



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

DPM CW 2019-02

02 July 2019

DIRECTOR'S POLICY MEMORANDUM FISCAL YEAR (FY) 2019

SUBJECT: Operationalizing Risk-Informed Decision Making in Project Management  
(Planning Phase)

1. References.

- a. Engineer Regulation (ER) 5-1-11, USACE Business Process  
[https://www.publications.usace.army.mil/Portals/76/Users/227/19/2019/ER\\_5-1-11.pdf?ver=2018-09-27-142333-540](https://www.publications.usace.army.mil/Portals/76/Users/227/19/2019/ER_5-1-11.pdf?ver=2018-09-27-142333-540)
- b. ER 1105-2-100, Planning Guidance Notebook  
[https://www.publications.usace.army.mil/Portals/76/Publications/EngineerRegulations/ER\\_1105-2-100.pdf](https://www.publications.usace.army.mil/Portals/76/Publications/EngineerRegulations/ER_1105-2-100.pdf)
- c. ER 1165-2-131, Appendix B, Example of Federal and Non-Federal Allocation of Funds  
[https://www.publications.usace.army.mil/Portals/76/Publications/EngineerRegulations/ER\\_1165-2-131.pdf](https://www.publications.usace.army.mil/Portals/76/Publications/EngineerRegulations/ER_1165-2-131.pdf)
- d. Director's Policy Memorandum (DPM) Civil Works 2018-05, Subject: Improving Efficiency and Effectiveness in USACE Civil Works Project Delivery (Planning Phase and Planning Activities)  
[https://planning.erdc.dren.mil/toolbox/library/MemosandLetters/DPMCW201805\\_ImprovingDelivery.pdf](https://planning.erdc.dren.mil/toolbox/library/MemosandLetters/DPMCW201805_ImprovingDelivery.pdf)
- e. Engineer Construction Bulletin 2018-15, Technical Lead for E&C Deliverables  
<http://www.wbdg.org/ffc/dod/engineering-and-construction-bulletins-ecb/usace-ecb-2018-15>
- f. Implementation Guidance for Section 1005 of the Water Resources Reform and Development Act of 2014 (WRRDA 2014), Project Acceleration  
<https://usace.contentdm.oclc.org/digital/collection/p16021coll5/id/1375/>
- g. Model Agreement for Cost Shared Feasibility Studies  
<https://usace.contentdm.oclc.org/utis/getfile/collection/p16021coll11/id/2688>
- h. Planning Bulletin (PB) 2018-02, Subject: Exemption Procedures for Planning Studies Exceeding Cost and Schedule Limits  
[https://planning.erdc.dren.mil/toolbox/library/PB/PB2018\\_02.pdf](https://planning.erdc.dren.mil/toolbox/library/PB/PB2018_02.pdf)

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SUBJECT: Operationalizing Risk-Informed Decision Making in Project Management (Planning Phase)

i. Planning Manual Part II: Risk-Informed Planning, 2017-R-03. USACE Institute for Water Resources

[https://planning.ercd.dren.mil/toolbox/library/Guidance/PlanningManualPartII\\_IWR2017R03.pdf](https://planning.ercd.dren.mil/toolbox/library/Guidance/PlanningManualPartII_IWR2017R03.pdf)

j. PB 2018-01, Subject: Feasibility Study Milestones

[https://planning.ercd.dren.mil/toolbox/library/PB/PB2018\\_01.pdf](https://planning.ercd.dren.mil/toolbox/library/PB/PB2018_01.pdf)

k. PB 2016-03, Subject: Watershed Studies

[https://planning.ercd.dren.mil/toolbox/library/pb/PB2016\\_03.pdf](https://planning.ercd.dren.mil/toolbox/library/pb/PB2016_03.pdf)

l. Updated Implementation Guidance for Section 1002 of the Water Resources Reform and Development Act (WRRDA) of 2014, Consolidation of Studies

<https://planning.ercd.dren.mil/toolbox/library/WRDA/WRRDA2014IGSection1002.pdf>

2. Purpose. This memorandum establishes or reaffirms key Project Manager (PM) responsibilities during the Planning phase to ensure consistent implementation across U.S. Army Corps of Engineers (Corps) districts. This document is not intended to capture all project management activities or by lack of inclusion negate project management requirements laid out by other current guidance.

3. Applicability. This guidance applies to all feasibility studies for which the Corps planning decision document could lead to a recommendation for project authorization or modification to a project authorization, including General Re-evaluation Reports, Post-Authorization Change Reports, and other reports that result in a Chief's Report or Director's Report. Studies and decision documents under the Continuing Authorities Program will follow the processes outlined in EP 1105-2-58, Continuing Authorities Program. Watershed studies and reports will follow the processes outlined in PB 2016-03: Watershed Studies, or subsequent guidance.

4. Project Management Delivery Principles. A PM is responsible for:

a. Executing assigned projects in a manner consistent with ER 5-1-11 and ER 1105-2-100, including collaboratively developing and managing project scopes, schedules, and budgets with the project delivery team (PDT); maintaining a current Project Management Plan (PMP); ensuring and supporting development of the Review Plan by the Lead Planner; and ensuring quality commitments are met, all within the constraints of funding and external issues.

b. Ensuring that the PDT adequately assesses and manages risk and uncertainty throughout the Planning phase. The PM is responsible for communicating these items through the District Planning Chief to the Corps vertical team and the non-federal sponsor (NFS) and documenting them in the PMP.

c. Requesting and managing study funding strictly according to policy and sound business practice.

d. Ensuring effective internal communication of project status and issues. This includes internal district communications among the PM, Lead Planner, Lead Engineer, Deputy District Engineer for Programs and Project Management, District Planning Chief, and District Chief of Engineering. This also includes broader Corps communication among the PDT, district, Major Subordinate Command (MSC), appropriate Planning Center of Expertise, and Headquarters.

e. Serving as the primary external point of contact for assigned projects and maintaining effective communication with the NFS, stakeholders, and the general public to ensure shared understanding and expectation management. The PM will also ensure that specific PDT disciplines are communicating with their NFSs and resource agency counterparts, as appropriate, throughout the course of the study.

5. Feasibility Cost Sharing Agreement (FCSA). Upon notification of an Office of Management and Budget (OMB) investment decision for current Fiscal Year (FY) appropriations, or upon signing of a current FY appropriations bill into law that contains a study from the President's Budget, the PM should contact the NFS to outline the FCSA execution process. The PM will inform the MSC of the anticipated timeframe for FCSA execution, as well as any risks to timely execution. In addition, the PM will coordinate with the District Planning Chief to identify a Lead Planner for the study, as well as work with supervisors to identify required PDT members.

a. It is the responsibility of the District PM to prepare the FCSA package for MSC review and approval prior to execution. The package will include the following:

- (1) Transmittal memo signed by District Commander;
- (2) PDF of draft FCSA ("clean" copy);
- (3) Microsoft Word document of draft FCSA with track changes from the model agreement;
- (4) Certificate of Authority;
- (5) Certification Regarding Lobbying;
- (6) Signed PM statement confirming no deviations from the model agreement (NOTE: Substantial deviations require approval of the Office of the Assistant Secretary of the Army for Civil Works [ASA(CW)] prior to FCSA execution);
- (7) District certification of legal review of the draft FCSA;

- (8) NFS's Self-Certification of Financial Capability for Agreements (signed);
- (9) Funds allocation table;
- (10) Letter of Intent from the NFS (Letter must be less than 6 months old); and
- (11) Implementation guidance, if applicable.

b. Upon MSC approval to execute the FCSA (or in the case of an FCSA with substantial deviations, approval by the ASA(CW)), the PM will provide the Certificate of Authority, Certification Regarding Lobbying, and FCSA to the NFS for signature. Upon the return of these documents, the PM will route the FCSA to the District Commander for signature. Once the District Commander has signed the FCSA, the agreement will be in effect and the feasibility study will begin. Upon execution of the agreement, the PM will provide a scanned copy of the executed FCSA to the MSC, and an original will be mailed to the NFS.

c. The PM is responsible for ensuring the NFS understands its financial obligations, as well as the Government's financial obligations, under the FCSA, including the following. In the case of an FCSA for a proposed project that will require specific authorization from Congress, the provision of not less than \$25,000 within 15 days of FCSA execution. If more funds are needed to initiate the study and develop the PMP, the PM will provide a written request to the NFS for the additional funds. In the case of an FCSA for a project under a Continuing Authorities Program (CAP), the first \$100,000 is at full Federal expense. In the case of either type of FCSA where the Non-Federal Sponsor is American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, Puerto Rico, or an Indian Tribe, up to \$484,000 is excluded from shared costs and is at full Federal expense.

d. If the FCSA needs to be amended over the course of the study, it will be the responsibility of the PM to coordinate the development and execution of the amended agreement with the NFS, District Offices of Counsel and Resource Management, District Planning Chief, and the Corps vertical team.

6. Project Management Plan. An initial PMP will be developed by the PDT including the NFS, coordinated with the District Planning Chief and Deputy District Engineer for Programs and Project Management, and finalized by the PM prior to achievement of the Alternatives Milestone. The PMP will reflect PDT decisions related to risk and uncertainty; the Risk Register and Decision Management Plan will be used in developing the PMP. The PM will update the PMP when significant changes to scope, schedule, or budget occur, but no less frequently than prior to each milestone meeting. The PMP will include, at a minimum, the following:

a. Project Information. This section includes background information about the project, including but not limited to project location, problems being experienced, study business line, and study authority.

b. Schedule. This section outlines major milestone dates, including but not limited to those milestones required by the annual Execution of the Annual Civil Works Program Engineer Circular (Execution EC), Section 1002 of the Water Resources Reform and Development Act (WRRDA) of 2014, and any supplemental guidance. In addition, this section will identify anticipated timeframes for the environmental review processes required by Section 1005 of WRRDA 2014. Contingencies should be incorporated into the schedule to reflect risks and uncertainties. Target dates for major milestones are as follows:

- (1) CW040 PMP Approval—Within 90 days of FCSA execution;
- (2) CW261 Alternatives Milestone—Within 90 days of FCSA execution;
- (3) CW262 Tentatively Selected Plan Milestone—Within 12 months of FCSA execution;
- (4) CW250 Release of draft feasibility report for public comment and concurrent review—Within 60 days of successful Tentatively Selected Plan Milestone;
- (5) CW263 Agency Decision Milestone—Within 18 months of FCSA execution;
- (6) CW160 District submits final feasibility report—Within 30 months of FCSA execution; and
- (7) CW270 Signed Chief's or Director's Report—Within 36 months of FCSA execution.

c. Scope of Work. The PM should work closely with the PDT to follow the scoping process outlined in the Planning Manual Part II: Risk Informed Planning, focusing on the information needed to make the next planning decision and how residual risk and uncertainty can be managed most effectively. Feasibility efforts should be broken out between major milestones, from FCSA execution to study closeout.

d. Budget. This section includes the cost of all PDT efforts, external support, and reviews, including the breakdown of federal and non-federal shares. Contingencies should be incorporated as appropriate to reflect risks and uncertainties associated with study scope.

e. Anticipated Funding Stream. This section includes projections of federal and non-federal funding needs by FY over the course of the study. The funding stream listed here should be vertically aligned per Paragraph 8.e.

f. Work-In-Kind. This section describes completed and projected work-in-kind, including estimated timeframes and costs and any risks or uncertainties associated with those estimated timeframes and costs.

g. Acquisition Strategy, if applicable. This section is included only if the PDT intends to contract out a portion of the feasibility study. It will include the schedule and budget for the proposed work and discuss any associated risks or uncertainties, such as the provision of necessary lands, easements, rights of way, relocations, and disposal areas by the NFS.

h. Management Plans.

(1) Communication Management. This section outlines projected means of communication, internal to the Corps and external, including frequency, format, participants, and deliverables. Procedures for communicating risk and uncertainty to other PDT members, the NFS, and the Corps vertical team should be included here. In addition, a strategic Communication Plan to govern communications with stakeholders, media, and the public should be developed according to EP 1105-2-57, Planning: Stakeholder Engagement, Collaboration, and Coordination.

(2) Change Management. This section documents roles and responsibilities for all change management efforts related to the project, including but not limited to those associated with changes in scope, schedule, or budget and the 3x3 exemption process.

(3) Quality Management. This section describes how quality will be managed throughout the lifecycle of the project and includes the processes and procedures for ensuring quality assurance and control are conducted and documented. This section includes a summary of the PDT's risk-informed approach in determining required levels of reviews, and it identifies the study's review management organization. The approved Review Plan will be provided as an attachment to the PMP.

(4) Risk Management. This section provides a general description of the approach taken by the PDT to identify, assess, and manage risks associated with the project. This section should include a discussion on significant uncertainties and the tools used to identify, reduce, and mitigate these uncertainties, including the Risk Register and Decision Management Plan.

(5) Data Management. This section lists the digital location and format of all documents related to the study, including any spatial data. It should identify the PDT's

strategy for promoting data accessibility, reliability, and timeliness while reducing the risk of data loss.

7. Scheduling. The PM, in coordination with the PDT and the District Planning Chief, will develop and maintain a study schedule that considers schedule risk and uncertainty. The PM will ensure an initial, full baseline schedule is captured in the Project Management Information System (PROMIS) no later than 90 days following FCSA execution. Dates will be updated in PROMIS as needed and prior to each monthly Project Review Board. At a minimum, the study schedule should include those milestones required by the annual Execution EC, Section 1002 of WRRDA 2014, any supplemental guidance, as well as dates for environmental reviews required by Section 1005 of WRRDA 2014.

8. Funding. The PM is responsible for identifying and communicating federal and non-federal funding needs to the NFS and the Corps vertical team over the course of the study. The PM should refer to the annual Execution EC for additional detail regarding responsibilities.

a. NFS Requirements. The PM is responsible for providing the NFS with a written estimate of the amount of funds required from the NFS to meet its share of shared study costs for each fiscal year of the study, according to Article II of the model FCSA, Obligations of the Parties. This advance communication is key to ensuring the PDT remains consistently funded and reduces the risk of schedule delays because of cost-share imbalances.

b. Resource Plans. The PM will estimate resourcing of funds over the course of a study and ensure resourcing occurs in PROMIS. The PM will consider those efforts that must involve the entire PDT, versus those that can be addressed by the smaller, focused team, to ensure efficient and effective use of resources. Resourcing is study-specific but will generally be heaviest in the second year of a 3-year study. The Resource Plan will incorporate resourcing for PDT members, as well as other Corps and non-Corps support. The PM will review the Resource Plan with the PDT quarterly at a minimum, or as changes to study scope, schedule, or budget occur.

c. Justification Sheets. Justification Sheets are required for budgetary consideration of new-start, continuing, and new-phase projects to communicate federal funding needs. The PM will support the District Planning Chief and Programs Office in the development of Justification Sheets for assigned projects as requested by Headquarters.

d. Work Packages. The PM will coordinate with the district's Programs Office and Business Line Manager to ensure work packages and related justifications are entered into the Civil Works Integrated Funding Database as required, to allow for informed

ranking of packages within the district, MSC, and nationally. Work packages will be consistent with the annual Budget EC and any supplemental guidance.

e. Vertical Alignment Memorandum. The PM will coordinate any changes to study scope, schedule, or funding stream with the Corps vertical team through the District Planning Chief. As part of this coordination, the PM will ensure a memorandum is developed that documents the vertically aligned study scope, schedule, and funding stream. The memorandum will be developed with input from the Lead Planner and Lead Engineer and signed by the MSC Chief of Planning and Policy. The memorandum will serve as the required support documentation for funding requests such as budget, work plan, and reprogramming.

f. Reprogramming. The PM, in coordination with the District Planning Chief and Programs Office, may consider reprogramming actions to advance study activities. Such actions must comply with all requirements of the Execution EC. In addition, a reprogramming request must be consistent with funding stream capabilities, the vertically aligned study schedule and budget, and the PMP.

## 9. Internal Communication.

a. Meeting Minutes. The PM, in coordination with the Lead Planner, will schedule and facilitate regular meetings with the PDT, the first of which will incorporate the entire PDT and identify a focused team to complete the first iteration of the risk-informed planning process. The PM is responsible for ensuring that meeting minutes are developed and distributed after each meeting.

b. Memorandum for Record. Upon the conclusion of each milestone meeting, the PM, in coordination with the Lead Planner and Lead Engineer, will develop a Memorandum for Record (MFR) documenting decisions reached and any required follow-up actions, as well as the vertically aligned scope, schedule, and funding stream. The MFR will be finalized and provided to the Corps vertical team through the District Planning Chief within 1 week after the meeting. If signed by the MSC Chief of Planning and Policy, the MFR may be used as the vertical alignment memorandum described in Paragraph 8.e, to eliminate redundancy.

c. Vertical Team Inquiries. The PM will provide prompt responses to project-related inquiries from the MSC or through the MSC from Headquarters, the ASA(CW), OMB, or Congress, as requested. Responses will be developed in coordination with the District Planning Chief and other district leadership, as appropriate.

d. Resource Management. The PM will communicate with the District Cost Share Control Manager (CSCM) to ensure the project's cost share control record (CSCR) is signed quarterly without interruption. Any changes in total estimated shared project costs, the federal share, NFS cash amount, or NFS work-in-kind amount will be



coordinated with the District Planning Chief and submitted by the PM to the CSCM for updating in the Corps of Engineers Financial Management System.

e. Exemption Requests. If a feasibility study is anticipated by the PDT to require more than 3 years or \$3 million to complete, or to require any other policy waiver, the PM will work closely with the Lead Planner and District Planning Chief to follow the process outlined in PB 2018-02 or superseding guidance, including but not limited to congressional and NFS notifications.

f. Study Suspension or Termination. If a study requires suspension or termination, the PM will coordinate with the District Planning Chief to notify the Corps vertical team. The PM will also work with the CSCM to inactivate all labor codes and balance the CSCR. For terminated studies, the PM will also ensure that any remaining non-federal funds are returned to the NFS, that remaining federal funds are reprogrammed or returned to Headquarters, and that the project is physically and fiscally complete in PROMIS.

g. Study Closeout. Upon notification of an investment decision by Congress to move a project into pre-construction engineering and design (PED), the PM will work with the CSCM to ensure that the study's CSCR is closed and a new CSCR is created for PED. The PM will refer to the current Budget EC for guidance on execution of a design agreement.

#### 10. External Communications.

a. Section 1002 Letter. The PM is responsible for pre-coordinating the study schedule with the Corps vertical team through the District Planning Chief, then drafting and routing each letter for the District Commander's signature, according to Section 1002 of WRRDA 2014 requirements. The PM will provide a scanned copy of the signed letter to the PDT and vertical team and post the letter to the district website.

b. Annual Reporting to Congress. The PM will work with the Lead Planner and District Planning Chief to ensure that study milestone information and explanations of any schedule adjustments are provided to Headquarters in a timely manner for submission to the ASA(CW) by 30 August of each year.

c. Quarterly Cost Share Status. According to the FCSA, the PM will provide written notification to the NFS of the current financial status of the study every 90 days, including the following:

- (1) Total estimated shared project costs;
- (2) Federal and non-federal funds received;

- (3) Federal and non-federal funds expended;
- (4) Federal and non-federal funds remaining;
- (5) Work-in-kind credited thus far; and
- (6) Future work-in-kind anticipated.

d. NFS Meetings. Although external to the Corps, the NFS is a valuable member of the PDT and should be invited to participate regularly in PDT meetings. The PM will communicate with the NFS regularly throughout the course of the study to ensure shared understanding and mutual agreement on study scope, schedule, and budget, as well as areas of significant risk and uncertainty. The PM will work with the NFS to schedule face-to-face meetings as needed or upon NFS request.

e. Stakeholder and Public Meetings. Requests for meetings with other stakeholders will be coordinated with the NFS. In addition, requests for public meetings will be coordinated with the District Public Affairs Office. The PM is also responsible for working with the PDT to ensure meetings with participating and cooperating agencies are occurring as required by Section 1005 of WRRDA 2014.

f. Media and External Inquiries. Upon receipt of a media inquiry, the PM will coordinate with the District Planning Chief and District Public Affairs Office to develop written or verbal responses. For all study inquiries, the PM will document responses and elevate any issues or concerns to the appropriate chain of command.

g. Study Suspension or Termination. Upon receipt of concurrence from the Corps vertical team to suspend or terminate a study, the PM will provide a letter to the NFS, signed by the District Commander, with updated cost-share information, confirming change in study status.

h. Study Closeout. Upon notification of an investment decision by Congress to move a project into PED, the PM will notify the NFS of next steps, including execution of a design agreement, creation of a new CSCR, and provision of the non-federal share of funding.

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11. Proponent. The point of contact for this memorandum is listed in Enclosure 1.

FOR THE COMMANDER:

Encl



JAMES C. DALTON, P.E.  
Director of Civil Works