

ENGINEERING & CONSTRUCTION BULLETIN

Issue No. 2010-06

Revised 30 Sep 2016

Type: Policy

Subject: Proper Management and use of the Design Management Cost Recovery Program (DMCRP – Program B).

Reference:

(a) NAVFACINST 7300.7 W, Integrated Program Management System (IPMS), dtd 04 Oct. 2001

Enclosures:

(1) Cost Account Codes Associated with Program B

1. Purpose

The Design Management Cost Recovery Program (DMCRP) was established to recoup non-direct costs of design related services by charging all supported Commands a pro rata share. The funds designated for DMCRP are referred to as Program B.

2. Background

Program B funds are credits which are generated by applying an accelerated rate on all basic labor charges for Capital Improvements design efforts. Program B funds can only be earned on E-line (Design) products and services, which includes Post Construction Award Services (PCAS). The financial means of accruing Program B funds is through the Facilities Information System (FIS) and only applies to three specific fund sources; O&M,N (including USMC M2), MCON D, and REIMB.

3. Accounting Structure

Reference (a) will be updated to reflect the changes in this policy document. The Cost Account Structure is enclosed as Enclosure (1).

- A.** Program B Credits are earned by: Directly charging to project job order numbers (JONs) by Project Managers and Designers—to include Engineers, Architects, Landscape Architects, Interior Designers, and Engineering Technicians. Credits are earned on charges to the following FIS Cost Accounts: *3AC, *3AD, *3AF *3AG, *3BC and *3BD and are displayed as a negative number.
- B.** Expensing Program B Credits: Program B can be spent only in design related support and only by the following positions: CI BLMs/BLCs, CI3 Staff, CI4 Staff, CI TDLs/TDMs/TDCs, CI Core Supervisory Team Leads (managing Designers and/or Project Managers), CADD Support, CI Program Analysts, CI Management Analysts, CI BLTLs, IPT Supervisory Team Leads, E-line Pre-award Acquisition support, PWD

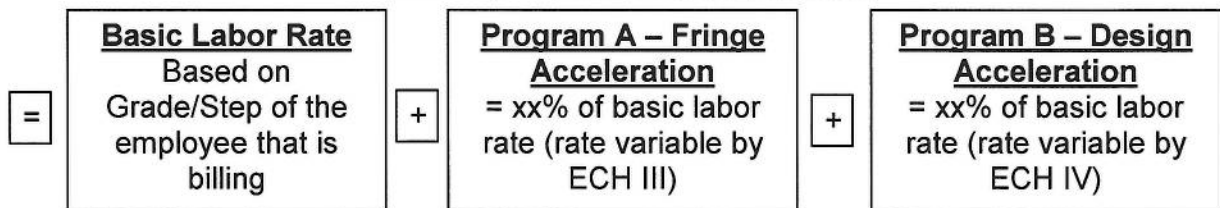
PMEB Branch Heads, and PWD PMEB Design Supervisory Team Leads. Program B is expensed through the Cost Accounts as listed below.

- i. 41AB: Contract Services (Design)
 - 1. Direct labor associated with award of an AE Contract/TO within negotiated JON controls
 - 2. Travel directly related to projects
- ii. 44AB: Indirect Project Management (Design)
 - 1. Program and Business Management Support
 - 2. Metrics, ieFACMAN support
 - 3. IDIQ AE Services
 - 4. Travel in support of above
- iii. 43AE: Management of Design Process
 - 1. CI Design Training
 - 2. Project related clerical work
 - 3. CADD Management
 - 4. Cost Engineering Program Management
 - 5. Program Analysis
 - 6. Programmatic support of the delivery of designs (DB RFPs & Plans and Specs)
 - 7. Travel in support of above

C. Program B Credits are tracked via FIS, by cost account 43XX.

D. The chart below depicts how billable rates containing Program B are developed.

Hourly Billable Rates (\$/Hr)



4. Business Rules

- A. ECH III CI BLM will oversee the ECH IV management of DMCRP.
- B. Program B rate is maintained in FIS via the service N10/2, “Manage Acceleration Rates.” One acceleration rate will be utilized for both In-House and Architect and Engineering Services and for all acquisition strategies. Program B percentage will be determined by the FECs and will not exceed 100%.
- C. Each FEC CI BLC is responsible with determining the appropriate rate and, if adjustment is necessary, the ECH III CI BLM must concur with the rate adjustment. The intent is to establish a rate that will generate adequate funds to match non-direct

design requirements with a zero sum. This should equate to approximately 30% of the E-line productive workload.

- D. General supplies shall not be funded using Program B funds.
- E. Based on workload and through negotiations with Acquisition, Capital Improvements will determine resource requirements for acquisition support. Typically targeting about 6% of the E-line authority associated with Design-In-Place (DIP).
- F. Expenditures of Program B funds must comply with the guidelines of ECB 2007- 01 Proper Use of MILCON Funds.


5. Effective Date

This revised ECB has been coordinated with HQ FM, and is effective 1 October 2010.

6. Points of Contact

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COST ACCOUNT CODES ASSOCIATED WITH PROGRAM B

DIRECT DESIGN COST ACCOUNT CODES

| PRODUCT & SERVICE CODE | PRODUCT & SERVICE DESCRIPTION | IPMS COST ACCOUNT CODE | DESCRIPTION |
|------------------------|-------------------------------|------------------------|--|
| E | DESIGN | *3AC | Plans & Spec Design (In-House) |
| E | DESIGN | *3AD | Plans & Spec Design (A&E) |
| E | DESIGN | *3AF | Design Review – Post Award Design Build (In-House) |
| E | DESIGN/PADS | *3AG | Design Review – Post Award Design Build (A&E) |
| E | DESIGN/PCAS | *3BC | Post Construction Award Services (PCAS) (In-House) |
| E | DESIGN/PCAS | *3BD | Post Construction Award Services (PCAS) (A&E) |

OVERHEAD DESIGN COST ACCOUNT CODES

| PRODUCT & SERVICE CODE | PRODUCT & SERVICE DESCRIPTION | IPMS COST ACCOUNT CODE | DESCRIPTION |
|------------------------|-------------------------------|------------------------|--------------------------------------|
| E | DESIGN | 41AB | Contract Services (Design) |
| E | DESIGN | 43AE | Management of Design Process |
| E | DESIGN | 44AB | Indirect Project Management (Design) |

SPECIAL DESIGN COST ACCOUNT CODES

| PRODUCT & SERVICE CODE | PRODUCT & SERVICE DESCRIPTION | IPMS COST ACCOUNT CODE | DESCRIPTION |
|------------------------|-------------------------------|------------------------|-------------------|
| E | DESIGN/PCAS | 43XX | Program B Credits |