



Workshop Objectives

- To understand the basic concept of the Army Military Construction (MILCON) Process and the development of the MILCON budget cost estimate.
- To improve the quality of the budget estimate with high degree of uniformity, accuracy, reliability, and defensibility.





Table of Content – Tab List

1. Army MILCON Process
2. Army MILCON Budget Cost Estimating
3. DD Form 1391 Overview & Cost Data
4. DD Form 1391 – Tab F (Information Systems Cost Estimate)
5. ENG Form 3086/DD1391 Policies, Guidance, and
6. Historical Analysis Generator (HAG) Data
7. References:
 - a. USACE/ACSIM Policies & Memos
 - b. DD Form 1391 – Certification/ Checklist
 - c. DD Form 1391 – Planning Charrette
 - d. OSD MILCON Guidance – DOD Area Cost Factors and Military Facilities Pricing Guide
 - e. ASA Environmental Contaminants on MILCON Sites policy
 - f. Acronyms





Army MILCON Program

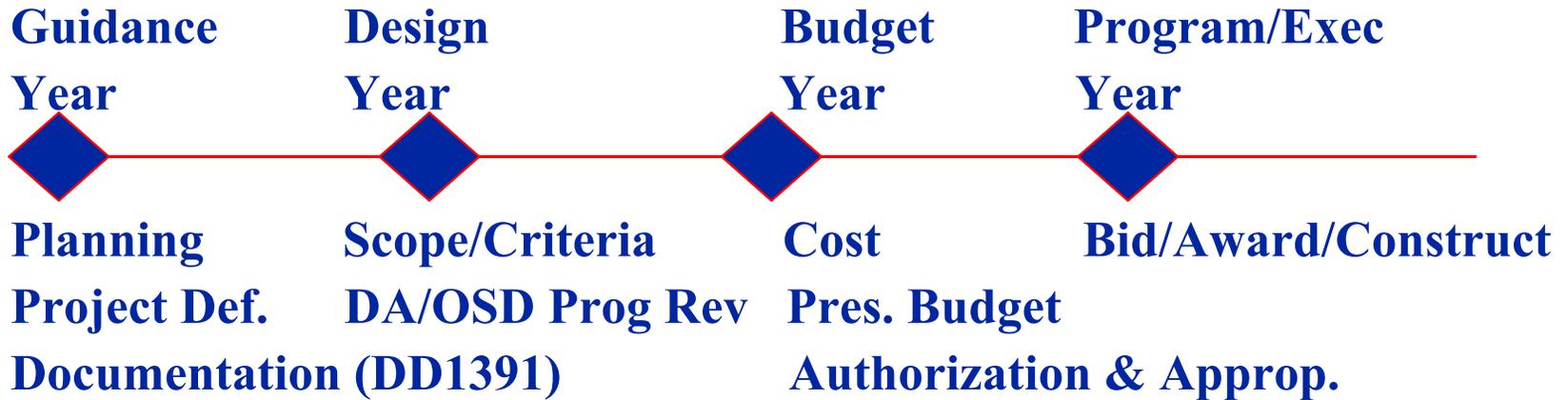
Development and Execution Process

- **Planning** - Site Selection, Definitions, Documentation
- **Programming** - Project Review/Certification, DA/OSD Program Review/Approval
- **Budgeting** - Budget Estimate Development, Army/OSD Budget Submission/Approval, Congressional Authorization and Appropriation
- **Execution** - Project Design/Estimate (CWE/IGE), Solicitation, Construction Award & Construct





MILCON Process Summary



FY 2006 Project Schedule:

- Guidance Year Minus 1 (GY-1): FY 02
- Guidance Year (GY): FY 03 PRB on 11-14 Mar 03
- Design Year (DY): FY 04 – Form 3086 Due May 04
- Budget Year (BY): FY 05 -
- Program (Execution) Year (PY): FY 06





Key Regulation & Guidance

- AR 415-15 – Army Military Construction Program Development & Execution
- DA Pamphlet 415-15 – Guide for DD Form 1391 Project Data Development
- Proponent: ACSIM, HQDA



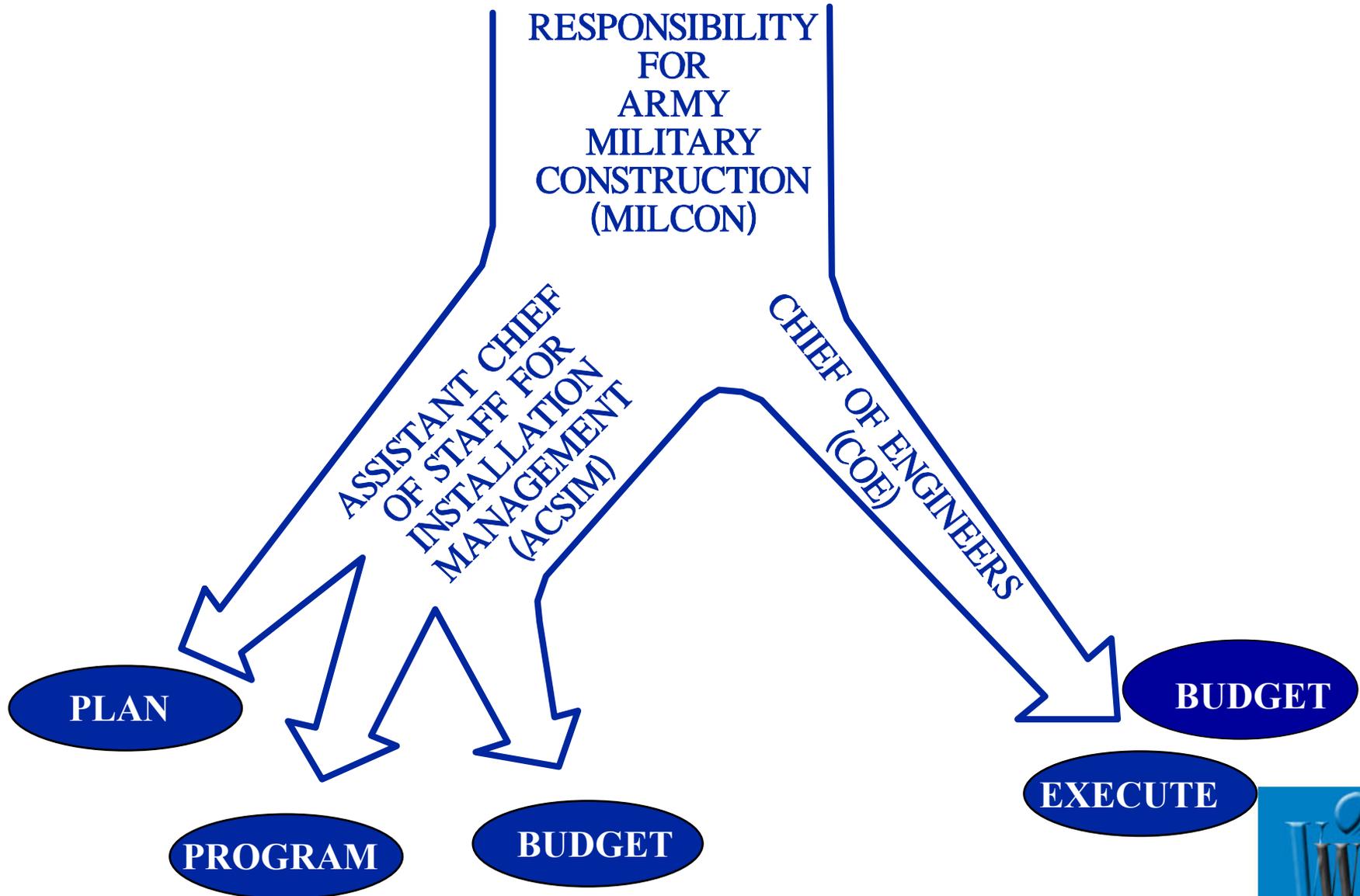
Key Players

- Installation/User
- Installation Management Agency (IMA)
- Department of Army (DA)
 - Assistant Secretary of Army (ASA)
 - Army Chief of Staff for Installation Management (ACSIM)
 - Construction Requirements Review Committee (CRRC)
 - Army Corps of Engineers (USACE)
 - Information Systems Engineering Command (ISEC)
- Office of Secretary of Defense (OSD)
- Office of Management & Budget (OMB)
- Congress
- President





ACSIM/COE RESPONSIBILITIES





Key Activities - For FY 06 Project

- Define requirements, validate project scope & site
- Develop and analyze alternatives
- Consider Sustainable Design Development (SDD)
- Environmental investigation
- Archaeological and historical documentation
- Establish method of funding
- Develop economic analysis
- Develop Tabs A-J (1391)
- Task communications to establish information systems requirements
- Standardization waiver, if required
- Conduct Real Property Planning Board (RPPB) to prioritize Future Years Program (FYP)



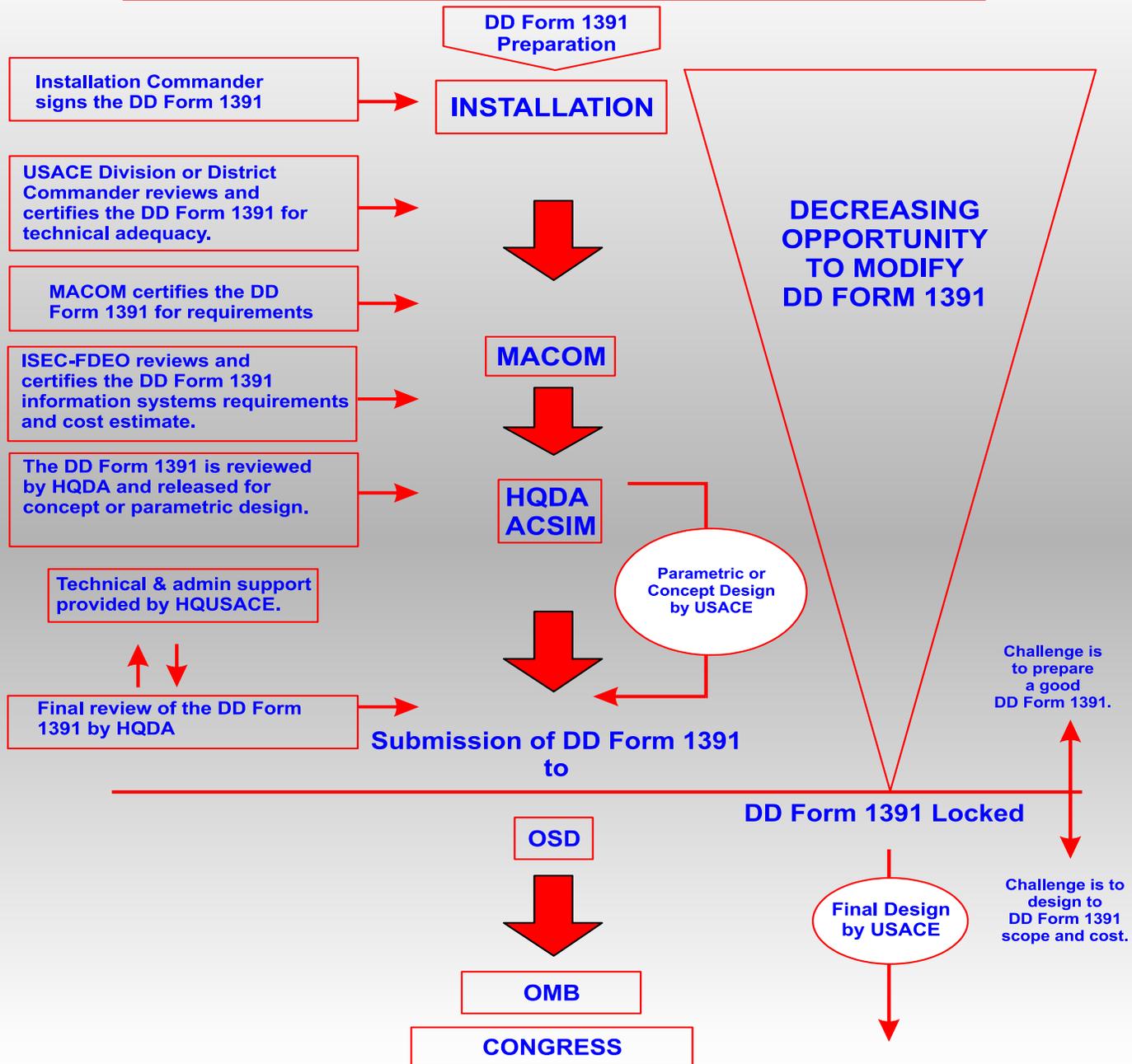


Definitions of Design Codes

- 1 - PROJECT IS AUTHORIZED FOR A-E SELECTION, BUT NO CONTRACT AWARD.
- 2 - PROJECT IS AUTHORIZED FOR PREPARATION OF A CONCEPT DESIGN (35 PERCENT OF THE TOTAL DESIGN EFFORT).
- 3 - PROJECT IS AUTHORIZED FOR PARAMETRIC DESIGN (ABOUT 10 PERCENT OF THE TOTAL DESIGN EFFORT).
- 4 - PROJECT DESIGN IS WITHHELD PENDING ISSUE OF A SUPPLEMENTAL DESIGN DIRECTIVE.
- 5 - PROJECT IS DEFERRED FROM THE PROGRAM. DO NOT START DESIGN. IF CONCEPT OR FINAL PROJECT DESIGN HAS BEEN STARTED BY IN-HOUSE PERSONNEL, IT WILL BE DISCONTINUED. IF CONCEPT OR FINAL DESIGN IS BEING PERFORMED UNDER AN A-E CONTRACT, IT WILL BE TERMINATED OR COMPLETED, WHICHEVER WILL BEST SERVE THE GOVERNMENT. COMPLETED WORK WILL BE RETAINED FOR FUTURE USE.
- 6 - PROJECT IS AUTHORIZED FOR FINAL DESIGN.
- 7 - PREPARATION OF AN RFP FOR A DESIGN-BUILD PROJECT IS AUTHORIZED.
- 8 - PROJECT IS CANCELLED.
- 9 - CONSTRUCTION CONTRACT IS AUTHORIZED FOR AWARD.



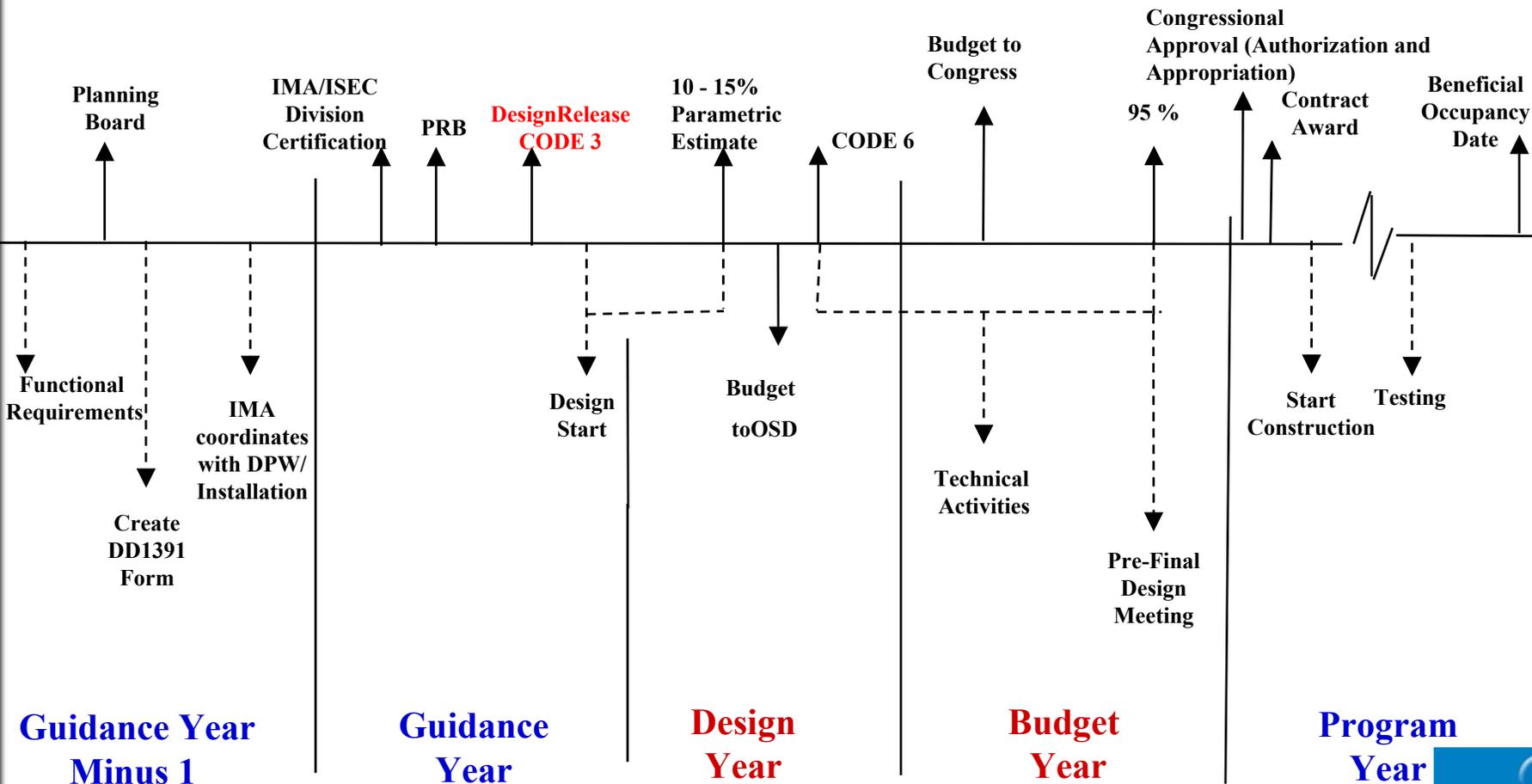
MILCON Process and the DD Form 1391





Time Line for Military Construction, Army

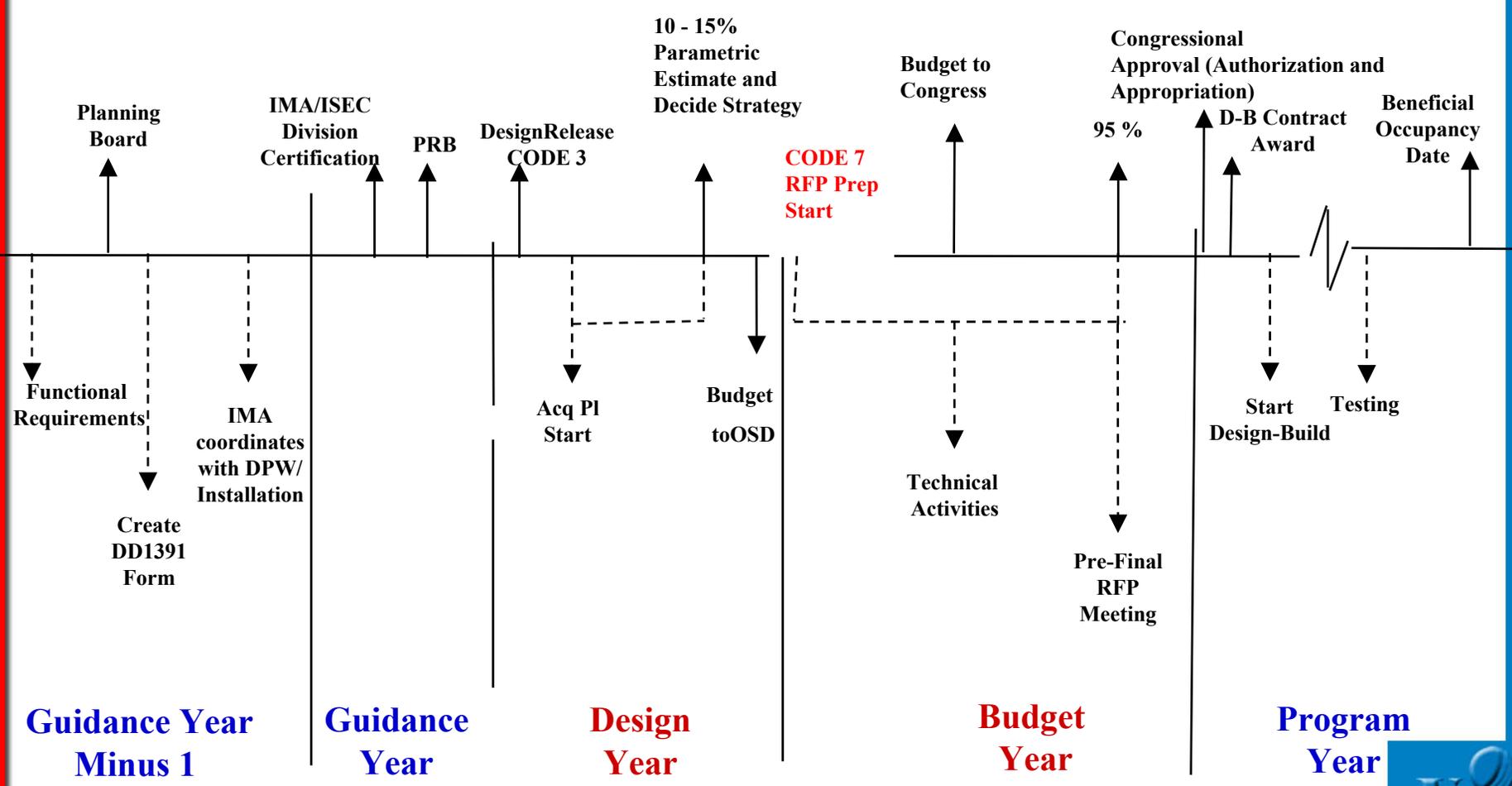
CODE 3 Design

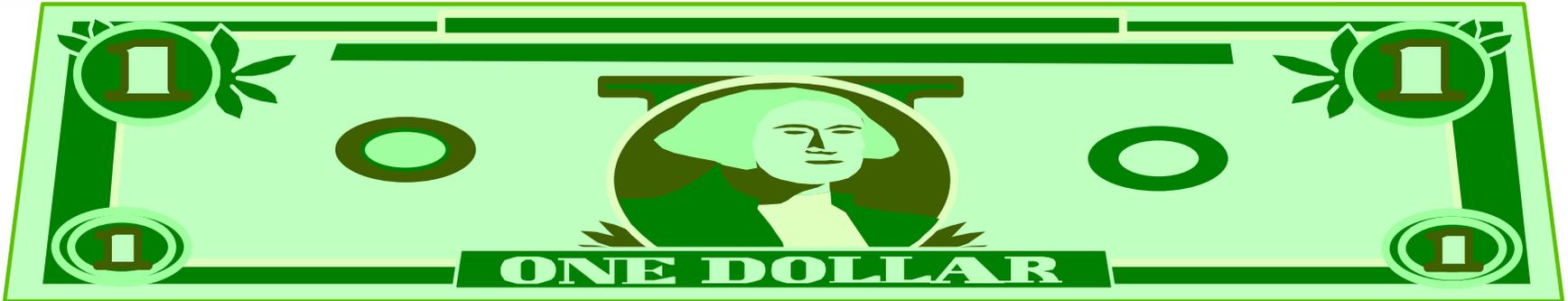




Time Line for Military Construction, Army

CODE 7 Design-Build RFP Preparation





The Army MILCON Budget Cost Estimating



Budget Cost Estimating

- Types of Estimates
- The Key Budget Players
- The Regulation and Guidance
- The Automation Systems
- The Budget Cost Estimating
- The Budget Cost problems





Types of Estimates & Codes

- Programming – DD Form 1391 Cost, Code A
[Design Code 1, Pre-Design]
- Budgetary – ENG Form 3086/DD Form 1391
Cost, Code B or A
[Design Code-3/2, Parametric, Concept]
- Final Design Estimate – Code C, Design Code 6
- Independent Government Estimate: Code D
(To be used for evaluation of the contractor's
bid costs)





Budget Cost Estimate

- The budget estimate is the basis for project approval and initial funding request submitted to Congress for authorization and appropriation action (**DD Form 1391**).
- The approved budget estimate is used as a baseline for cost control during project design and construction executions.





Programming Estimate

- Prepared by Installation
- Estimate Based on Project Requirement Defined by User
- Estimate Based on little or No Design
- Used by IMA and HQDA for MILCON Programming/Planning Purposes
- Used by Design Districts / Divisions for A-E Negotiation Purposes





Budget Estimate

- Code 3 Design (Up to 15%) Estimate or Code 2 (35% Concept) Design estimate
- The approved ENG3086 estimate replaces the DD1391 estimate.
- Used to develop the Army MILCON Budget for project authorization and appropriation.
- Used as baseline for cost control during project design.





Automation Systems

MAIN FRAME BASE SYSTEMS

- PAX System - Programming Administration & Execution System
- DD Form 1391 Module - Military Construction Project Data - A Programming Document, not a Design Document
- ENG Form 3086 Module - Current Working Estimates for Budget Purposes

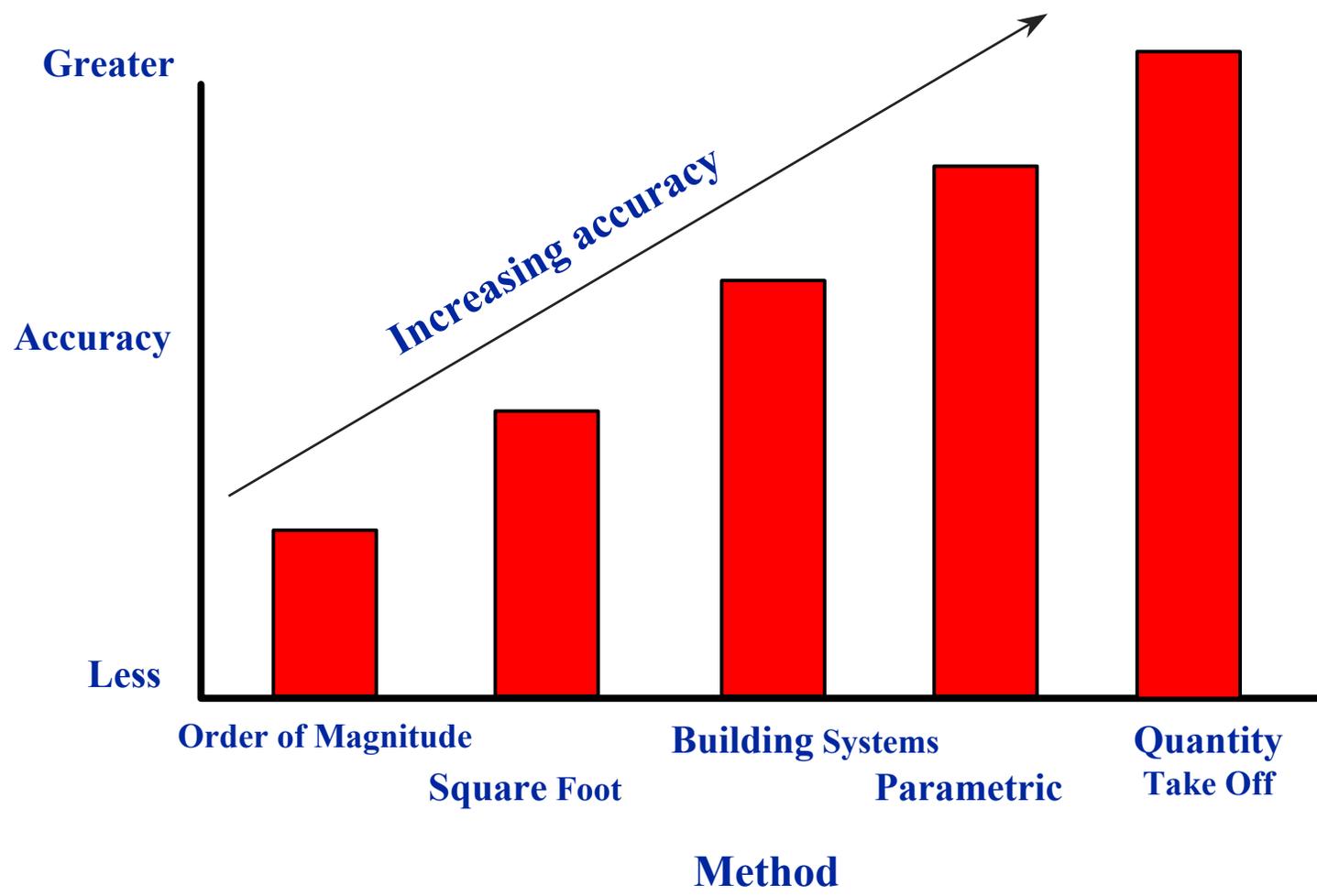
PC BASE SYSTEMS

- TRACES - Tri-Service Automated Cost Engineering System
- MCACES - Micro Computer Aided Cost Estimating System
- ACF32 - DOD Area Cost Factors Development
- HAG - Historical Analysis Generator for Military Construction Cost Data
- PACES - Parametric Cost Estimates System/Cost Models
- PC-COST - PC Version for DD1391/ENG3086 Cost Estimates
- PC-ISCE - Military Construction Information Systems Cost Estimate





Estimating Quality Progress





Budget Cost Estimates

The MILCON Budget Cost Estimates: Use standard procedures and automated tools to achieve high degree of uniformity, accuracy, reliability, and defensibility on the budget cost estimates.

- Logical
- Good Quality
- Consistent with Similar Type of Projects
- Up-to-Date
- Validated





MILCON Budget Cost Development Process Summary

- Initial DD Form 1391 Project Cost
- Initial Project PA
- USACE MSC Certified DD Form 1391 Project Cost
- Revised DD Form 1391 Cost after Project Review Board (PRB) Meeting
- Project amount at Code 3 design release by HQDA
- USACE District submitted 3086 CWE per Code 3 Design
- HQUSACE (CECW-EI) validated/approved 3086 CWE
- ACSIM updated Project PA for OSD Submission
- OSD Approved PA based on Program Budget Decision (PBD)
- Finalized Project PA for the Army MILCON Budget Book (Green Book) to Congress
- Congress Authorization/Appropriation Project Amount





COST ESTIMATES

ESTIMATING GUIDANCE

