

## MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Guidance Letter No. 12, New Start Construction Projects--Timing of Local Cooperation Agreement (LCA) Execution and Award of Initial Construction Contract

1. Reference: EC 1165-2-144, "Policy Guidance for New Start Construction Projects" dated 1 June 1987.
2. The purpose of this letter is to provide generic policy on WA execution as it relates to the award of the initial construction contract on new start projects. This guidance will supplement the referenced EC and will serve as interim guidance until an update to this EC is issued.
3. For those projects subject to the cost sharing provisions of P.L. 99-662, as amended, an LCA must be executed between the local sponsor and the ASA(CW) prior to awarding the initial construction contract for the project. Such projects should also have an executed WA prior to advertising for bids unless special circumstances warrant earlier advertisement. However, projects that do not have an executed WA shall not be advertised without the prior approval of CECW-B. Furthermore, CECW-B will not allocate Federal construction funds for a project until ASA(CW) executes the WA and approves the financing plan.
4. The above policy also applies to any separate Memorandum of Understanding (MOU), Memorandum of Agreement (MOA), or similar arrangement that would be required with another Federal agency to construct a usable element or feature of any new start project. In addition, you should ensure that WA packages are submitted to HQUSACE as early as possible to preclude any delays to your advertisement, bid opening, and award schedules.
5. Any questions should be addressed to either Doug Lamont, CECW-RN (202) 272-0464 or Steve Hudak, CECW-BE (202-272-8592).

FOR THE COMMANDER:

PATRICK J. KELLY  
Brigadier General, USA  
Director of Civil Works