

CHAPTER 4
MANAGEMENT OF MILITARY CONSTRUCTION
"AT-COST" SUPERVISION AND ADMINISTRATION

4-1. **General.** This chapter provides guidance for the management of supervision and administration costs for those military-funded projects where actual S&A costs are charged "at-cost".

4-2. **Sources of Income for S&A Services.** S&A for "at-cost" military projects is charged on the basis of actual costs. Construction funds are used to pay for S&A directly. It is the responsibility of the district/MSA to ensure that the amount charged is adequate to pay for all direct and indirect S&A costs. If liquidated damages for S&A are collected, these may be used to re-pay the costs of additional S&A costs incurred. Any amount beyond this is credited to the "miscellaneous receipts account" or returned to the customer as appropriate. See Chapter 2 for additional information.

4-3. **S&A Costs and Estimates.**

a. Estimates of actual costs to be incurred during the life of the construction project are established during the baseline budget process, and are included in the Project Management Plan (PMP). These estimates include all direct and indirect costs associated with the performance of S&A for construction.

b. Costs associated directly with the accomplishment of S&A activities will be charged to the project using the appropriate S&A cost account. Each district will compare monthly actual costs to the baseline estimate, and must take appropriate corrective action if an unacceptable deviation occurs.

4-4. **Review of S&A Costs.** Districts and MSAs shall review actual S&A costs on a monthly basis and compare them to income generated. HQUSACE will review S&A cost reports by MSAs on a quarterly basis at the Command Management Review. The ability of an MSA to manage its workload and the size of its workforce within its budgeted S&A income is an important element in its overall performance rating.

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4-5. **Examples.** Examples of military appropriations whose projects are charged "at-cost" S&A are listed in Chapter 3, Table 3-3. The most common are Nonappropriated Funds and Foreign Military Sales. In special cases, most other military appropriations may have construction performed with "at-cost" S&A charges; generally, this requires special approval from HQUSACE, CEMP-CM. Examples are chemical demilitarization facilities, other facilities constructed with innovative technologies, and facilities in locations presenting unusual physical and/or logistical requirements.