



December 22, 2009

DIRECTIVE:	JOB CORPS PROGRAM INSTRUCTION NO. 09-29
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TO: ALL JOB CORPS NATIONAL OFFICE STAFF
ALL JOB CORPS REGIONAL OFFICE STAFF
ALL JOB CORPS CENTER DIRECTORS
ALL JOB CORPS CENTER OPERATORS
ALL NATIONAL TRAINING AND SUPPORT CONTRACTORS
ALL OUTREACH, ADMISSIONS, AND CTS CONTRACTORS
ALL OASAM REGIONAL CONTRACTING OFFICERS

FROM: LYNN A. INTREPIDI
Interim National Director
Office of Job Corps

SUBJECT: Use of ARRA Funds When Actual CRA Project Costs Vary From Project Cost Estimates

1. Purpose. To clarify Job Corps operators' use of American Recovery and Reinvestment Act (ARRA) funds for center construction, rehabilitation, and acquisition (CRA) projects.
2. Background. The National Office of Job Corps issued Program Instruction 09-10 (dated August 4, 2009) to provide guidance to the Job Corps community regarding (1) the authorized use of construction and rehabilitation funds provided to center contracts through ARRA; (2) monitoring and oversight responsibilities; and (3) reporting requirements.

The current Program Instruction provides additional guidance regarding the use of CRA project funds when actual CRA project costs are less than or exceed CRA project cost estimates.

3. Action. Comply with the following guidance in the two circumstances indicated:
 - a. Total ARRA CRA forecasted project costs are less than project estimates

Regions have received ARRA Financial Operating Plan (FOP) changes that fund multiple ARRA CRA projects or deficiencies based on estimates. If forecasted total project costs are less than the total FOP/Contract Modification amount, regardless of variances on individual deficiencies, center operators are approved to proceed with ARRA projects. At completion of all projects, it will be necessary to reconcile FOP/Contract Modification Value vs. Actual Costs. Note: If a center operator recognizes significant savings as a result of procurement, or because select deficiencies are not required, the center operator should contact their Regional ARRA staff member to review and initiate Reconciliation & Redirect if necessary. Center operators are not authorized to select additional deficiencies outside of authorized deficiencies without contractual modification.

Example (Negative Variance, Bid/Forecasted Savings):

Project	FOP/MOD Amount	Bid/Forecasted Amount	Variance
Deficiency A	\$5,000	\$4,000	(\$1,000)
Deficiency B	\$10,000	\$12,000	\$2,000
Deficiency C	\$15,000	\$10,000	(\$5,000)
Total	\$30,000	\$26,000	(\$4,000)

Deficiency A's Bid/Forecasted costs are less than the FOP/MOD amounts while Deficiency B's Bid/Forecasted costs exceed the FOP/MOD amounts. Since the combined Bid/Forecasted amount of all three projects represents a \$4,000 savings from FOP/MOD amount, the center operator should proceed with the projects and reconcile the FOP/MOD amount with actual costs at completion.

- b. Total ARRA CRA forecasted project costs are greater than project estimates

Regions have received ARRA FOP changes that fund multiple ARRA CRA projects or deficiencies based on estimates. If forecasted total project costs exceed total FOP/Contract Modification amount, regardless of variances on individual deficiencies, center operators are required to contact their Regional ARRA staff member to review and initiate Reconciliation & Redirect.

Example (Positive Variance, Bid/Forecasted Overruns):

Project	FOP/MOD Amount	Bid/Forecasted Amount	Variance
Deficiency A	\$5,000	\$6,000	\$1,000
Deficiency B	\$10,000	\$12,000	\$2,000
Deficiency C	\$15,000	\$20,000	\$5,000
Total	\$30,000	\$38,000	\$8,000

Deficiency A, B, and C's Bid/Forecasted costs exceed the FOP/MOD amounts. Since the combined Bid/Forecasted amount of all three projects represents an \$8,000 overrun from the FOP/MOD amount, the center operator should contact their Regional ARRA staff member to review and initiate Reconciliation & Redirect.

4. Expiration Date. Until superseded.

5. Inquiries. Inquiries should be directed to Chris Conboy at conboy.chris@dol.gov, or to your ARRA Regional Point of Contact.