

**USFK REGULATION 415-1**

CONSTRUCTION (415)

**Host Nation Funded  
Construction  
(HNFC) in Korea**

**11 February 2004**

**UNCLASSIFIED**

**HEADQUARTERS  
UNITED STATES FORCES, KOREA  
UNIT #15237  
APO AP 96205-5237**

**USFK Regulation  
No. 415-1**

**11 February 2004**

**(Effective: 11 February 2004)  
Construction**

**HOST NATION FUNDED CONSTRUCTION (HNFC) IN KOREA**

**SUPPLEMENTATION.** Supplementation of this regulation and issuance of command and local forms are prohibited without prior approval of the Commander USFK (FKEN), Unit #15237, APO AP 96205-5237.

**INTERNAL CONTROL PROCESS.** This regulation does not contain Management Control Procedures.

**1. PURPOSE.**

a. To provide guidance and establish policy and procedures for Host Nation Funded Construction (HNFC) and related activities in the Republic of Korea (ROK).

b. This regulation prescribes the goal for achieving high quality, cost effective construction for the United States Forces Korea (USFK) within schedules that meet the needs of the facility users and attain and maintain compliance with the Status of Forces Agreement (SOFA) and subordinate agreements.

**2. SCOPE.** This regulation applies to the planning, programming, design, and construction of HNFC programs in Korea.

**3. REFERENCES.** Required and related publications are listed in Appendix A.

**4. ABBREVIATIONS.** Abbreviations used in this regulation are explained in the glossary.

**5. BACKGROUND.**

a. Construction-Related Activities. Real estate, environmental protection, real property maintenance activities, and installation master planning, programming, and design.

b. HNFC Program. Any construction program, which provides facilities in direct support of Department of Defense (DOD) activities. Projects are funded partially or totally by the host nation (HN) in which DOD personnel are stationed. In Korea, the HNFC program consists of the following:

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(1) Combined Defense Improvement Projects (CDIP). CDIP was originally established by a Memorandum of Agreement (MOA) in the late 1970s and the current CDIP MOA is from 1995. Under the CDIP Program, the Republic of Korea constructs facilities for use by the United States (U.S.) armed forces. In the spirit of the CDIP program, the ROK Ministry of National Defense (MND) and USFK shall favorably consider placement of a high priority on developing or maintaining joint-use facilities. The CDIP program is primarily an “in-kind” program. The design costs are paid in cash. The ROK Government then constructs the project “in-kind.” Eligible projects include, but are not limited to, improving warfighting capabilities, maintaining and improving USFK capabilities and systems for the command and control of combat units and support of unit stationing and new equipment and weapon system fielding. Projects are designed by the U.S. Army Corps of Engineers, Far East District (FED) with funds provided by ROK MND. However, construction contracts are awarded and administered by ROK MND. The FED is allowed only a limited surveillance role during construction. The projects are nominated by the Commander, USFK and the Chairman of the ROK Joint Chiefs of Staff (JCS) is consulted on all CDIP projects.

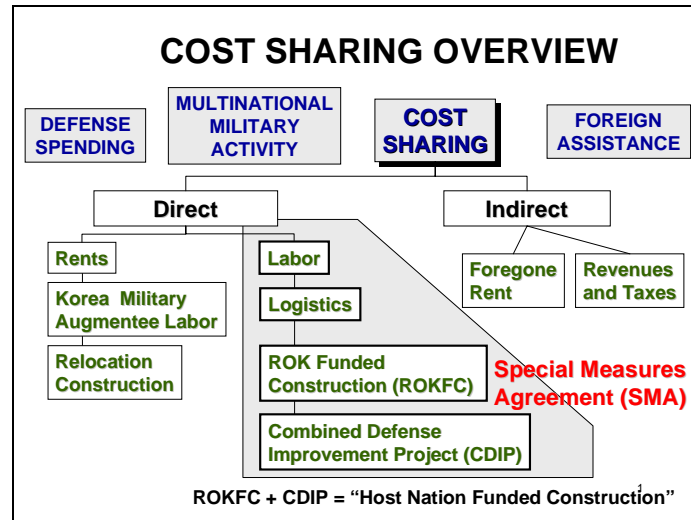
(2) Republic of Korea Funded Construction (ROKFC). The ROKFC program commenced in 1991 and provides funding for quality of service, mission support, utilities, and warfighting projects. Based on burdensharing Special Measures Agreements (SMA), ROKFC will not fund Morale, Welfare, and Recreation (MWR) clubs, theaters, golf courses, and bowling centers. ROK MND provides cash to USFK for both design and construction. The FED designs, contracts, and supervises construction of all ROKFC projects. Unlike CDIP, ROKFC projects do not require consultation with ROK JCS. ROKFC is normally considered a “cash” program, where the ROK directly pays cash to the U.S.

(3) ROKFC “In-Kind” (ROKFC-In Kind). ROKFC In-Kind was created as a subset of ROKFC with the SMA of 2002-2004. The ROKFC In-Kind program allows the ROK to manage the design and construction management of the entire project. The Corps of Engineers, FED, however, will prepare a criteria package and provide design and construction management oversight. Like ROKFC, there is no requirement to consult with ROK JCS (over selection of specific projects). Refer to the ROKFC In-Kind MOA for more information. The ROKFC In-kind program is a completely in-kind program where both the design and construction will be executed by the ROK.

(4) Land Partnership Plan In-Kind (LPP In-Kind). The LPP In-Kind program was also created in 2003 to specifically execute projects within the LPP. The LPP In-Kind also has increased “joint” management of the process. In particular, the ROKs will have more visibility in U.S. project development and design. As with the CDIP program, LPP In-Kind will be U.S. design and ROK contract execution. The LPP In-Kind program will only remain in existence for the duration of the LPP. Refer to the LPP In-Kind MOA for specifics on this program.

c. Burden Sharing. The U.S. Congress encourages America's allies to share the responsibility for the common defense and accordingly established a system of indicators to measure the contributions of each ally to the common defense. There are four broad categories in which each individual ally receives recognition for contributing to the common defense: (i) by increasing the level of their own defense spending, (ii) contributing to multinational military activity, (iii) contributing to pay the costs associated with stationing U.S. forces on their own soil and (iv) by providing foreign assistance. Within category (iii) there are two types of cost sharing: direct cost sharing and indirect cost sharing. The SMA constitutes a form of direct cost sharing. The ROK Government therefore receives recognition for projects that it pays for under the ROKFC and CDIP programs.

d. As shown in the following diagram, the SMA is a subset of the Cost Sharing category. Cost Sharing, in turn, is one of four categories that comprise the U.S. Congressional Burden sharing program. The ROK Government therefore receives credit for projects that it pays for under the ROKFC or CDIP programs.



**6. RESPONSIBILITIES.**

- a. USFK. The Commander, USFK, has authority and responsibility for management of HNFC.
- b. Assistant Chief of Staff, Engineer (FKEN).
  - (1) Responsible for facility construction planning, programming, policy, and oversight.
  - (2) Advocates for HN Construction through USFK J-5 and MND. Provides integration of USFK Commander priorities with Service Components.
  - (3) Issues guidance to the Service Components for submitting their HNFC program.
  - (4) Reviews and validates Service Component submittals.
  - (5) Issues Authorization Instructions to the Service Components to execute the projects.
  - (6) Assists in negotiating the size and content of the HNFC program.
  - (7) Assists in advocating the HNFC program through ROK MND and the ROK JCS.
  - (8) Ensuring that construction, operation, and maintenance relationships between services and/or the HN are thoroughly planned, agreed, and executed through support agreements.

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### **c. Service Components (Army, Navy, Air Force, Marines).**

(1) Provide instructions to installation commanders for planning and preparing construction programs.

(2) Review and validate cost estimates.

(3) Validate facility requirements and ensure maximum use of existing facilities.

(4) Submit proposed HNFC programs to USFK Engineers.

(5) Manages HNFC projects to stay within budgetary constraints and execution timelines in design and construction.

(6) During contingency situations, coordinate with, and keep theater commanders apprised of the status of projects in their area of responsibility.

(7) Develop HNFC programs in accordance with (IAW) the USFK Commander's priorities .

### **d. Installations.**

(1) Commanders will identify, plan, and program facilities to support their assigned missions IAW USFK guidance.

(2) Determine if inactive, excess, or only partially occupied government facilities and installations are available to meet requirements. Ensure existing facilities are used economically and efficiently and that excess space is evaluated for demolition.

(3) Submit HNFC programs to Service Component Headquarters.

(4) Initiate the environmental assessment analysis process in accordance with USFK and Service Component standards.

(5) Host, Tenant, Supported Unit Responsibilities. Host installations will normally provide day-to-day assistance and information for construction projects on their installation such as engineering information, digging permits, reviews, construction management, etc.. They will work with tenant units to determine the best solution to meet requirements. Tenant units will be responsible for programming and funding of new construction through their service component. Planning and programming funding and/or assistance may be provided from USFK for larger beddown type projects.

### **f. Corps of Engineers, FED.**

(1) FED is the DOD designated design and construction agent on HNFC for USFK.

(2) Develops and reviews construction project plans and specifications for technical adequacy and functional requirements on ROKFC, CDIP, and LPP In-Kind projects. Prepares criteria packages and conducts design surveillance for ROKFC In-Kind projects.

(3) Advertises and awards ROKFC projects.

(4) Provides construction management for ROKFC projects and construction surveillance for CDIP, ROKFC In-Kind, and LPP in-Kind projects.

(5) Provides expert technical expertise and analysis as required for construction projects.

**7. PLANNING AND PROGRAMMING.** HNFC projects will generally follow the same process and standards for programming and planning as U.S. Military Construction (MILCON) projects. For example, comprehensive planning that addresses all areas of concern will be completed and documented as per service component directives. Current programming requirements and cost factor criteria will be used in the preparation of DD Form 1391 (FYXX, Military Construction Data) documents. This form is available electronically at: <http://www.apd.army.mil>. Complete DD Form 1391 documentation will be required as would be the case with U.S. MILCON.

**8. PLANNING.** Facility planning is the identification of facility work and related issues needed to satisfy current and future mission requirements. The following planning issues need to be addressed in the development of HNFC projects:

a. Requirements. HNFC projects must be scoped to meet valid, justifiable requirements. If applicable, requirements will be in compliance with DOD Unified Facilities Criteria (UFC) and/or service component specific requirements standards. Deviation from approved requirements standards will require explanation and justification to the USFK Engineers and approval by the USFK Engineer. Building objective, supportable facility requirements is absolutely crucial for project execution and must be well documented on the DD Form 1391, the primary requirements approval document.

b. Siting. Site approval denotes that a project's location conforms to land planning principles, the planned development of the installation, and that any special criteria (such as safety or environmental) have been considered and deficiencies have been or will be rectified or a waiver will be obtained. The designated representative for the installation will give site approval where the project will be sited (i.e., the host installation).

c. Environmental Impact. IAW DOD Directive 6050.16, Korean HNFC projects will consider and will comply with USFK Pam 200-1 (Environmental Governing Standards) developed for Korea, as well as service component guidance. HNFC projects will comply with and follow the same documentation requirements for environmental impact using the Service Component MILCON standard.

d. Explosive Safety Quantity-Distance (Q-D) Siting. All facilities used for storage, handling, testing, and maintenance of explosives, or explosive-related items, must be reviewed by service component safety boards and approved by the DOD Explosives Safety Board (DDESB or ESB). Other HNFC non-explosive related facilities located within an identified explosives quantity-distance zone may also require approval by the ESB. ESB siting safety approval must be obtained by the service component before project submission for HNFC support.

e. Airfield Clearance. Installations must ensure all facilities and structures conform to the airfield and airspace clearance criteria in their service component regulations.

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f. Allowance for Physically Handicapped. Installations will make certain that all new facilities are designed and constructed to be readily accessible to and usable by handicapped persons. Alterations to existing facilities shall be designed and constructed, to the maximum extent feasible, to be readily accessible to and usable by handicapped persons. For guidance in determining the accessibility of facilities, refer to service component guidance and Department of the Army, Office of the Chief Engineers, Manual EM 1110-1-103. When accessibility cannot be achieved without causing a substantial impairment of significant historic features, forward a request for modification or waiver of access standards to USFK who will in turn forward it to ASD (MRA&L), or designee for approval. For further guidance see DOD UFC.

g. Force Protection. In planning, designing, and programming facilities, installations must consider threats to security IAW UFC 4-010-01. Installations must arrange for a threat assessment to be made by the Installation Force Protection Manager or Office of Special Investigations, and incorporate prevention measures through if necessary. (see local Security or Military Police).

*h. Real Estate Requirements.* Installations must determine whether any proposed construction project requires acquisition of real estate interests and what such interests would cost. Projects funded by the HN Construction program must normally be on real estate granted to USFK under the SOFA. Refer to USFK Reg 405-7 for additional information. Projects requiring easements or right-of-way must be coordinated through the Facilities and Areas Sub Committee (FASC). HNFC projects must comply with UFC 4-010-01.

i. Installation Survivability, Conventional Hardening, Chemical Protection Levels and Priorities, Camouflage, Concealment and Deception. When constructing or substantially altering or renovating facilities, installations must follow the survivability criteria contained in service component War Mobilization Plans.

j. Real Property, Maintenance, and Financial Responsibility. In projects where a host/tenant arrangement exists, the real property ownership, maintenance responsibility, and financial arrangements must be agreed upon and defined in a support agreement.

9. PROGRAMMING. Facility programming is the process of acquiring both the authority and resources necessary to accomplish the planned work.

a. Programming Definition of a HNFC project. HNFC as defined includes any construction, development, conversion, or extension of any kind carried out with respect to a military facility. It includes all construction work necessary to produce a complete and usable facility or a complete and usable improvement to an existing facility. Authority to carry out a HNFC project includes authority for surveys and site preparation; acquisition, conversion, rehabilitation, or installation of facilities; acquisition and installation of real property equipment and appurtenances integral to the project; acquisition and installation of supporting facilities (including utilities) and appurtenances incident to the project; and planning, supervision, administration, and overhead incident to the project. HNFC projects generally will follow the same programming standards as U.S. MILCON.

b. Authorization and Funding. Accounting, availability of funds and authority to accept Korean HNFC is governed by public law (Title 10, sections 2350j for cash and 2350g for in-kind), Defense Department regulations (DOD Dir 4270.34 HNFC Programs), and relevant international agreements (such as the SMA and their implementing documents). Every HNFC undertaking must be specifically authorized, and approved by the Commander, USFK. The ROKG currently provides ROKFC funding for a given year in two payments: half in March of the current funding year and the other half in March of the following year. Design funding for CDIP is typically received in the January-February timeframe after the CDIP program has been forwarded to ROK MND.

c. Phased Funding. Service components may program HNFC projects as “phased” to optimize funding availability. By definition, each phase shall be a complete and usable project. All phases will be identified during the first year the project is requested. Phases will not be added after project approval.

d. Incremental Funding. Incrementally funded construction projects will not be supported in the Korean HNFC program.

e. Conjunctive Funding. A conjunctively funded construction project is one that requires funding from multiple sources to complete a usable facility. Use of non-appropriated funds, private funds, defense funds, operation and maintenance (O&M) funds, civil works funds, or other funds in conjunction with HNFC funding in a single project is permitted, but requires separate accountability for each type of fund appropriated to a conjunctively funded project. The combination of funding sources will not be used to expand projects or to circumvent limitations. All DD Forms 1391 needed to provide for the complete and usable facility will be cross referenced as related projects on the face of each DD Form 1391.

f. Documentation.

(1) Programming documentation will primarily be done through the DD Form 1391 (using the service component’s standard for MILCON projects). The DD Form 1391 is the document that essentially defines the project and its boundaries along with the approval for that project. It shall contain the following items:

- (a) Comprehensive Cost Estimate.
- (b) Description of Project.
- (c) Current Situation.
- (d) Impact if Not Provided.
- (e) Approved Site Plan.
- (f) Environmental Documentation.
- (g) Alternatives considered with related economics.
- (h) Functional Requirements and Criteria to be used.



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- (i) Related acquisitions.
- (j) Utility impacts.

(2) This document will be submitted electronically in two formats. One format will be the signed copy in Adobe Acrobat to show the document has been approved by the local commander. The other format will be Microsoft Word so the document can be modified or edited at the Office of the Secretary of Defense (OSD) level. This is required for Congressional Notification.

**(3) Programmed Amount (PA). Starting with the CY 03 program, HNFC projects will use the same definition of "PA" as MILCON. In MILCON, the PA is defined as the cost of the project as approved by the funding authority (Congress). The MILCON PA contains the following costs: the estimated construction cost, contingency reserves, and Supervision and Administration (S&A). The Planning and Design (P&D) cost, which HNFC PAs now contain, will not be included.**

g. Project Justification. Service Components must prepare strong, accurate justification data for HNFC projects. Justification preparation is one of the most important actions in HNFC program development and is documented with a DD Form 1391. This form is used to explain and justify installation facility requirements at all levels in USFK, the OSD, and the Congress. Service Components must make sure that all justification data is clearly stated, since there will be numerous occasions when the DD Form 1391, standing alone, without the benefit of being accompanied by oral explanations, will be used at high levels in reaching decisions that impact the approval of the project. It must clearly describe the impact on mission, people, productivity, life-cycle cost, etc. if the project is not done.

h. Project Approval. The DD Form 1391 package will include the signature indicating the approval of the senior installation commander. If the project is for a tenant unit from a separate service, the DD Form 1391 will also be signed by the tenant unit commander.

i. Review process. USFK will review the documentation of each HNFC project before submitting the project to Pacific Command (PACOM) and OSD for design authorization or for programming the requirement to ensure:

- (1) The requirement is valid.
- (2) It conforms to current objectives, policies, and procedures.
- (3) Project sitings are approved.
- (4) A survey of the site has been conducted and available records have been reviewed.
- (5) Appropriate environmental inventories, consultations, and analyses have been performed to adequately address impacts of site selection on endangered species habitats, historic sites, archaeologically significant areas, wetlands, or floodplains.
- (6) The site is free from pollutants, contaminants, and ordnance and explosive waste that would impact start of construction or a solution is identified that will fix the problem either through the HNFC project itself or another strategy.

(7) Suitable site adaptable or standard designs are used when appropriate.

(8) Force protection considerations have been addressed as appropriate and documented.

(9) The service component must certify that planning and coordination have been accomplished on all budget year HNFC projects.

(10) Service components must be prepared to justify all aspects of the projects throughout the programming and budgeting process.

j. Project Submission and Prioritization.

(1) USFK will issue a project data call annually for a future years program or for additional projects that can be funded with bid savings. Each Service will be provided a target funding level to program against. The data call will normally be requested from USFK in the May timeframe for submittal around early September.

(2) Services will provide their proposed, prioritized project lists with complete, documented DD Form 1391s for each project. The required fields for the prioritized list are located in Appendix B.

(3) USFK will conduct a prioritization process in order to create a comprehensive priority list for the command for funding purposes. The starting point for the prioritization process will be the projects submitted by the service components and the USFK Commander's priorities. A strawman will be developed according to the USFK commander's priorities and this will be coordinated through the service components for comment and input to the Commander, USFK.

k. Program Approval and Notification.

(1) When the list of prioritized projects is finalized, the USFK commander will approve the proposed HNFC program.

(2) USFK will then submit the program with DD Form 1391s to HQ PACOM and the Secretary of Defense for final approval. This submission will consist of a prioritized list and the package of DD Form 1391s submitted by the service components.

(3) ROKFC program. After OSD approval, the ROKFC program will also be forwarded to Congress for the 21-day notification period IAW Title 10, section 2350j for burden sharing.

(4) CDIP program. Once the CDIP program has been approved by OSD, the CDIP program must then be submitted to the ROK JCS for their consultation. This involves formal presentations and site visits to provide relevant information to the ROK JCS. Based on this information, the ROK JCS will hold a project review board to decide whether to comment upon the program. HQ USFK will arrange and coordinate the joint site visit schedule with the Service Components and ROK JCS. The formal presentations and site locations must be consistent with and directly support approved project data (DD Form 1391s) provided to the ROK JCS through HQ USFK in order to present a uniform corporate position. Any changes to project requirements must be approved by HQ USFK in advance. HQ USFK will conduct a pre-check to ensure CDIP site visit information is correct.

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(5) LPP In-Kind. As per the LPP In-Kind Agreed Recommendations, the LPP projects will be approved by the Joint Coordinating Group. LPP projects have been approved/notified to OSD through the LPP Agreement.

*10. EXECUTION.* The most important policy statement to remember for HNFC is the following statement from DOD Directive 4270.34: “HN-funded projects normally will be designed and constructed to meet U.S. MILCON program criteria and standards for reliability, maintainability, functionality, personnel health, safety, and environment.” HNFC projects will be designed to the same standards and use the same process as U.S. MILCON projects.

### **11. DESIGN MANAGEMENT.**

a. General. Design shall be accomplished in a professional manner that meets the requirements of the project in a timely manner and within a reasonable cost. Program managers are authorized to proceed with design within the scope and the PA as defined on the DD Form 1391 approved by USFK. Service components and USFK will ensure project scopes are well defined before design begins on any HN funded project. Projects that cannot meet this criteria shall be vulnerable to cancellation.

b. Standards. HN-funded projects normally will be designed and constructed to meet U.S. MILCON program criteria and standards for reliability, maintainability, functionality, personnel health, safety, and the environment. Projects will be designed to maximize existing designs through site-adapted or standard designs that meet operational or functional requirements, when practical. Designs shall take into account and incorporate energy conservation, architectural compatibility, communications systems integration, furnishings integration, and constructability. HNFC projects shall not be advertised and awarded until the design agent and the installation engineers have signed and approved that the project meets the requirements for which it was intended and meets U.S. standards.

c. Design Reviews. All parties involved in the design process shall work towards achieving a quality project and doing it right the first time. The USFK DA (FED) is normally responsible for technical adequacy on all projects. The service component (user) is responsible for functional adequacy. A project design charette and appropriate design reviews are required for HNFC projects. The design reviews will normally be held at the 30%, 60%, and 90% points in the design process. Proper coordination is essential for these meetings in order to ensure appropriate requirements and standards are met. In addition to the all important facility occupant, representatives from other organizations such as the fire dept, security or military police, environmental, safety, facility maintenance and operations, etc should review the project as well. These organizations must agree with and approve the project design within the approved scope. FED will only proceed with the design based on design instructions from the service component or USFK project manager. The functional or using agency representatives will not issue design or modification requests directly to FED and FED will not accept these requests. Requests must be reviewed and approved first by the service component project manager.

d. Funding and Scope Requests During Design. Every effort shall be made to design projects correctly the first time. Should additional design funds, a change in scope, or an increase in the PA become necessary, the Service Component shall request funds or scope change approval from USFK-EN, in writing, with a thorough explanation of what the request is for and why the additional funds or scope changes are needed. This should include: impact if not provided, a review of options that are available,

and any other project funds that can be offered in exchange. This shall be accompanied with a re-approved DD Form 1391 if the scope or PA is exceeded.

e. **ROKFC.** For ROKFC, USFK shall normally provide design funds to accomplish the design through the Corps of Engineers, FED. Service components shall be responsible for the day-to-day execution and management (project manager - PM) of these projects through FED (Design Agent – DA). Program managers are authorized to proceed with design within the design funds provided.

f. **CDIP.** For the CDIP program, USFK shall normally provide design funds to accomplish the design through the Corps of Engineers, FED. Service components shall be responsible for the day-to-day execution and management (project manager - PM) of these projects through FED (Design Agent – DA). Program managers are authorized to proceed with design within the design funds provided.

g. **ROKFC In-Kind.** ROKFC In-Kind projects will have initial design criteria established by FED and be designed by the ROK DPA with FED oversight. Service components will work with both the ROK DA Defense Procurement Agency (DPA) and FED to ensure the design is completed in a satisfactory manner. ROKFC In-Kind design standards will be the same as for other HNFC programs.

h. **LPP In-Kind Program.** For the LPP program, USFK shall normally provide design funds (from the ROK as per the LPP Agreement) to accomplish the design through the Corps of Engineers, FED. Service components shall be responsible for the day-to-day execution and management (project manager - PM) of these projects through FED (DA). Program managers are authorized to proceed with design within the design funds provided.

**12. CONTRACT AWARD.** Service components must request and receive formal approval to advertise from HQ USFK Engineers for any HN construction project before the project can be advertised. This request will include the most current estimated price for the project. For ROKFC projects, service components must also request and receive funds authorization to award for the actual bid/negotiated amount. Funds authorization will typically include the construction contract award amount, the supervision and administration fees, and contingency. HN construction projects will be contracted (advertised and awarded) by the agency charged with construction execution for the given HN program (normally the FED or the ROK DCA).

**13. CONSTRUCTION.** The goal for the construction phase will be to provide a complete and usable facility in timely manner and within funding limits. The construction shall be managed to cause a minimum of impact to the mission and installation personnel. As with design, construction shall be done following the standards and processes established for MILCON.

a. **ROKFC.** Because ROKFC is a “cash” program, U.S. Forces (through FED) will normally execute advertisement, award, and actual construction management of the project. Should a service component request to use a construction agent other than the Corps of Engineers, the request will have to be IAW DODD 4270.5.

b. **CDIP.** Because CDIP projects are an “In-Kind” program, ROK MND will normally execute advertisement, award, and actual construction management of the project. FED and the service components will continue to provide oversight of the construction to ensure that requirements and standards are met.

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c. *ROKFC In-Kind.* With ROKFC In-Kind projects, ROK MND will normally execute advertisement, award, and actual construction management of the project. FED and the service components will continue to provide oversight of the construction to ensure that requirements and standards are met.

d. *LPP In-Kind.* Because LPP projects are also an “In-Kind” program, ROK MND will normally execute advertisement, award, and actual construction management of the project. FED and the service components will continue to provide oversight of the construction to ensure that requirements and standards are met.

e. *Modifications, Funds Requests, and Scope Changes.* Should a modification become necessary that requires either a change in scope, an increase in Programmed Amount, or additional funds beyond those which have been distributed, the service components shall submit a request to USFK with a memo fully describing the modification and estimated cost, an explanation why it occurred, the impact if not provided, and consideration of other options. Service components will also identify a “bill payer” if at all possible. An updated and approved DD Form 1391 will also be attached if the modification is out of scope or the additional cost puts the total project cost above the approved programmed amount. The functional or using agency representatives will not issue modification requests directly to FED and FED will not accept these requests. Requests must be reviewed and approved first by the service component project manager.

f. *Bid Savings.* Bid savings constitute the difference between the PA and the total cost of the project after project award. Upon project award all bid savings will be returned to FKEN and used to meet USFK Commander priorities. Bid savings uses include, but are not limited to, project cost increases, modifications, and new construction projects as approved by the USFK commander.

g. *Construction Practices.* The following practices are requirements for HNFC construction:

(1) A construction schedule will be established, agreed to and adhered to by the contractor, FED, and the installation representatives.

(2) Material submittals shall be submitted beforehand for approval in an appropriate format such as a display board.

(3) HNFC construction projects will be inspected on a frequent, periodic basis by a qualified inspector.

h. *Transfer of completed work to installation commander.* Upon completion of a project, the construction service transfers the following essential documents, records and materials to the installation commander:

(1) Contract documents, cost data (including design costs), and other pertinent information required for property accountability records.

(2) A complete maintenance manual, to include each major item of equipment; a systems O&M manual where specified; operating and maintenance procedures; copies of all required test data for materials, systems, and equipment; manufacturers' catalogs; a recommended list of spare parts; and a list of suppliers for all major replacement parts. The major items of equipment will be keyed to the project; as-built drawings and the actual equipment provided.

(3) Equipment guarantees by the contractor, subcontractors, and material vendors.

(4) Copies of wiring diagrams, records, maps, and complete, legible, as-built drawings and specifications, corrected to show all changes from the originals, including supporting utilities shall be provided on electronic media and hard copies. Hard copy drawings shall be full size provided in both Mylar and blueprint quality paper. These items will be made available as soon as possible, but not later than 60 days after the transfer of the facility to the using service.

(5) Specialized keys, handles and tools required for operation of building equipment.

(6) Any other available documents or materials needed for operation and maintenance or future repairs or alterations.

(7) Completed DD Form 1354 (Transfer and Acceptance of Military Real Property). This form is available electronically at: [www.apd.army.mil](http://www.apd.army.mil)

(8) Training for operations and maintenance shall be provided for all appropriate systems.

#### **14. REPORTING REQUIREMENTS.**

a. Notify and Consult. Service components will annually submit a list of all new construction (of MILCON scope) planned for the coming year in the ROK. This will include projects from all possible funding streams: MILCON, HNFC, Defense Energy Support Center (DESC), Army and Air Force Exchange Service (AAFES), MWR, Department of Defense Schools (DoDDS), Defense Commissary Agency (DECA), Medical, and Operations and Maintenance (O&M). This requirement is part of the "notify and consult" procedures under provisions of the SOFA. Failure to notify the Korean Government of a project may jeopardize project execution. The required fields for the notify and consult list are in Appendix B.

b. Project Review Boards (PRBs). USFK will conduct periodic PRBs to ensure effective and efficient project execution. Service components will be expected to explain a project's current status and recommend a course of action for projects that are having difficulties. Difficulties include items such as staying within funding limits, executing in a timely manner, and/or not meeting the user's requirements. The PRB results may be used for recommendations to cancel or suspend a project.

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c. Information Systems. The primary source of execution information for the USFK staff is the electronic database used by the project managers at the Corps of Engineers, FED. It is in the service components' and the Corps of Engineers' best interest to keep this system as accurate as possible. For example, a quarterly report is provided to ROK MND of actual expenditures in the ROKFC program based on FED cost accounting.

**Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to the Commander, USFK (FKEN), Unit #15237, APO AP 96205-5237. This publication is available electronically at: <https://www-eusa-1.korea.army.mil>**

FOR THE COMMANDER:

OFFICIAL:  
CHARLES C. CAMPBELL  
Lieutenant General, USA  
Chief of Staff



F. W. MORRIS  
Assistant Adjutant General

3 Appendixes  
A. References  
B. Project Datacall Format

DISTRIBUTION:  
EMO (Electronic Media Only)

Glossary

**APPENDIX A**

**Section I. Required Publications**

- DODD 4270.5 (Military Construction Responsibilities). Cited in paragraph 13a.
- DODD 4270.34 (Host Nation Funded Construction Programs). Cited in paragraphs 9b and 10.
- DODD 6050.16 (DOD Policy for Establishing and Implementing Environmental Standards at Overseas Installations). Cited in paragraph 8c.
- EM 1110-1-103 (DA Office of Engineer Manual). Cited in paragraph 8f.
- MOA (The Combined Defense Improvement Program). Cited in paragraph 5b(1).
- MOA (The ROK Funded Construction In-Kind Program). Cited in paragraph 5b(3).
- Title 10, United States Code, Section 2350j, 2807. Cited in paragraphs 9b and 9k(3).
- UFC 4-010-01 (DOD Minimum Antiterrorism Standards for Buildings). Cited in paragraphs 8g and 8h.
- USFK Pam 200-1 (Environmental Governing Standards). Cited in paragraph 8c.
- USFK Reg 405-7 (Facilities and Areas (Real Estate) Policies and Procedures in Korea). Cited in paragraph 8h.

**Section II. Related Publications.**

- DODD 1020.1 (Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of Defense).
- ROK Ministry of Defense Directive 518 (Policies and Procedures for the Combined Defense Improvement Projects).
- USCINCPAC Instruction 11010.2G (U.S. Military and Host Nation Funded Construction Programs).



**APPENDIX B**  
**PROJECT DATACALL FORMAT**

The service provided project listing shall be submitted in an Excel spreadsheet format with accompanying 1391s. The following fields shall be used in the Excel spreadsheet:

Service:

Priority:

Project Number:

Project Title:

Location:

PA (\$M):

Notify and Consult

The service components will provide their list of “notify and consult” projects in an excel spreadsheet format with the following fields:

Year:

Type of Funds: MILCON, HNFC, O&M, DODDS, AAFES, DESC, Medical, DeCA, MWR.

Project Number:

Description:

Location:

PA (\$M):

Status:

**GLOSSARY**

**Abbreviations**

CDIP	Combined Defense Improvement Program
DA	Design Agent
DOD	Department of Defense
DPA	Defense Procurement Agency
ESB	Explosives Safety Board
FASC	Facilities and Areas Sub Committee
FED	Far East District
HN	Host Nation
HNFC	Host Nation Funded Construction
IAW	in accordance with
JCS	Joint Chiefs of Staff
LPP	Land Partnership Plan
MILCON	Military Construction
MND	Ministry of National Defense
MOA	Memorandum of Agreement
MWR	Morale, Welfare and Recreation
O & M	Operations and Maintenance
OSD	Office of the Secretary of Defense
PA	Programmed Amount
P & D	Planning and Design
PRB	Project Review Board

**USFK Reg 415-1**

Q-D	Quantity-Distance
ROK	Republic of Korea
ROKFC	Republic of Korea Funded Construction
S & A	Supervision and Administration
SMA	Special Measures Agreement
SOFA	Status of Forces Agreement
UFC	Unified Facilities Criteria
U.S.	United States (of America)
USFK	United States Forces, Korea