



**DEPARTMENT OF THE ARMY**  
**ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT**  
**600 ARMY PENTAGON**  
**WASHINGTON, DC 20309-0600**

REPLY TO  
ATTENTION OF

DAIM-ZA

DEC 27 2005

**MEMORANDUM FOR SEE DISTRIBUTION**

**SUBJECT: Execution Guidance during Fiscal Year (FY) 2006 on Military Construction (MILCON), Army (MCA), Unspecified Minor Military Construction, Army (UMMCA), Army Family Housing Construction (AFHC), and Base Realignment and Closure (BRAC) Programs.**

**1. Reference:**

a. AR 415-15, 4 Sep 98, "Army Military Construction Program Development and Execution".

b. DAIM-ZA/CEMP-II, memorandum, 5 Nov 2004, Subject: Guidance for Bid Additives and Bid Options for MILCON, Army Projects.

2. The purpose of this memorandum is to outline procedures for the execution of our FY 06/07 Military Construction, Army (MCA), Unspecified Minor Military Construction, Army (UMMCA), Base Realignment and Closure (BRAC) and Army Family Housing Construction (AFHC). This also includes unawarded prior year projects in each Program.

3. The Nation is experiencing significant changes in the construction market and consequently the Army will experience significant potential growth in MILCON costs. If award trends continue, we can expect bids/proposals to exceed project Programmed Amounts (PA). This will limit, or eliminate funds for future reprogramming or cost overruns. We do not intend to cancel projects in order to fund needed reprogramming actions or high bids. These conditions seriously impact our ability to award critically needed MILCON projects and fund mandatory changes.

4. Therefore, we are asking USACE to take the following steps for the MCA, UMMCA, and BRAC MILCON projects:

a. Solicitations on MCA, UMMCA and BRAC projects will be structured using optional bid items. If a project does not lend itself to options, the HQ USACE Regional Integration Team (RIT) will notify DAIM-FDC and request approval to solicit without options.

b. The base bid will be developed with options representing 10-15% of the estimated construction cost (i.e., SIOH and contingency excluded) as shown on the approved DD Form 1391. The use of multiple options is recommended in order to award as much of

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the authorized project scope as possible within the project PA. The optional bid items must be developed in coordination with the proponent/Garrison staff/user in accordance with reference 1.b.

c. The base bid must provide for complete and usable facility(s). Every effort will be made to ensure the base bid provides the full scope of the primary facility(s) as noted on the DD Form 1391. In the event that the primary facility(s) scope must be reduced, scope reductions and current CWE must be approved by DAIM-FD prior to solicitation to keep the CWE within PA.

d. This memorandum does not apply to any FY 06 or prior year unawarded MCA or UMMCA projects where the design is complete with a Current Working Estimate (CWE) at or below the PA or if the project is already advertised.

5. All AFHC projects will have bid/RFP packages developed with a base bid/proposal of not more than 90% of scope and a CWE of not more than 95% of PA, with options for the remaining scope using whole housing units, with all associated supporting facilities (i.e., landscaping, garages, etc.) as options. Bid schedules and CWE worksheets must be approved by DAIM-FDH prior to solicitation.

6. We must continue to be judicious in our use of MILCON resources to maximize our mission effectiveness and to provide quality facilities for our soldiers, their families, and Army civilians. We know that reducing scope can cause hardships, but the alternative will be the cancellation of entire projects.

7. OACSIM-FDC, Point-of-Contact is Mr. Michael D. Stygar, DAIM-FDC, (703) 604-2416, or email: [Michael.Stygar@hqda.army.mil](mailto:Michael.Stygar@hqda.army.mil). ACSIM-FDH, Point-of-Contact is Mr. Richard Hentz, (703) 601-0717, or email: [Richard.Hentz@hqda.army.mil](mailto:Richard.Hentz@hqda.army.mil). BRAC, Point-Of-Contact is Mr. Doug Houck, (703) 604-2424, or email: [David.Houck@hqda.army.mil](mailto:David.Houck@hqda.army.mil).

  
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