

Internal Revenue Service

Department of the Treasury

Internal Revenue
Service Center

Central Region
Cincinnati, OH

P.O. Box 267, Covington, KY 41019

▶ Robert L. Oliver
Colonel, Corps of Engineers Commander
U.S. Army Engineer District, Louisville
P.O. Box 59
Louisville, KY 40201-0059

Person to Contact:

Jacalyn C. Quinn
Telephone Number:

FTS 778-5100

Refer Reply to:

RM:BOS

Date:

DEC 04 1987

*IRS
DEC 17*

RPMA

Dear Colonel Oliver:

- I have signed and enclosed the memorandum of agreement for reimbursable services from the Corps of Engineers to the Cincinnati Service Center.

We appreciate the time and attention you have already given the projects previously funded and are looking forward to a long and mutually rewarding relationship. If at any time we can be of assistance, do not hesitate to call Jacalyn Quinn of my staff on FTS 778-5100.

Sincerely yours,

for Susan E. Murphy
Ray D. Clinton

Chief, Resources Management Division
Cincinnati Service Center

Enclosure

SUBJECT: MOA for Accomplishment of Reimbursable Funded Programs for the Cincinnati Service Center, IRS

Utilizing this process reduces problems of tracking a number of separate funding documents since additional funds can be supplied by modifying a limited number of documents. Funding documents for design projects must contain the following statement: These funds are continuous and do not expire at the end of a fiscal year.

5. DETAILS

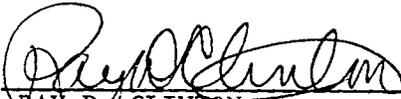
Detailed procedural information is contained in Appendix A.

6. This agreement will be reviewed annually to determine if it should be continued, modified or terminated. This review will be performed at the Engineering Division and CSC Buildings Manager level. Recommendations for changes will be submitted to the original signing level for final determination.

7. Amendment and Termination - This MOA may be modified or amended by written agreement between the Cincinnati Service Center and the Louisville District Commander. It may be terminated by mutual written agreement or by either party giving 30 days written notice to the other. In the event of termination, the terminating party shall be responsible for the costs of closing out ongoing contracts and the costs for demobilization of personnel and facilities fully dedicated to the Cincinnati Service Center projects.



ROBERT L. OLIVER
Colonel, Corps of Engineers Commander
U.S. Army Engineer District, Louisville



RAY D. CLINTON
Chief, Resource Management Division
Cincinnati Service Center

15 Dec 87
Date

12/4/87
Date

SUBJECT: Appendix A - Procedures

2. Design Administration -- This item pays for the project manager (in the District office) and support personnel, as well as any travel costs incurred in executing the project. This figure is set at 1.5% or \$3,500, whichever is greater.

3. Design Review -- This item reflects the cost of providing a detailed technical review of the project. The review covers both the contract documents and the cost estimate. This figure is set at 2.0% of ECC or \$5,000, whichever is greater.

4. Procurement Administration and Reproduction -- These costs are incurred to issue the advance notice, put a set of contract documents on the market for bidding purposes and answer questions from contractors, subcontractors, etc. This figure is set at 1% of ECC or \$3,500, whichever is greater.

b. As an example, assume that the CSC sends the DE a project with an estimated construction cost (ECC) of \$300,000. The fee is summarized below.

Design Fee	\$300,000 X 10%	=	\$30,000
Design Administration	\$300,000 X 1.5%	=	4,500
Design Review	\$300,000 X 2%	=	6,000
Procurement	\$300,000 X 1%	=	3,000 (use 3,500)
Total Cost			<u>\$44,000</u>

c. All of the above fee components will be provided by the CSC when the request is sent to the District.

d. Technical studies must be priced on an individual basis since their requirements vary considerably.

4. PROJECT MANAGEMENT

a. Management -- The DE is responsible for all project management functions, including preparation of design instructions and schedules for the designer, preparation and distribution of meeting minutes, maintaining project schedules, collection and distribution of technical review comments, assurance of design quality, and performance of budgeting activities. The CSC is responsible for coordinating user input and review of contract documents or studies with the user(s). The user must understand what he/she is getting.

b. Design Criteria -- The DE will furnish to the designer all available standard design criteria and technical manuals required to properly prepare the contract documents. In addition, the DE will provide local manuals relating to formats (e.g. Standard Procedures for Architect-Engineer Design Services, OCE/ORL guide specifications, etc.). Any special criteria applicable to the project must be supplied by the CSC with the scope of work. The CSC will also provide copies of all as-builts to the designer. The CSC should comment on the level of confidence in accuracy of any as-builts provided for use in renovation and repair work.

SUBJECT: Appendix A - Procedures

6. Construction Contract Administration:

The DE will provide adequate quality assurance to ensure general conformance to the contract documents by the construction contractor. The DE will perform all contract administration functions. The DE has, for the most part, delegated these responsibilities to the local Area Engineer. The Area Engineer is the primary point of contact for the CSC during construction.

If, during construction, it is determined that existing contingency funds are not sufficient for necessary in-scope changes to the construction contract, additional contingencies will be required. These additional funds will be sent to the DE as soon as possible using DA Form 2544.

Changes to construction contracts fall into four broad categories. These are discussed below:

a. Field changes required because of differing site conditions or design deficiencies are normally directed by the Area Engineer. If he needs technical assistance, he can request support from the District Office.

b. User requested changes for finish items should be directed to the Area Engineer. Examples of these are requests for different paint or carpet colors.

c. Occasionally, the CSC will request technical changes to the design. An example of this would be a request to increase the pump size on a heating system to accommodate the possible later addition of cooling. This type of change must be evaluated by the designer for its potential impacts on other parts of the design. All such requests must be directed to the Industrial Section of Engineering Division with a copy to the Area Engineer.

d. All out of scope changes will be sent to the Industrial Section with a copy to the Area Engineer. An out of scope change is one which was not envisioned in the original design. An example would be having a building repainted by a mechanical contractor who happens to be working on the HVAC System. The Industrial Section must evaluate the validity of procuring the additional work in this way, check for possible statutory violations, and determine funding requirements. The DE must consider cost growth targets when approving out of scope changes.

Several weeks prior to the estimated completion date, a joint inspection will be scheduled between the staffs of the Area Engineer and the CSC to identify any serious mission usage, operating, or maintenance problems that could impact occupancy/use. Joint inspections will also occur at the pre-final and/or final inspection between the Area Engineer and the CSC staffs to prepare final punchlists and/or transfer construction.

The transfer of the construction project to the CSC and the handling of warranty corrections shall be accomplished in accordance with ER415-345-38, "Transfers and Warranties".