



1400 - Sponsor Force Accounts

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General

Sponsor force account work is planning, engineering, or construction work done by the sponsor's employees. Unlike other such work, it is done without the benefit of a construction or consultant contract obtained through the normal AIP procurement process. Force account work is allowable on AIP grants and is detailed in Section 3-56 of the [AIP handbook \(Order 5100.38D\)](#). Per FAA policy, in order for the sponsor to use force account work, the sponsor must request the use of force account work in writing and the ADO must have approved the request *in advance of the grant offer*. In addition, it is in the best interest of the sponsor to obtain ADO approval *prior to the sponsor starting the work* to ensure that the work is allowable. The sponsor's written request must meet the requirements detailed in the AIP Handbook (Order 5100.38D) and summarized here.

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.



1410 - Force Account Overview

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, detailed cost estimate and a comparative cost analysis. These requirements are detailed in Table 3-33 of the [AIP handbook \(Order 5100.38D\)](#).

FAA Standards under Sponsor Force Account

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. Sponsor's with an approved force account must apply the same quality and acceptance criteria expected of contract engineering and contract construction.

Allowable Costs

In order to be eligible under the AIP, costs (direct and indirect) must conform to required AIP cost principles detailed in the AIP handbook. To remain allowable, claimed costs must be:

- Necessary for the accomplishment of the project work
- Reasonable in amount
- 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 the FAA approved project.
 - Includes actual wages, salaries and fringe benefits.
 - Must reflect actual cost as opposed to averaged or prorated compensation.
 - Sponsor must document employee time using an acceptable payroll documentation system that account

for an accurate time distribution of the employee's total activity and not just the time spent on the AIP project.

- For sponsors that maintain an automated payroll system, a sufficiently detailed report from the payroll system will generally be sufficient documentation. Sponsors without an established time keeping record system may use a manual format provided an authorized official certifies the timesheet.
2. **Direct Non-salary costs** – Costs associated with material, supplies, equipment and travel expenses required specifically for the performance of the grant agreement.
 - Only materials and supplies 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
 - AIP will not participate in the Sponsor's cost to prepare a Cost Allocation Plan.
 4. Table 3-34 of the AIP handbook further details the documentation required for typical force account expenses.

Financial Records

Sponsors 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.



Sponsor Procurements under 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 the AIP handbook.

For example, Sponsors with an approved force account to design and construct airfield pavement 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 when acquiring such services and materials. Sponsors must conduct such procurements in a fair and open manner. The Sponsor may not simply apply non-competitive procurement actions to acquire the contracted services or material.



1420 - Force Account for 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.

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 the same AIP required reports, forms and documents as those required under contract design services.

Construction Observation

sponsors of an AIP construction grant are obligated to monitor the progress of their projects and to ensure compliance with the approved plans and specifications. 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.

Proposals

Sponsors that desire to use a force account for design services must submit a written proposal request in advance of 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 proposed 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.

RESOURCES

Advisory Circulars

- [150/5370-12](#) - Quality Control of Construction for Airport Grant Projects

FAA Forms

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



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Construction

To remain eligible under the AIP, development work must conform to applicable AIP construction standards regardless of whether they accomplish construction by force account or by contract. The sponsor must use qualified resources to accomplish project construction. FAA approval of a Sponsor's force account for construction does not represent a modification approval that allows deviation from AIP standards for construction ([AC 150/5370-10](#)). Sponsors 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 request 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 program manager. Sponsors can 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 preparation. 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 liability for performance on a construction contractor by letting them construct the entire pavement section.

Proposals

Sponsors desiring to use a force account for construction services must submit a written proposal requests in advance of initiating the work. 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 of a 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.

Procurement of Material

Procurement of project material and supplies must comply with applicable procurement standards 36. FAA approval of a force account does not represent approval to use non-competitive methods when acquiring construction material.

RESOURCES

Advisory Circulars

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

FAA Forms

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