



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
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WASHINGTON, DC 20314-1000

CECW

18-Jul-2025

MEMORANDUM FOR MAJOR SUBORDINATE COMMANDS (MSC)

SUBJECT: Interim Guidance for Change Management on Civil Works Projects

1. References:

- a. Engineer Manual (EM) 5-1-11, Project Delivery Business Process Manual, 01 September 2022.
- b. Engineer Regulation (ER) 1-1-11, Project Schedules, 18 September 2017.
- c. Engineering Regulation (ER) 1105-2-100. Planning Guidance Notebook, Appendix G, Amendment #1, 30 June 2004.
- d. ER 5-1-11, USACE Business Process, 31 July 2018.
- e. ER 1110-2-1302, Civil Works Cost Engineering, 30 June 2016.
- f. ASA(CW), memorandum (Life Cycle Cost Management on Civil Works Projects), 20 February 2013.
- g. ASA(CW), memorandum (Civil Works Delegated Authority for Project Cost Management), 29 May 2013.
- h. Chief (E&C), memorandum (Guidance on Cost Engineering Products update for Civil Works Projects in accordance with Engineering Regulation 1110-2-1302 – Civil Works Cost Engineering), 05 June 2023.

2. Purpose: The purpose of this memorandum is to establish interim guidance for managing project changes on Civil Works projects, until such time permanent guidance is put in place.

3. Background:

- a. In 2013, the United States Army Corps of Engineers (USACE) received a memorandum from the Assistant Secretary of the Army for Civil Works (ASACW) highlighting what appeared to be runaway cost overruns on many Civil Works Projects. At that time, the memo shined a light on major challenges, issues, and concerns associated with safely delivering Civil Works projects on time and within budget.

b. Since then, USACE has made numerous changes including updating several engineer regulations and guidance, updating and publishing engineer manuals and pamphlets, issuing new policy memorandums, formalizing change management processes, as well as continuing change control boards for our Construction portfolio. Amid these changes, we have endured a global pandemic and continue to receive historical appropriations from Congress (Regular and Supplemental). Our focus continues to be “Getting the Project Management, Engineering, and Acquisition Right” on our projects.

c. Based on an analysis of change control board data, many Civil Works construction project cost estimates exceed our statutory authority and project schedule completions are delayed. I have observed the following:

1) Project costs continue to rise beyond the authorized cost plus inflation and the Section 902 limit.

2) Project authorizations are not supported by clear, reliable scopes along with appropriate levels of supporting engineering data.

3) Low design maturity reduces our confidence in project cost estimates.

4) Many projects continue to be out of compliance with ER 1110-2-1302, Civil Works Cost Engineering, regarding obtaining certified cost estimates every 24 months, minimum, as further clarified by reference 1h.

5) In some cases, there is a lack of knowledge, understanding, and/or misinterpretation of some regulations and guidance.

6) The organization struggles to maintain a well-trained workforce.

7) The organization continues to make short-term decisions which are leading to long-term consequences.

4. Interim Guidance and Direction:

a. The Deputy Commanding General, Civil and Emergency Operations (DCG-CEO), or his/her designee, will approve, in writing, any change to the total project cost estimate that has exceeded, or is forecasted to exceed, the authorized cost plus inflation or an already approved HQUSACE cost, including those projects subject to Section 902 of the Water Resources Development Act (WRDA) of 1986.

b. MSCs and Districts have no delegated authority to exceed a project’s authorized project cost plus inflation or an already approved HQUSACE cost which includes the Chief’s discretionary authority per ER 1105-2-100, Planning Guidance Notebook.

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c. MSCs and Districts are required to utilize Change Management processes, which includes the HQUSACE Change Control Board (CCB), as the prescribed mechanism to obtain a DCG-CEO decision, as described in Enclosure 1.

d. MSCs and RITs will play a greater role in developing HQUSACE CCB recommendations in support of obtaining a DCG-CEO decision on project changes, as described in Enclosure 1.

e. MSCs and Districts must clearly communicate and describe what can be accomplished within the authorized cost plus inflation that will deliver benefits to stakeholders.

f. Future projects without reasonable consideration for separable elements will be highly scrutinized.

5. My continued and unswerving goal is to change our organizational culture so that project cost, scope, and schedule growth is not the norm, but the exception, and approved only after all possible management controls options have been exhausted. As stewards of the public trust, we have a special obligation to institute effective cost and management controls.

6. The point of contact for this action at Headquarters USACE is Mr. Theodore A. Brown, P.E., SES, at (202) 761-4100.

Enclosure 1



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