



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET, NW
WASHINGTON, D.C. 20314-1000

SEP 13 2012

CECW-PC/CECC-G

MEMORANDUM FOR MAJOR SUBORDINATE COMMANDS

SUBJECT: Recent Modifications of Cost Sharing Agreement Models

1. The cost sharing agreement models for studies and projects have been revised to address concerns that recently came to our attention. These concerns relate to deferral in the event of excess study costs or deferral in the event total costs exceeding a specified amount; use of Federal Program Funds and Section 902 maximum costs as discussed below. All models for studies, design, and construction of specifically authorized and Continuing Authorities Program projects have been revised to reflect the guidance in paragraph 2 and reloaded to the PPA web page. Revisions to the environmental infrastructure models will be completed later this month.

2. The following guidance, effective immediately, applies to the negotiation and execution of new feasibility cost sharing agreements (FCSA), design agreements (DA), and project partnership agreements (PPA).

a. The provision requiring deferral in the event of excess study costs will no longer be included in FCSAs. This provision was Article II.A.8. of the model FCSA for projects that require specific authorization.

b. The optional paragraph allowing for deferral if total costs exceed a specified amount will no longer be included in any cost sharing agreement. This provision was typically located near the end of Article II.A. of the agreement and generally began with "Notwithstanding paragraph A.2. of this Article, if award of any contract...".

c. In Article II of a FCSA, the end of all sentences regarding use of Federal program funds will be revised as follows: "... Federal agency providing the funds verifies in writing that such funds are authorized to carry out the *Study*."

d. In Article II of a DA, and Article II and Article IV.A. of a PPA, the end of all sentences regarding use of Federal program funds will be revised as follows: "... Federal agency providing the funds verifies in writing that such funds are authorized to carry out the *Project*."

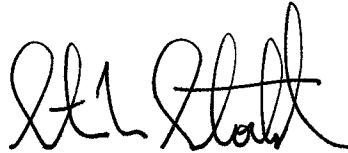
e. In PPAs for specifically authorized projects, the second paragraph of the optional Section 902 Maximum Cost of Project article will no longer be included in any cost sharing agreement.

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SUBJECT: Recent Modifications of Cost Sharing Agreement Models SUBJECT: Chacon Creek
Alternative Formulation Briefing

3. Modifications of an agreement to conform to this guidance are not considered deviations to an approved model cost sharing agreement when determining, in accordance with the implementation memo for the applicable model, the appropriate approval authority for the specific agreement. In addition, if requested by the sponsor, an existing agreement may be amended to be consistent with this guidance. The authority to approve such amendment is delegated to the MSC Commanders and may not be further delegated.

FOR THE COMMANDER:



STEVEN L. STOCKTON, P.E.
Director of Civil Works

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