation of funds from Funding Pot Remaining Item, or equal and offsetting allocation of revoked funds to specifically authorized study / project.
ALP	ALLOCATE H (WITHHELD C OR CRA) FROM PRIOR YEAR	Allocation of withheld portion of amount from Statement of Managers table accompanying prior year annual E&W appns.
ALW	ALLOCATE H (WITHHELD C OR CRA) FROM CURRENT YEAR	Allocation of withheld portion of amount from Statement of Managers table accompanying latest annual E&W appns.
C	ALLOCATE CONFERENCE	Allocation of amount from Statement of Managers table accompanying latest annual E&W appns.
CI	ALLOCATE CARRY-IN	Allocation of carried in, undistributed portion of amount from Statement of Managers table accompanying prior year annual E&W appns.
CRA	ALLOCATE WORK PLAN AMOUNT UNDER YEAR-LONG CRA	Allocation of amount from Work Plan implementing year-long Continuing Appropriations Act.
DED	STATUTORY DEDUCTION	Deduction of a percentage from each amount in Statement of Managers table pursuant to latest annual E&W appns Act, or allocation of all or portion of deducted funds. Negative number.
H	WITHOLD C OR CRA	Withholding of all or portion of amount from Statement of Managers table accompanying latest annual E&W appns. Negative number.
RES	RESCISSION	Deduction of a percentage from each amount in Statement of Managers table pursuant to enacted rescission. Negative number.
RPY	REUSE PRIOR YEAR FUNDS	Revocation of prior year funds to finance portion of the allocations in Statement of Managers table accompanying latest annual E&W appns. Negative number.
SUP	ALLOCATE SUPPLEMENTAL	Allocation of supplemental funds.
T	TRANSFER	Allocation of funds transferred into the account, or revocation of funds to be transferred out of the account.
	REPROGRAMMING CODES	
CGR	REPROGRAM – PRIOR CONGRESSIONAL	A reprogramming requiring prior Congressional notification (exceeds limits). The CGR code may apply to both the recipient and the donor, or to only one.
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 both the recipient and the donor.
REP	REPROGRAM – OTHER	A reprogramming not requiring Congressional notification (does not exceed limits and is not to respond to an emergency). The REP code may apply to both the recipient and the donor, or to only one.
	OTHER CODES	
O	OTHER	HQ use only.
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 both the recipient and the donor.
RLC	REALLOCATION	A movement of funds previously allocated through a work allowance 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 transaction code as the original, erroneous transaction.

APPENDIX J

Calculation of USACE Reprogramming Limits, Examples

Note: 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 <u>reduce</u> the cumulative net amount reprogrammed. The examples below do <u>not</u> include reprogrammings to section 1418-type resumptions. See paragraph 7.f. of this Circular.

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

- FY 2011 Allocations: $ 0
- Prior Unexpended Amount: <u>$550,000</u>
- FY 2011 Baseline: $550,000
- 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 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. Funds in the amount of $250,000 have been reprogrammed to the PPA earlier in the FY.

- FY 2011 Allocations: $2,500,000
- Prior Unexpended Amount: <u>$ 300,000</u>
- FY 2011 Baseline: $2,800,000
- Reprogramming Limit: $ 420,000.
- Cumulative Net Amount = $250,000 + $800,000 = $1,050,000 > $420,000
- **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

- FY 2011 Allocations: $20,000,000
- Prior Unexpended Amount: <u>$ 300,000</u>
- FY 2011 Baseline: $20,300,000
- Reprogramming Limit: $ 3,045,000.
- Cumulative Net Amount = $3,000,000 - $600,000 + $1,200,000 = $3,600,000 > $3,045,000
- **Committee Notification NOT required for first or second actions because in both cases the cumulative net amount did not exceed $3,045,000. Committee notification required for third action.**

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APPENDIX K

Processing and Approval of Reprogramming Actions for PPA's

				Committee Notification Required?	Who Approves in P2-OFA
Initiate a new PPA (move funds into a PPA never before funded in the applicable account)				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 applicable row below	DIV/FOA, then HQ A.M.
Reprogram FY 2011 funds to a Section 1418-type resumption				Before	DIV/FOA, then HQ A.M.
Investigations & MR&T Investigations – limits on cumulative net amount reprogrammed to or from a continuing PPA, except for the reprogramming of FY 2011 funds to a Section 1418-type resumption					
	If baseline is more than $100,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011				
		Increase cumulative net amount reprogrammed to both $50,000+ and > 25% of baseline, or to > $150,000, whichever is less		Before	DIV/FOA, then HQ A.M.
		Otherwise 1/		No	Dist/FOA
	If baseline is up to $100,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011				
		Increase cumulative net amount reprogrammed to $50,000+		Before	DIV/FOA, then HQ A.M.
		Otherwise 1/		No	Dist/FOA
	In the case of a receiving PPA that did not receive an appropriation in FY 2011				
		Increase cumulative net amount reprogrammed to receiving PPA to $50,000+		Before	DIV/FOA, then HQ A.M.
		Otherwise 1/		No	Dist/FOA
Construction & MR&T Construction – limits on cumulative net amount reprogrammed to or from a continuing PPA, except for the reprogramming of FY 2011 funds to a Section 1418-type resumption					
	When reprogramming to receiving PPA is for settled claim, changed conditions (as defined), or real estate deficiency judgment (separate limit)				
		Increase cumulative net amount reprogrammed to receiving PPA for settled claim, changed conditions, or real estate deficiency judgment to > $3,000,000		Before	DIV/FOA, then HQ A.M.
		Otherwise 1/		No	Dist/FOA
	In any other case (separate limit)				
		If baseline is > $2,000,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011			
			Increase cumulative net amount reprogrammed to > 15% of baseline or $3,000,000, whichever is less	Before	DIV/FOA, then HQ A.M.
			Otherwise 1/	No	Dist/FOA

		If baseline is up to $2,000,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011			
			Increase cumulative net amount reprogrammed to > $300,000	Before	DIV/FOA, then HQ A.M.
			Otherwise 1/	No	Dist/FOA
		In the case of a receiving PPA that did not receive an appropriation in FY 2011			
			Increase cumulative net amount reprogrammed to receiving PPA to > $300,000, for existing obligations and related administrative expenses	Before	DIV/FOA, then HQ A.M.
			Increase cumulative net amount reprogrammed to receiving PPA to NTE $300,000, for existing obligations and related administrative expenses	No	DIV/FOA, then HQ A.M.
			Increase cumulative net amount reprogrammed to receiving PPA to $50,000+, NOT for existing obligations and related administrative expenses	Before	DIV/FOA, then HQ A.M.
			Otherwise 1/	No	Dist/FOA
O&M and MR&T O&M – limits on cumulative net amount reprogrammed to or from a continuing PPA, except for the reprogramming of FY 2011 funds to a Section 1418-type resumption					
	When reprogramming is to enable the Corps to respond to an emergency (as defined) (use EMR transaction code for both receiving PPA and contributing PPA) (does not count toward limits below)			After	DIV/FOA, then HQ A.M.
	In any other case				
		If baseline is > $1,000,000, except in the case of a receiving PPA that did not receive an appropriation in FY 2011			
			Increase cumulative net amount reprogrammed to > 15% of baseline or >$5,000,000, whichever is less	Before	DIV/FOA, then HQ A.M.
			Otherwise 1/	No	Dist/FOA
		If baseline is up to $1,000,000, or if PPA is a receiving PPA that did not receive an appropriation in FY 2011			
			Increase cumulative net amount reprogrammed to > $150,000	Before	DIV/FOA, then HQ A.M.
			Otherwise 1/	No	Dist/FOA
FUSRAP – limits on cumulative net amount reprogrammed to or from a continuing PPA, except for the reprogramming of FY 2011 funds to a Section 1418-type resumption					
	Increase cumulative net amount reprogrammed to receiving PPA to both $50,000+ and > 15% of baseline			Before	DIV/FOA, then HQ A.M.
	Otherwise 1/			No	Dist/FOA

1/ Includes a reprogramming that reduces the cumulative net amount reprogrammed.

HQ A.M. = HQUSACE Appropriation Manager or CAP Program Manager

APPENDIX L

Appropriations Committee Notification Examples for Sections 101 and 1418

Notification under Section 101, P.L. 111-85
Honorable Rodney Frelinghuysen
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,000 of [name account, e.g. Construction] funds to the XXXXXX project from the YYYYYY project.

[Use either or both of the following two paragraphs, depending on which project exceeds its reprogramming limit.]

Thus far in Fiscal Year (FY) 2011, a cumulative net amount of $BBB,000 has been reprogrammed to the XXXXXX project. With this reprogramming, cumulative net reprogrammings to the XXXXXX project in FY 2011 would be $CCC,000. The reprogramming baseline for the XXXXXX project is $DDD,000. In accordance with section 101(a)(__) of the Energy and Water Development and Related Agencies Appropriations Act, 2010, prior notification of the Appropriations Committees of the House of Representatives and Senate is required for reprogrammings to or from the project that would exceed $EEE,000 on a cumulative net basis.

Thus far since in Fiscal Year (FY) 2011, a cumulative net amount of $GGG,000 has been reprogrammed from the YYYYYY project. With this reprogramming, cumulative net reprogrammings from the YYYYYY project in FY 2011 would be $HHH,000. The reprogramming baseline for the YYYYYY project is $III,000. In accordance with section 101(a)(__) of the Energy and Water Development and Related Agencies Appropriations Act, 2010, prior notification of the Appropriations Committees of the House of Representatives and Senate is required for reprogrammings to or from the project that would exceed $JJJ,000 on a cumulative net basis.

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 YYYYY 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 Peter Visclosky
Ranking Member

Notification under Section 101, P.L. 111-85
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,000 of [name account, e.g. Construction] funds to the XXXXXX project from the YYYYYY project.

[Use either or both of the following two paragraphs, depending on which project exceeds its reprogramming limit.]

Thus far in Fiscal Year (FY) 2011, a cumulative net amount of $BBB,000 has been reprogrammed to the XXXXXX project. With this reprogramming, cumulative net reprogrammings to the XXXXXX project in FY 2011 would be $CCC,000. The reprogramming baseline for the XXXXXX project is $DDD,000. In accordance with section 101(a)(__) of the Energy and Water Development and Related Agencies Appropriations Act, 2010, prior notification of the Appropriations Committees of the House of Representatives and Senate is required for reprogrammings to or from the project that would exceed $EEE,000 on a cumulative net basis.

Thus far since in Fiscal Year (FY) 2011, a cumulative net amount of $GGG,000 has been reprogrammed from the YYYYYY project. With this reprogramming, cumulative net reprogrammings from the YYYYYY project in FY 2011 would be $HHH,000. The reprogramming baseline for the YYYYYY project is $III,000. In accordance with section 101(a)(__) of the Energy and Water Development and Related Agencies Appropriations Act, 2010, prior notification of the Appropriations Committees of the House of Representatives and Senate is required for reprogrammings to or from the project that would exceed $JJJ,000 on a cumulative net basis.

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 YYYYY 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 Rodney Frelinghuysen, 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

Notification under Section 1418, P.L. 112-10
Honorable Rodney Frelinghuysen
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,000 of [name account, e.g. Construction] funds to the XXXXXX project from the YYYYYY project.

In accordance with section 1418 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, prior notification of the Appropriations Committees of the House of Representatives and Senate is required for reprogrammings of Fiscal Year (FY) 2011 funds that would resume a program, project, or activity (PPA), that is, would reprogram FY 2011 funds to a PPA for which funds were not made available by the Energy and Water Development and Related Agencies Appropriations Act, 2010, Public Law 111-85. The XXXXXX project was not included in the Work Plan (spending plan) for FY 2011 and has not otherwise received FY 2011 funds. The XXXXXX project is a continuing project that was last funded in FY _____. The funds planned for reprogramming from the YYYYYY project were appropriated in FY 2011.

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 YYYYY 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 Peter Visclosky
Ranking Member

Notification under Section 1418, P.L. 112-10
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,000 of [name account, e.g. Construction] funds to the XXXXXX project from the YYYYYY project.

In accordance with section 1418 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, prior notification of the Appropriations Committees of the House of Representatives and Senate is required for reprogrammings of Fiscal Year (FY) 2011 funds that would resume a program, project, or activity (PPA), that is, would reprogram FY 2011 funds to a PPA for which funds were not made available by the Energy and Water Development and Related Agencies Appropriations Act, 2010, Public Law 111-85. The XXXXXX project was not included in the Work Plan (spending plan) for FY 2011 and has not otherwise received FY 2011 funds. The XXXXXX project is a continuing project that was last funded in FY _____. The funds planned for reprogramming from the YYYYYY project were appropriated in FY 2011.

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 YYYYY 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 Rodney Frelinghuysen, 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 2011 BASELINE (SUM OF ALLOCATIONS AND UNEXPENDED CARRY-IN)		
PROPOSED REPROGRAMMING AMOUNT		
WHY ARE FUNDS SURPLUS (DONOR); PROPOSED USE OF FUNDS (GAINER)		
IF FUNDS WERE NOT REPROG., IN WHICH FY COULD THE DONOR USE THEM (ASSUME ENACTMENT OF PRES. FY 2012 BUDGET)		N/A
BUDGET HISTORY SINCE FY 2008 (NOT ENACTED HISTORY) (SHOW FY's BUDGETED)		
2008		
2009		
2010		
2011		
2012		
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	
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

Conditions and Approval Levels for Use of Contract Clauses

CONTRACT TYPE	DESCRIPTION OF CONTRACTING CLAUSE	CONDITIONS FOR APPROVAL	APPRV LEVEL
Fully Funded	• Funds are available to fully fund contract scope.	• Funding is available to reserve against entire contract scope and to cover contingencies • If performance period extends into future FYs, funds are available to cover associated in-house costs in the future FYs, or the lowest amount from the Budget, House Report, or Senate Report, (or the amount from the Conference Report, if available) provides such funds for CFY+1	District
Options Contracts	• Base contract and each option are fully funded at award.	• Funding is available to reserve against entire scope of base contract and to cover contingencies • If performance period extends into future FYs, funds are available to cover associated in-house costs in the future FYs, or the lowest amount from the Budget, House Report, or Senate Report, (or the amount from the Conference Report, if available) provides such funds for CFY+1 • Base contract and options each produce a useful increment of work (increment of work that produces benefits or outputs, and will remain in a safe condition) or navigation reach	District CDR
Special Continuing Contract Clause – Primary Clause (See Reference 4.m.)	• Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year. • Expressly requires the contractor to stop working when funds are exhausted. • 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.	• Criteria for MSC CDR approval, below, are not met • Request for Approval (see Appendix O) has been submitted.	ASA(CW)

CONTRACT TYPE	DESCRIPTION OF CONTRACTING CLAUSE	CONDITIONS FOR APPROVAL	APPRV LEVEL
Special Continuing Contract Clause – Primary Clause (See Reference 4.m.)	• Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year. • Expressly requires the contractor to stop working when funds are exhausted. • 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.	• Project is funded under O&M or MR&T (M) account • Special clause is most cost-effective • No funds have been or are scheduled to be reprogrammed from project in CFY • Performance period is no more than 2 fiscal years, and the lowest amount from the Budget, House Report, or Senate Report, (or the amount from the Conference Report, if available) for CFY+1 is sufficient to fully fund the contract, associated in-house costs, and other scheduled work on the project • Request for Approval (see Appendix O) has been submitted	MSC CDR
True Continuing Contract Clause (EFARS 52.232.5001	• Permits the contractor to work beyond the amount reserved for the contract in the fiscal year. • Government is legally liable to pay the contractor for such costs	• Management plan and budget policy provides sufficient likelihood that sufficient funds will be available at all times to avoid violation of Section 103 of the E&WDAA, 2010. • Request for Approval (see Appendix O) has been submitted	ASA(CW)
Special Contract Clause – Alternate Language (Reference 4.m.) or DFARS Incremental funding clause (DFARS 252.232-7007)	• Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year. • Expressly requires the contractor to stop working when funds are exhausted. • Government's liability for termination costs is limited to the amount reserved on the contract (EFARS only)	• Conditions for District CDR approval, below, are not met	ASA(CW)
Special Contract Clause – Alternate Language (Reference 4.m.) or DFARS Incremental funding clause (DFARS 252.232-7007)	• Contractor is not allowed to work beyond the amount reserved on the contract for the fiscal year. • Expressly requires the contractor to stop working when funds are exhausted. • Government's liability for termination costs is limited to the amount reserved on the contract (EFARS only)	• Funds to be reserved for the contract and set aside for contingencies are sufficient to fully fund a useful increment of work (increment of work that produces benefits or outputs, and will remain in a safe condition) or navigation reach, plus associated in-house costs	District CDR

APPENDIX O

Format for Approval to Award a Continuing Contract

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. Description of the contract acquisition strategy. Provide a comprehensive multi-year acquisition plan with an overall description of the project to include 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.

2. Contract Earnings and Expected Funding Stream.

a. Provide information on the funding stream by fiscal year for the contract.

b. Describe funding sources (i.e. included in PY appropriations, President's Budget request for PY+1, etc.

c. Describe 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).

3. Evaluation of contract alternatives. The following information must be discussed in the evaluation of contract alternatives to determine if a continuing contract may be used. If the answer is "NO" to question a, and "YES" to questions b and c, a continuing contract may be recommended.

a. Is the amount available in FY 2010 sufficient to fully fund the contract?

b. Are the scope and schedule of the contract appropriate for the features of the project to construct? Provide analysis of various contracting options. Analysis should provide PROS and CONS for each option investigated. NOTE: Efficiencies and cost savings are NOT sufficient to support the use of a continuing contract. Use of a continuing contract must be based on the fact that the work cannot be accomplished through another contracting vehicle, and is in the best interest of the government. Contracting vehicles to be investigated should include, but not limited to:

(1) Fully Funded Contract

(2) Multiple Fully Funded Contracts Awarded Sequentially

(3) Delaying Contract Award until Sufficient Funding is available.

(4) Fully Funded Contract with Base Bid, and Option(s)

(5) Primary (Special) Continuing Contract

(6) Alternate (Incrementally Funded) Contract

(7) True Continuing Contract

c. If the assessment of all relevant contracting options are impractical, it is determined that delay of the contract to FY11 or later would result in unacceptable consequences (i.e. threat to life, etc.), and there are no funds identified for reprogramming to the project, a true continuing contract may be recommended.

4. <u>Effective Management Controls on Contractor to Ensure Contractor Cannot Work In Advance in Excess of Funds Reserved on the Contract</u>. Approval to award a True Continuing Contract does not obviate the legal restraint prohibiting USACE from allowing the Contractor to work in excess of the amount reserved to the contract. <u>Thus, in requests for use of the True continuing contract clause or to use the special or incremental funding contract clause in a cost-reimbursable contract, the requestor shall describe the management controls to be put in place to ensure the contractor will not exceed the amount reserved to the contract</u>.

5. <u>Recommendation</u>. Provide an overview of the recommendations and include a legal basis for the recommendation. Include a project funding table that highlights out-year project funding/budget requests to show funds that are programmed for a continuing contract.