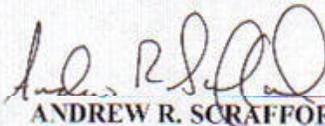


Air Force Military Construction

Program Management Plan


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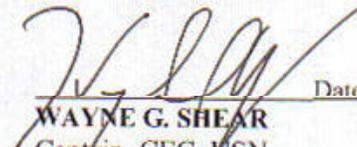

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1. GENERAL:

1.1. PURPOSE: The Headquarters U.S. Air Force (HQ USAF) and Headquarters Naval Facilities Engineering Command (NAVFACHQ) jointly developed this Program Management Plan (PMP) to implement their Partnering Agreement (reference 1.2a), and to support safe and successful delivery of quality USAF Military Construction (MILCON) facilities on time and within budget. The PMP establishes and formalizes the expectations of both organizations in providing 'cradle to grave' management of the Air Force Military Construction Program.

1.2. REFERENCES:

- a. Partnering Agreement, HQ USAF/ ILE and NAVFACHQ, 13 May 2003
- b. DODI 4270.5, Military Construction Responsibilities, 2 March 1982
- c. AFI 32-1023, Design and Construction Standards and Execution of Facility Projects
- d. NAVFAC-Air Force-DFAS Memorandum of Understanding, September 2002

1.3. SCOPE: This PMP applies to all USAF MILCON projects assigned to NAVFAC including Air Force Reserve and Air National Guard MILCON projects but excluding Air Force Non-Appropriated Funds, Air Force Family Housing and NATO-funded Air Force projects which all operate under differing constraints. Unless authorized by special authority or agreement, NAVFAC shall be design/construction agent for all AF MILCON projects at AF locations as designated by DODI 4270.5 (reference 1.2.b). This PMP may be supplemented by MAJCOM-specific PMPs as well as acquisition strategy plans for each MILCON project NAVFAC executes for Air Force.

1.4. CHANGES TO PROGRAM MANAGEMENT PLAN: This PMP will be reviewed annually and may be revised at any time by mutual consent of the signatories.

2. ROLES and RESPONSIBILITIES:

2.1. HQ USAF/ILEC is responsible for management of the AF MILCON program. HQ USAF/ILEC provides policy, guidance and direction to MAJCOMs and NAVFACHQ for executing the Air Force MILCON program. This includes developing, influencing and promulgating policies that help ensure project planning efforts are complete and budgets are sufficient to enable successful project execution.

2.2. NAVFACHQ is responsible for program management of the AF MILCON program assigned to NAVFAC, including NAVFAC policy, guidance and direction for program management and execution. NAVFACHQ's Air Force Liaison Officer is the primary, but not sole, point-of-contact with HQ USAF/ILEC. The NAVFACHQ Air Force Liaison Officer, in conjunction with the NAVFACHQ MILCON Program Office and NAVFACHQ Chief Engineer Office, is accountable to HQ USAF/ILEC for the successful execution of the Air Force MILCON program assigned to NAVFAC. NAVFAC components perform the role of Contracting Officer for Air Force MILCON projects and bear responsibility for tasks associated with that role.

3. PROGRAM MANAGEMENT:

3.1 GENERAL: The HQ USAF and NAVFACHQ will work to meet all expectations outlined in this plan. Each will maintain a continuing professional dialog with their counterpart as well as their respective management chain to identify future facility requirements and achieve successful execution of projects through a partnered effort by the USAF and NAVFAC team. HQ USAF and NAVFACHQ will continually strive to improve policy and guidance to meet the objectives in this plan. HQ USAF and NAVFACHQ will coordinate policy changes that may impact program execution prior to issuance whenever possible.

3.2 DESIGN AND CONSTRUCTION RESPONSIBILITY:

a. Design and construction of projects assigned to NAVFAC (reference 1.2b) will be executed by the geographic Engineering Field Division/Engineering Field Activity (EFD/A) that is responsible for the region where the Air Force Base is located.

3.3 PROGRAM REVIEWS:

a. NAVFACHQ and HQ USAF senior leaders will meet annually to review the current status of the MILCON program and efforts to improve execution of the program. NAVFACHQ will arrange an annual meeting among NAVFAC EFD Capital Improvement Business Line Managers and HQ USAF leaders. The Commander, NAVFACENGCOM, and the HQ USAF ILE will plan to meet at least annually. NAVFACHQ leaders will participate in semi-annual AF MILCON Program Management Reviews.

b. NAVFACHQ and HQ USAF will continue to regularly exchange reports that address program goals, metrics, and issues referred to them by MAJCOM's and EFD/As.

3.4 AUTOMATED MANAGEMENT INFORMATION SYSTEMS: HQ USAF and NAVFACHQ will work toward the most efficient methods for data exchange between staff and project management information systems and to permit access to service-specific project management systems. These systems are listed in Appendix A.

4. PLANNING:

4.1 DESIGN GUIDES: HQ USAF/ILE will provide the NAVFACHQ Engineering Innovation and Criteria Office (EICO) opportunities to review Air Force Design Guides and Unified Facilities Criteria documents as they are being vetted by the document owners. AF Engineering Technical Letters (ETLs) will be coordinated with EICO prior to distribution to AF and NAVFAC offices.

4.2 LEGISLATIVE PROPOSALS: NAVFACHQ and HQ USAF Congressional Liaison offices will confer directly on a regular basis as well as through the Tri-Service Working Group to coordinate legislative proposals.

4.3 PROJECT DEVELOPMENT: HQ USAF and NAVFACHQ will strongly encourage their respective subordinate commands to collaborate in the earliest possible development and planning phases of a program and/or project. This will help Air Force ensure that project scopes and budgets are accurate and sufficient for successful design and construction and that

site/environmental issues are clearly identified and addressed during the project development phase. This includes obtaining NAVFAC EFD/A cost validation of projects (including congressional insert projects) prior to submission of project documentation for budget review or to the requesting committee. HQ USAF and NAVFAC will jointly develop a report on the status of project planning collaboration efforts to quantify the link between project planning and project execution success. The report will be completed by HQ USAF prior to PMRs to allow discussion of possible process improvements with MAJCOMs. Air Force is committed to timely completion of National Environmental Policy Act (NEPA) and other key planning documentation that will help ensure successful project execution and NAVFAC will support those efforts to the greatest extent possible.

5. PROGRAMMING: HQ USAF/ILEC will provide Future Year Defense Plan information to NAVFACHQ as soon as such information is releasable. NAVFACHQ will provide this information to EFD/As, encouraging them to communicate with Air Force MAJCOM and base representatives to discuss project scope, budget and schedule requirements, identify acquisition strategy alternatives, and offer project documentation development and planning services at the earliest possible time.

6. DESIGN:

6.1 DESIGN AUTHORIZATION:

- a. Planning Instruction (PI). HQ USAF will provide NAVFACHQ information copies of PI's authorizing MAJCOM's to proceed with design and expenditure of initial design funds.
- b. 2807 Notification: HQ USAF will notify the appropriate committees of Congress when required and immediately advise NAVFACHQ when the 21-day notification period has started. Unless otherwise notified, NAVFAC may immediately award a design contract after the 21-day notification period has expired.
- c. Field Design Instruction (Field DI). After receipt of the PI, the MAJCOM will issue a Field DI to the EFD/A with information copies to NAVFACHQ. The Field DI authorizes NAVFAC to design the project and includes specific information including but not limited to the following: Programmed Amount (PA), Construction Cost Limitation (CCL), Scope, DD Form 1391, Level of Design Authorized, and proposed schedule with User Need Date. Depending on design funds availability, design funds will be provided with Field DI to fund the authorized level of design. If design funds are provided after the Field DI issuance date, the project schedule will be based on the time the funds are received by NAVFAC. For "routine" President's Budget projects, the target is to issue the Field DI 15 months prior to beginning of the execution year (1 July 2004 for the FY06 program), but no later than 12 months prior to beginning of the execution year. For large projects (>\$15M) requiring full design before construction contract advertisement, the target is to issue the Field DI 15-18 months prior to the beginning of the execution year. For Congressional insert projects, the target is to issue PIs and Field DIs within 30 days following three positive Congressional MILCON Subcommittee marks. Upon receipt of Field DI, EFD/A will collaborate with the MAJCOM to finalize the acquisition strategy. MAJCOMs are expected to ensure completion of thorough planning efforts prior to issuing the required timely design instruction.

6.2 DESIGN SCHEDULES: Design schedules will be developed jointly between NAVFAC and AF to achieve project goals. Schedule dates including interim design completion and design review milestones are a commitment to the customer and must be aggressively pursued by the joint NAVFAC-AF project team.

6.3 DESIGN CRITERIA: Projects will comply with AFI 32-1023 (reference 1.2c). HQ USAF is responsible for providing written confirmation of waivers to AFI 32-1023 to NAVFACHQ for dissemination to NAVFAC offices. NAVFAC will not waive AF criteria without written HQ USAF approval.

7. CONSTRUCTION:

7.1 SCHEDULE: Project schedules will be developed jointly between NAVFAC and AF to achieve project goals. The scheduled beneficial occupancy date (BOD) is a commitment to the customer and must be aggressively pursued by the joint NAVFAC-AF project team.

7.2 RED ZONE MEETING (RZM): A RZM (Tab C) will be convened for the purpose of facilitating physical and fiscal completion of the project. The NAVFAC ROICC will facilitate the RZM no less than 60 days prior to scheduled beneficial occupancy date (BOD). The NAVFAC ROICC will document discussions and actions from the RZM in the meeting minutes and distribute the minutes to all RZM members.

7.3 PROJECT TURNOVER: Interim DD Forms 1354 will be provided to the appropriate Air Force representative at the completion of construction (Tab D). Final DD Forms 1354 will be provided prior to or as part of financial closure.

7.4 CURRENT WORKING ESTIMATE (CWE): The CWE reflects all costs contemplated to be funded by a project, including contract award amount, optional bid items, contingency, the applicable Supervision, Inspection and Overhead (SIOH) rate, and other miscellaneous items. The miscellaneous items may include costs for: design-build design fee, post construction award services, USAF Management Reserve funds, base-performed work items, and separately funded equipment or telecommunications requirements. Post construction award services requirements must be approved by the requiring MAJCOM.

7.5 CONSTRUCTION PARTNERING: To maximize the opportunity for project success, each project that NAVFAC executes for Air Force will incorporate provisions for partnering after construction contract award. HQ USAF supports key project personnel participating in the partnering process including but not limited to users who will occupy the facility, MAJCOM representatives, members of the NAVFAC project team, the designer-of-record and the construction contractor.

8. FUNDS MANAGEMENT:

8.1 TRANSFER OF FUNDS: MILCON funds are released by HQ USAF to NAVFACHQ for award of contracts, increases in contracts, real estate acquisition and other purposes specified in Congressional Authorization and Appropriation Bills. NAVFACHQ will allocate these funds to the appropriate EFD/A.

8.2 FUNDS MANAGEMENT: NAVFACHQ is accountable for all AF MILCON funds transferred to NAVFAC. Upon identification by HQ USAF, NAVFAC will assist in the return of excess funds to USAF in a timely manner. NAVFACHQ will regularly provide HQ USAF and EFD/As with reports of AF MILCON funds being held by NAVFAC, including reports noted in the NAVFAC-DFAS-AF Memorandum of Understanding dated September 2002 (reference 1.2d).

8.3 CLAIM SETTLEMENT AND REIMBURSEMENT TO THE JUDGMENT FUND:

a. NAVFAC will not hold contingency funds for payment of claims in excess of the estimated amount for settlement plus SIOH, of claims determined to have merit.

b. NAVFAC will continue providing HQ USAF/ILEC quarterly reports summarizing claim settlements and outstanding claims.

9. PROGRAM GOALS: The overall goal for the MILCON program is to safely provide quality facilities that meet user requirements on time, and within budget. NAVFAC and Air Force recognize that achieving desired outcomes is dependent on effective sub-processes that result in timely completion of quality products at intermediate stages in the overall process. Desired outcomes (goals and metrics for the program) are shown in Appendix B. An annual joint report will be developed by November of each year showing the program health based on these metrics and goals (HQ USAF lead). Indicators not meeting the agreed goal are expected to show improvement in subsequent years and the NAVFAC/Air Force team will work together to effect those improvements.

10. QUALITY and CLIENT SATISFACTION: Both Air Force and NAVFAC recognize that our most critical measure of success is the degree to which facility end-users are able to meet their operational mission. With that in mind, Air Force and NAVFAC will work together to establish and institutionalize processes for follow-up after product/service delivery including obtaining feedback and capturing lessons learned from facility users and operators as well as from others involved in the planning, design and execution processes. In addition, we will jointly emphasize the need for effective, continual and proactive communications at all levels to help ensure mission success.

APPENDIX A
AUTOMATED MANAGEMENT INFORMATION SYSTEMS

1. NAVFAC's **FACILITIES INFORMATION SYSTEM (FIS)**: FIS will be used for tracking and reporting funds management.
2. NAVFAC's **ieFACMAN (interoperable enterprise Facilities Management)** system will be evaluated for implementation as a management system as it is being developed.
3. **Air Force Automated Civil Engineer System – Program Management (ACES-PM)**
ACES-PM provides an integrated, worldwide network for transfer of Air Force design and construction management information. The system utilizes distributive processing, with information entered at local desktop computers to generate daily updated project data for worldwide availability. Air Force will be responsible for entering information into the ACES-PM system during the design and construction phases.

APPENDIX B
GOALS AND METRICS

1. DESIGN AUTHORIZATION, FINAL DESIGN: For President's Budget projects, field design instructions and design funds for the final design phase should be issued by 1 July, fifteen months prior to the execution year (1 July 2004 for projects in the FY06 program), but no later than twelve months prior to beginning of the execution year. For Congressional Insert projects, design instructions will be issued within 30 days of three positive Congressional MILCON Subcommittee marks. Depending on design funds availability, design funds will be provided with Field DI to fund authorized level of design. If design funds are provided after the Field DI issuance date, the project schedule will be based on the time the funds are received by NAVFAC. HQ USAF will track Field DI dates to ensure they are issued in a timely manner.

2. USE OLD P&D FUNDS. Obligate prior year P&D funds against contracts or in-house labor (not just MIPRs), by the end of the third quarter, as follows:

FY - 2 (FY01 for FY03) and prior years	100% obligated,
FY - 1 (FY02 for FY03)	80% obligated.

3. DESIGN COMPLETION. Complete design of all Presidents' Budget projects and be ready to advertise for construction by 30 September prior to the execution year (based on receipt of Field DI and Design funds per Paragraph 1 above).

4. CONSTRUCTION CONTRACT AWARD, PRESIDENT'S BUDGET PROJECTS.

Award all President's Budget projects in the first two quarters of the appropriation FY, beginning with FY05.

5. CONSTRUCTION CONTRACT AWARD, CONGRESSIONAL INSERT PROJECTS:

Award all Congressional Insert Projects in the appropriation FY, beginning with FY05.

6. CONSTRUCTION DURATION: Construction duration (NTP to BOD) should not exceed the following for routine facility construction; exceptions are to be coordinated between the EFD/A and MAJCOM.

PA < \$5M, construction duration is 365 days
PA ≥ \$5M and PA < \$20M, construction duration is 540 days
PA ≥ \$20M, construction duration is 730 days

For both traditional construction and design/build contracts, the goal is to eliminate change orders that impact the project's construction duration.

7. CONTRACT AWARD COST (CWE/PA RATIO). Award the program with a CWE/PA ratio established annually by HQ USAF. The sum of the award CWE divided by the sum of the PA for all projects available for award in FY should be less than the annually established amount; MAJCOMs are responsible for ensuring this target is met for each of their FY programs.

8. CONSTRUCTION SCHEDULE GROWTH: Manage schedule growth to 10% or less. Schedule Growth is the performance days (i.e., NTP to BOD) relative to the original estimated

performance days. Schedule growth has a direct impact on cost growth. Minimizing schedule growth promotes quicker closeout of projects and availability of funds for use elsewhere if needed. Should this goal not be met, HQ USAF and NAVFACHQ will work together to understand reasons why the goal was not met and to identify what steps each organization should take to help meet the goal in the future.

9. CONSTRUCTION COST GROWTH. Manage construction cost growth to 5% or less of the original contract amount. Cost Growth is the ratio of current contract cost to original contract cost. Original contract award price (including cost of options even if not awarded on same day as base bid) is the basis for all calculations. Should this goal not be met, HQ USAF and NAVFACHQ will work together to understand reasons why the goal was not met and to identify what steps each organization should take to help meet the goal in the future.

10. FINANCIAL CLOSEOUT: Financially close projects in CONUS within 12 months of BOD, and OCONUS projects within 15 months of BOD (for OCONUS projects, influences outside the control of the DoD may require adjustments).

TABS

- A. Partnering Agreement, HQ USAF/ ILE and NAVFACHQ, 13 May 2003
- B. DODI 4270.5, Military Construction Responsibilities, 2 March 1982
- C. Air Force "Red Zone Meeting" implementation letter dated 22 July 2002
- D. Form DD Form 1354, Transfer and Acceptance of Military Real Property
- E. NAVFAC-Air Force-DFAS Memorandum of Understanding, September 2002