



1400 - Sponsor Force Accounts

General

The preferred method for accomplishing a development project funded under the Airport Improvement Program is by contracting out design services to a qualified engineering firm and soliciting competitive bids for the construction work. Occasionally, Sponsors may express a desire to accomplish some or all of the work using their own work force.

Sponsors wishing to utilize a sponsor force account must first coordinate with the FAA to ensure eligibility under the Airport Improvement Program. To become eligible, the sponsor must demonstrate that the use of a Sponsor force account is a benefit to the AIP as compared to using competitive bids or negotiated contracts.

Limitations of Use

Users of this guide shall note the obligation for any required action addressed within this guidance originates within applicable Federal directives such as United States Code (USC), Public Law (PL), Code of Federal Regulations (CFR) and official FAA policies. The supplemental information provided in this guidance does not establish additional requirements for participation in the AIP. In the event there is a discrepancy between this guidance and current AIP policy, AIP policy shall always take precedence.

In This Section

1410 - Force Account Overview

1420 - Force Account Engineering Services

1430 - Construction Force Account



1410 - Force Account Overview

FAA Approval

The use of a Sponsor force account for an AIP funded project requires advance FAA review and approval. Sponsors who proceed with a force account without FAA approval risk disallowance of all incurred costs.

Sponsor's Request to Use a Force Account

Sponsors desiring to use a force account must prepare and submit a written request to the FAA prior to submitting a grant application. The request must address in detail the project scope, justification for use, personnel qualifications, capacity to accomplish the work and a comparative cost analysis.

Project Scope – Provide sufficient information and detail that describes the nature and the extent of the work they propose to perform using a force account

Justification – Provide information that demonstrates the use of a force account will benefit the AIP program without diminishing quality of the service or construction as compared to contract services.

Qualifications – Provide information that demonstrates the Sponsor's personnel have acceptable experience and qualifications to perform the proposed services or work.

Capacity to Accomplish Work – Provide assurance the Sponsor has sufficient resources (labor, material, equipment and financing) to effectively accomplish the work within a timeframe acceptable to the FAA.

Comparative Cost Analysis – Provide a detailed cost estimate that shows direct salary costs, direct non-salary expenses and indirect costs (if applicable). Sponsor must also obtain a reasonable estimate for accomplishing the work by conventional contract. Using both estimates, the Sponsor must clearly demonstrate the use of the force account is cost beneficial to the AIP

Standards

FAA's concurrence with the use of a sponsor force account **does not** negate nor diminish the Sponsor's obligation to comply with AIP engineering and construction standards. The same quality and acceptance criteria expected of contract engineering and contract construction is required under an approved Sponsor Force Account.

Allowable Costs

In order to be eligible under the AIP, costs (direct and indirect) must conform to the cost principles addressed within OMB Circular A-87. To remain allowable, claimed costs must be:

- Necessary for the accomplishment of the project work
- Reasonable in amount
- Be allocable to applicable cost objectives
- Comply with terms of grant award
- Be adequately documented

Costs associated with a Sponsor force account generally fall within three categories.

1. **Direct Salary Costs** – Actual compensation for employee time devoted specifically for the performance of a cost objective (i.e. approved project)
 - Includes actual wages, salaries and fringe benefits the Sponsor compensates the individual employees for a specific cost objective.
 - Must reflect actual cost as opposed to averaged or prorated compensation
 - Sponsor must document employee time using an acceptable payroll documentation system that includes signed personnel activity sheets (time sheets) that account for an accurate time distribution of the employee's total activity (i.e. not just the time spent on the AIP project). Refer to Paragraph 8, Attachment B of OMB A-87 for additional information.



2. Direct Non-salary costs – Costs associated with material, supplies, equipment and travel expenses required specifically for the performance of the grant agreement.
 - Refer to attachment B of OMB A-87 for a select listing of cost items and limitations of Federal participation.
 - Only materials and supplied actually used in performing the grant work are allowable. Costs associated with material or supplies purchased but not used in the project are not allowable. Re-stocking fees are not allowable for AIP reimbursement.
 - Equipment rental costs are allowable to the extent that they are reasonable when considering the prevailing market and the equipment condition. If local rental cost is not readily available, Sponsors may use the U.S. Army Corps of Engineers Construction Equipment Ownership and Operating Expense Schedule (EP-1110-1-8) when determining reasonableness of costs.
3. Indirect Costs – Common costs a Sponsor incurs that benefits more than one cost objective but which is not readily assignable to any one specific cost objective.
 - Sponsors may not claim indirect costs unless they have an approved Cost Allocation Plan and an executed Indirect Cost Rate Agreement conforming to OMB Circular A-87.
 - AIP will not participate in the Sponsor’s cost to prepare an Cost Allocation Plan

Financial Records

The Sponsor must keep accurate records that fully support all claimed costs. The Sponsor's records must sufficiently detail all claimed costs such that a third party auditor may readily verify the costs. Failure to maintain acceptable documentation will result in disallowance of the costs.

Payroll Documentation

Appendix B, Paragraph 8 of OMB Circular A-87 addresses compensation for personnel services. This section establishes the cost principles for time distribution and payroll documentation.

Sponsors must document claimed labor costs on personal activity sheets (time sheets) certified by the signature of a Sponsor’s authorized official. The time sheet must account for the employee’s total activity. It cannot simply address only the work hours that apply to the AIP project (i.e. log of hours spent only on project).

For sponsors that maintain an automated payroll system, a sufficiently detailed report from the payroll system will generally be sufficient documentation provided the system can also generate reports that show the actual total time distribution of an employee.

Sponsors without an established time keeping record system may use a manual format similar to the following provided an authorized official certifies the timesheet.

Employee Name															
Job Number	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	Total
001-Airport Maintenance		8	5	4	4	4			2	1	1	1	1		31
002-Airport CIP		0	0	0	0	0			0	0	0	0	0		0
003-FAA AIP Project		0	3	4	4	4			6	7	7	7	7		49



Sponsors Procurements under an Approved Force Account

Sponsors that use an approved Force Account may occasionally have a need to purchase material or contract out incidental services associated with the work objective. The FAA approval of a Sponsor force account agreement does not preclude the Sponsor's obligation to comply with 49 CFR Part 18.36.

For example, Sponsors with an approved force account to design and construct an airfield pavement section may need to contract out the geotechnical boring task or procure construction material. In such cases, the Sponsor must comply with applicable AIP procurement requirements to acquire such services and materials. The Sponsor may not simply apply non-competitive procurement actions to acquire the contracted services or material.

RESOURCES

OMB Advisory Circulars

- [A-87](#) - Cost Principles for State, Local, and Indian Tribal Governments

Regulations/Policy

- [49 CFR Part 18.36](#) - Uniform Administrative Requirements for Grants and Cooperative agreements.



1420 - Force Account Engineering Services

Design Services

To remain eligible under the AIP, Sponsors must conform to AIP design and construction standards regardless of whether they accomplish design by force account or by contract. The sponsor must use qualified technical resources to accomplish project design and to prepare a bid package that complies with Federal, State and local regulations as well as AIP standards. The individuals accomplishing the project design shall incorporate sound engineering principals, industry accepted practices and "Best Practice" design considerations.

FAA approval of the Sponsor's use of a force account for engineering design does not represent a modification approval that allows deviation from [AIP standards](#). Sponsor may not use local design standards on an AIP funded project unless they receive explicit FAA approval under the Sponsor Modification of FAA Standards process.

Under force-account design services, Sponsors must prepare and submit AIP required reports, forms and documents similar to the deliverables under a design services contract. These include as applicable:

- Pre-design meeting minutes
- Engineer's report
- Pavement design report
- Life Cycle Cost Analysis
- Construction Safety and Phasing plan
- Project Plans and Technical Specification
- Procurement Front End Documents

Construction Observation Services

Sponsors of an AIP construction grant become obligated to monitor the progress of a project and to ensure compliance with the approved plans and specifications. Grant assurance #17 establishes the Sponsor must provide and maintain competent technical supervision at the construction site throughout the duration of the project. This obligation is valid regardless of whether the Sponsor uses a contract consultant or a force account.

The Sponsor must maintain construction records that document the quality and quantity of the work complete. [Advisory Circular 150/5370-12](#) *Quality Control of Construction for Airport Grant Projects* addresses minimum documentation requirements for the construction phase. These include:

Project Administration

- Conduct Preconstruction Conference in accordance with [AC 150/5300-9](#)
- Take appropriate action in accordance with the limits established by Section 50-01, Authority of the Engineer of the project manual.
- Prepare and verify Contractor periodic payment requests.
- Prepare Invoice Summary document for reimbursement through the FAA grant payment system
- Develop Construction Observation program per Grant condition (Paving Projects)
- Reports:
 - Prepare and update Sponsor Quarterly Performance Reports
 - Prepare require AIP financial reports (SF 271 and SF-245).
- Monitor Contractor's compliance with Davis Bacon requirements (i.e. certified payrolls)
- Monitor Contractor's compliance with DBE requirements.
- Evaluate Contractor Request for permissible waiver to Buy American preferences (as applicable)
- Monitor Contractor's compliance with E.E.O requirements



Field Services

- Establish horizontal and vertical survey control for use by the Contractor.
- Conduct acceptance reviews of shop drawings and materials certifications
- Monitor Contractor's compliance with Buy American contract provision.
- Provide qualified resident engineer and inspectors to monitor Contractor's conformance with the contract.
 - The Resident Engineer/Inspector must document the contractor's contract performance, observe acceptance testing of construction materials and verify installed construction quantities.
- Monitor Contractor's compliance with approved construction safety and phasing plan (CSPP)
- Maintain construction diary that documents daily work activities and contract time
 - Prepare and submit construction progress reports (FAA Form 5370-1)
- Perform quality acceptance testing in accordance with the project specifications
- Obtain and submit as-built survey data

Project Acceptance

- Attend and conduct a final project walk through and inspection with the contractor and Owner.
- Monitor completion of punch list items
- Prepare and distribute record of final inspection.
- Prepare and distribute record drawings

Proposals

Sponsors that desire to use a force account for design service must submit a written proposal request in advance of the initiating the work. The proposal must address the following items:

- a) Proposed scope of the design work
- b) Proposed schedule that identifies critical tasks and dates for when they will complete each task.
- c) Statement justifying their use force account to accomplish project design instead of using contract engineering services
- d) Names, qualifications and experience of personnel they propose to use on the force account along with a Sponsor statement addressing the capability to perform the various design tasks necessary for the project work
- e) Cost analysis comparing the estimated costs using force account and the estimated costs using contract consultant services
 - Provide a detailed force account cost estimate that shows direct salary costs, direct non-salary expenses and indirect costs (if applicable).
 - Provide a detailed cost estimate that shows the anticipated costs to accomplish the design work using contract consultant
- f) Statement assuring their ability to integrate the AIP project into their normal workload

RESOURCES

Advisory Circulars

- [AC 150/5300-9B](#) - Predesign, Pre-bid, and Preconstruction Conferences for Airport Grant
- [150/5370-12A](#) - Quality Control of Construction for Airport Grant Projects

FAA Forms

- [FAA Form 5370-1](#) - Construction Progress and Inspection Report,



1430 - Construction Force Account

To remain eligible under the AIP, development must conform to applicable AIP construction standards regardless of whether they accomplish construction by force account or by a contractor. The sponsor must use qualified resources to accomplish project construction. FAA approval of a Sponsor's use of a force account for construction does not represent a modification approval that allows deviation from AIP standards for construction ([AC 150/5370-10](#)) Sponsor may not use local construction standards on an AIP funded project unless they receive explicit FAA approval under the Sponsor Modification of FAA Standards process.

Sponsor Force Account and Contract Construction:

Some Sponsors occasionally requested permission to accomplish a portion of the construction work under a sponsor force account while addressing the remaining project work under contract construction.

Sponsors desiring to use such an approach should discuss the implications of this practice with their FAA Project Manager. Sponsors may unintentionally incur liability and risk by using such an approach. This would occur if the Sponsor's performance adversely affects the contractor's work.

For example, consider an airfield pavement project where the Sponsor desires to accomplish the work associated with the subgrade preparation while a construction contractor accomplishes the actual paving. If the installed pavement starts exhibiting premature distress such as uncontrolled cracking, the contractor may be able to assert fault with the subgrade. The sponsor could thus potentially incur liability for fixing the failed pavement without recourse to the AIP program. For this reason, we prefer Sponsors place all performance liability on a construction contractor by letting them construct the entire pavement section.

Construction Standards

FAA's concurrence with the use of a sponsor force account does not negate nor diminish the Sponsor's obligation to comply with AIP construction standards and acceptance criteria. The same quality and acceptance criteria expected of contract construction are required on a Sponsor force account construction. The Sponsor must also maintain accurate construction records similar to that required for contract construction. This includes:

- Daily weather conditions
- Worked accomplished that day, including the exact location
- Work day count
- Estimate of percentage of physical work completed to date
- Hours worked per day
- Material delivered on-site
- Type of equipment in use
- Size of work force on site
- Acceptance tests conducted and results obtained
- Corrective actions taken
- Safety Plan measures implemented or modified
- Identification of critical construction issues



Proposals

Sponsor desiring to use a force account for design service must submit a written proposal requests in advance of the initiating the work. Costs incurred prior to FAA approval of their force account are subject to disallowance. The proposal must address the following items:

- a) Proposed scope of the construction development
- b) Proposed schedule that identifies critical tasks and dates for when they will complete each task.
- c) Statement justifying their use force account to accomplish construction instead of using a competitively bid contract.
- d) Names, qualifications and experience of personnel they propose to use on the force account along with a Sponsor statement addressing the capability to perform the various design tasks necessary for the project work
- e) Cost analysis comparing the estimated costs using force account construction and the estimated costs using a contractor.
 - Provide a detailed force account cost estimate that shows direct salary costs, direct non-salary expenses and indirect costs (if applicable).
 - Provide a detailed itemized cost estimate (quantities, unit costs) that shows the anticipated costs to accomplish the construction work using a construction contractor
- f) Statement by the Sponsor assuring their ability to integrate the AIP project into their normal workload

Procurement of Material

Procurement of project material and supplies must comply with applicable procurement standards established within 49 CFR Part 18.36.

RESOURCES

Advisory Circulars

- [150/5370-10F](#) - Standards for Specifying Construction of Airports
- [150/5370-12A](#) - Quality Control of Construction for Airport Grant Projects

FAA Forms

- [FAA Form 5370-1](#) - Construction Progress and Inspection Report

Regulations/Policy

- [49 CFR Part 18.36](#) - Uniform Administrative Requirements for Grants and Cooperative agreements.