

DEPARTMENT OF THE ARMY
Corps of Engineers, Northwestern Division
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CENWD-RM
Regulation
No. 415-1-2

20 October 2000

Construction
SUPERVISION AND ADMINISTRATION (S&A) REGIONALIZATION

History. This issue is a new Northwestern Division (NWD) regulation.

Summary. This regulation covers the financial management of construction supervision and administration (S&A), specific responsibilities and preparing and managing S&A placement/income and expense schedules.

1. PURPOSE. This regulation prescribes the administrative procedures for the regional management of construction supervision and administration (S&A). Specifically this includes Defense Environmental Restoration (DERP); Military Construction (MILCON); and military Operations and Maintenance (O&M) programs.
2. APPLICABILITY. This regulation applies to Northwestern Division elements and districts.
3. RELATED REFERENCES.
 - a. ER 37-345-10, Financial Administration - Accounting and Reporting - Military Activities (dated 30 September 1996).
 - b. ER 415-1-16, (Draft) Fiscal Management of Construction (dated 16 September 1999).
4. BACKGROUND. In August of 1999, the Chief of Engineers approved the partial decentralization of S&A management from Headquarters, United States Army Corps of Engineers (HQUSACE) to the Major Subordinate Commands (MSCs). This transition included designation of a portion of the S&A account to each MSC (based on projected workload levels) to be placed in their respective regional accounts. Year end gains/losses are added to the regional account balances. The intent of this effort is to improve the current method of S&A management, promote the regional business center concept and allow for the management of S&A on a multi-year basis.
5. POLICY. NWD S&A management is a joint effort shared by Resource Management (DRM), Military and Technical (MTD) and Civil Works and Management (CWMD) Directorates. The program shall encompass all areas of S&A income and expenditures and provide a basis for improvement through periodic feedback and evaluation.

6. RESPONSIBILITIES.

a. Division. The Chief of Technical Engineering & Construction Division is responsible for consolidating and formalizing the monthly S&A placement/income and expense schedules and monitoring the Districts' progress in meeting the assigned targets. Military/HTRW/SFO Division is responsible for meeting customer needs, developing workload projections and project schedules. DRM will monitor the MSC S&A "checkbook" to ensure solvency. DRM will develop and distribute monthly reports to assist in monitoring the Districts' performance. This report will be prepared by the 5th working day of each month. Source data for this report will be retrieved from the "SA95" reports and military S&A schedule. DRM will periodically brief the Regional Management Board (RMB) on S&A performance and the balance of the regional S&A "checkbook" account.

b. District. Prepares initial annual construction placement/income and expense schedules and midyear updates. Monitors execution during the fiscal year and adjusts accordingly to meet customer requirements and stay within established targets. Furnishes schedule updates when changes have occurred. All requirements which use S&A funding will be identified in the fiscal operating budget. S&A status will be routinely monitored at District level.

7. PROCEDURES.

a. DRM will maintain the regional S&A "checking account" which is comprised of the starting balance allocated from HQUSACE and the total gains or losses from FY 99 and future years.

b. The RMB manages the regional S&A accounts to insure long term, Division-wide viability. All requests for exception to assigned S&A targets must be fully justified and approved by the RMB.

c. S&A gains and losses throughout the year are reflected in the regional account balance. The Districts are to manage their S&A income and expenses so that only RMB "acceptable variations" develop over multiple year budgets.

d. Districts will submit military construction placement, income, and expense schedules for the FY to Technical Engineering and Construction Division. The Division staff will review, analyze, request adjustment (if necessary) and consolidate the schedules for submission to HQUSACE.

e. The Districts will calculate S&A income and expenses, to include PM and other District costs, by the end of July for the upcoming FY and will be included as a part of the initial budget submissions. Potential shortfalls and expenses exceeding income shall be included; however, the expectation is that actual costs will remain within budget and established limits.

The projections/proposed targets shall then be submitted to the RMB/Division Board of Directors (DBOD)/Division Commander as part of the Operating Budget presentations. The Division Commander will establish the initial S&A targets in the approved Operating Budget for each District.

f. At midyear, the RMB will review year-to-date S&A performance and proposed midyear revisions to ensure that assigned targets will be met by the end of the FY. Target adjustments requested by the Districts will be reviewed for impact on the regional checkbook balance. The RMB will approve all revisions to initial S&A targets.

8. AUTHORITY TO DEVIATE FROM PRESCRIBED FLAT RATES.

a. Waivers to normal S&A flat rates will be considered on a case-by-case basis. Deviation requests will be forwarded from the Districts to DRM for coordination with MTD and the RMB.

b. Deviation waiver requests must be fully justified and not impact the District's ability to meet the assigned S&A targets. Deviation requests approved at NWD will be forwarded to CERM-P for final approval. E-mail will be used for urgent requests that cannot be processed under normal administrative procedures.

FOR THE COMMANDER:



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