



DEPARTMENT OF THE ARMY
JACKSONVILLE DISTRICT CORPS OF ENGINEERS
P. O. BOX 4970
JACKSONVILLE, FLORIDA 32232-0019

MAR 14 2001

REPLY TO
ATTENTION OF

Programs and Project Management Division
Project Management Branch

Mr. Frank Finch
Executive Director
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, Florida 33406

Dear Mr. Finch:

In accordance with the terms of the Design Agreement executed between the South Florida Water Management District and the U.S. Army Corps of Engineers for the Comprehensive Everglades Restoration Plan (CERP), I request that your agency perform the work necessary to jointly implement the Lake Okeechobee ASR Pilot Project in accordance with the approved project management plan (PMP). The PMP has been approved by this office subject to the enclosed comments, which are already being incorporated into the document.

The performance of these efforts will be considered work-in-kind services, and will be creditable as part of your agency's non-Federal cost share under the Design Agreement. All expenditures are subject to review and audit in accordance with the terms of the Design Agreement. Please note that as stated in the attached comments certain costs incurred prior to initiation of design may not be allowed for credit.

If you have any additional questions or need additional information, please call me or have your staff contact Mr. Richard E. Bonner, Deputy District Engineer for Project Management, at 904-232-2586.

Sincerely,

James G. May
Colonel, U.S. Army
District Engineer

Enclosure

Copy Furnished:

Mr. Joseph A. Schweigart, South Florida Water Management District, 3301 Gun
Club Road, West Palm Beach, Florida 33406

COMMENTS on PMP

1. No in-kind work specified in the PMP can be approved that occurred prior to April 7, 1999, the beginning of the period of design as contained in the Design Agreement with South Florida Water Management District.
2. All in-kind work completed during the period of design but lacking a prior request of the Army must be subject to a policy decision from HQ regarding its allowability in light of the potentially different requirements in WRDA 99 and WRDA 00.
3. All permitting requirements are subject to final decision regarding their application to a Federal Project. The basis of this is that the Army has no authority to submit this Federal Project to state or local permitting requirements unless there has been a waiver of federal supremacy. The PMP uses the expression that some permits are "anticipated and potential" and at other times indicates are required. These issues must be resolved during the PIR development.
4. Also note that the payment of permitting fees is addressed in the Design agreement and can be participated in only to the extent the Army would be so subject.
5. If possible, need to consider removing the expression "Other Advisory Committees" for confusion with FACA compliance requirements.
6. Need a source selection plan in milestones.
7. Modify and coordinate Environmental Studies language in PMP body and Appendix S.
8. Include a Quality Control Plan (QCP), not just a statement that one will be developed. Identify an Independent Review Team (ITR) and schedule specific review tasks.
9. Revise Appendix T - Value Engineering Plan is okay for contract less than \$2M, but needs to include the following for contracts over \$2M:

"A Value Engineering Study, with a duration not to exceed one month, will be performed after completion of phase 1 (design). The study team will include approximately five people with professional experience consistent with the study goals. Cost reduction proposals, if any, will be implemented in the construction plans and specifications prior to advertisement. Value Engineering Change Proposals, in accordance with FAR 52.248-3, will be discussed with the Contractor at the Pre-Construction Conference." (Note - VE Studies are mandatory for CG construction contracts exceeding \$2,000,000, unless cost savings expectations are low, and a written waiver is submitted to SAD.)

ENCL

10. Include a small cost estimate summary table in the PMP body. Show USACE, SFWMD and Total estimated costs and percentages.

11. Add a table in Appendix H - Project Funding Requirements with USACE, SFWMD and Total Funding Requirements with contingency, by Fiscal Year. Need this for CERP budget requests due in early April 2001 and to assist 50/50 expenditure planning.

12. PMP to be revised/updated within 90 days after adoption of PMP standards currently being developed by DCT