



DIRECTIVE NUMBER: 9242.3-10

TITLE: Congressional Limits for FY'92 Alternative  
Remedial Contracting Strategy (ARCS) Program  
Management Costs

APPROVAL DATE: March 16, 1992

EFFECTIVE DATE: March 16, 1992

ORIGINATING OFFICE: OSWER

FINAL

DRAFT

LEVEL OF DRAFT

A — Signed by AA or DAA

B — Signed by Office Director

C — Review & Comment

REFERENCE (other documents):

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**DIRECTIVE DIRECTIVE**

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United States Environmental Protection Agency  
Washington, DC 20460

# OSWER Directive Initiation Request

Directive Number

9242.3-10

## 2. Originator Information

Name of Contact Person	Mail Code	Office	Telephone Code
Superfund Document Cntr. Coordr.	OS-245	OERR	260-9760

3. Title  
Congressional Limits for FY'92 Alternative Remedial Contracting Strategy (ARCS) Program Management Costs

## 4. Summary of Directive (include brief statement of purpose)

The purpose of this memorandum is to transmit Congressionally mandated targets and reporting requirements for ARCS contracts Program Management (PM) costs.

## 5. Keywords

6a. Does This Directive Supersede Previous Directive(s)?

No

Yes

What directive (number, title)

b. Does it Supplement Previous Directive(s)?

No

Yes

What directive (number, title)

## 7. Draft Level

A -- Signed by AA/DAA

B -- Signed by Office Director

C -- For Review & Comment

D -- in Development

8. Document to be distributed to States by Headquarters?

Yes

No

## This Request Meets OSWER Directives System Format Standards.

9. Signature of Lead Office Directives Coordinator

Date

10. Name and Title of Approving Official

Date

EPA Form 1315-17 (Rev. 5-87) Previous editions are obsolete.

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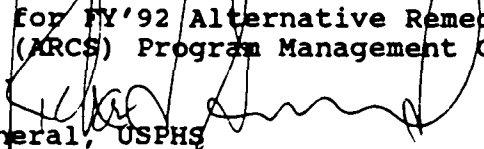
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY


MAR 16 1992

OSWER Directive #9242.3-10

**MEMORANDUM**

**SUBJECT:** Congressional Limits for FY'92 Alternative Remedial Contracting Strategy (ARCS) Program Management Costs

**FROM:** Richard J. Guimond   
Assistant Surgeon General, USPHS  
Deputy Assistant Administrator  
Office of Solid Waste and Emergency Response (OS-100)

Edward J. Hanley   
Deputy Assistant Administrator  
Office of Administration and Resources Management  
(PM-208)

**TO:** Assistant Regional Administrators  
Director, Waste Management Division  
Regions I, IV, V, and VII  
Director, Emergency and Remedial Response Division  
Region II  
Director, Hazardous Waste Management Division  
Regions III, VI, VIII, and IX  
Director, Hazardous Waste Division, Region X

**PURPOSE**

The purpose of this memorandum is to transmit Congressionally mandated targets and reporting requirements for ARCS contracts Program Management (PM) costs.

**BACKGROUND**

ARCS contract PM costs, as a percentage of total contract costs, have been high over the first three years of the program. High PM costs were due, in part, to one-time start-up expenditures, such as capital equipment purchases, coupled with a smaller-than-expected workload.

Through the concerted efforts of your staff, we have significantly decreased PM costs, and, in fact, have succeeded in reducing the PM costs to well below 30 percent of total contract

costs. The October 1991 Report of the Administrator's Task Force recommended an FY'92 goal for PM costs of 20 percent. The FY'92 Appropriations Bill, however, specified that, "EPA spend no more than 15 percent of the total ARCS budget on program management." The House-Senate conferees further requested that both total ARCS program and PM costs be reported quarterly to the Committee on Appropriations.

#### OBJECTIVE

Our objectives are to reduce and monitor ARCS PM costs. Our goal is to achieve an FY'92 national target of PM to cost ratio of 15 percent or less. PM to cost ratio is defined as:

$$\frac{\$ \text{ Program Management Expended}}{\$ \text{ Total Contract Expenditures}}$$

The Agency is committed to achieve a national PM to cost ratio of 15 percent under ARCS contracts and to report progress to Congress 30 days after the end of each quarter. EPA will report ARCS dollars expended in order to reflect the intent of Congress.

#### IMPLEMENTATION

Each Region should establish PM to cost goals for each ARCS contract for FY'92. The contract-specific goals should be achievable and, when aggregated on a Regional basis, reflect the goal of 15 percent or less for PM costs. The contract specific goals should be reported to Chief, Design and Construction Management Branch (OS-220W), by April 3, 1992.

Each Region should continue to provide quarterly information on: 1) total PM expenditures and 2) total contract expenditures for each contract to the Procurement and Contract Management Division (PCMD, attention David Boyd). Headquarters will consolidate the Regional inputs and report the national average to Congress.

For further information, call Scott Fredericks, Chief, Remedial Action and Contracts Section, FTS 678-8346.