

FAQ: Force Account Labor

Can I use my own staff to undertake alteration/repair/renovation or construction work instead of a contractor?

The preferred method for accomplishing construction development is by soliciting for competitive bids and then selecting the lowest responsive and responsible bid (where the contractor has adequately responded to the terms, conditions, and specification of the bid and has the capability to satisfactorily perform the contract). However, some grantees may wish to accomplish construction using their own work force (force account). The grantee must justify the use of force account by demonstrating that it would be cost effective and that qualified personnel are available to accomplish the work.

Construction Standards

Health Resources and Services Administration's (HRSA) concurrence with the use of force account labor does not negate the grantee's obligation to comply with construction standards and acceptance criteria expected of a contractor.

Grantees are required to maintain accurate construction records similar to that required for contract construction. At a minimum, the following information shall be recorded:

- Worked accomplished that day, including the exact location
- Work day count and contract time
- 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 including presence of contractor's supervisor
- Acceptance tests conducted and results obtained
- Corrective actions taken
- Safety plan measures implemented or modified
- Identification of critical construction issues

Proposals

All proposals for grantee force account should be submitted in writing in advance of the commencement of work. The proposal must address the following:

- Justification for accomplishing the construction work by force account rather than by contract
- Estimate of force account costs based on expected work hours, hourly rates, and non-salary costs
- Estimate of contract construction a cost that identifies typical items of work, quantities of work and estimate unit prices
- A summary cost comparison between using force account and contract construction
- Names and qualifications of personnel to be utilized on the force account
- Statement by the grantee concerning the capability of the grantee to perform the various tasks of design, supervision, inspections, testing as is required for the intended project work
- Statement by the grantee on the availability of its personnel to integrate the project into their normal workload
- Schedule that identifies critical tasks and dates for when each task will be completed

Procurement of Material

Procurement of project material and supplies shall comply with applicable procurement standards established under 45 CFR 74.40 through 74.48 or 92.36, the Procurement Management requirements under the HHS Grants Policy Statement, page II-78, and Office of Management and Budget (OMB) Circulars A-110 (2 CFR Part 215) and A-102, as applicable.

Reimbursement

Reimbursement of expenses associated with a force account will be based on actual costs incurred. The grantee must keep accurate records that fully support all claimed costs. The grantee's records shall be sufficiently detailed to the extent that all claim costs may be readily verified by a third party audit.

OMB Circulars A-87 and A-122 (2 CFR Part 230) address the required standards regarding time distribution and payroll documentation. Labor costs shall be documented on signed time sheets certified by a Supervisor. The time sheet should indicate all work hours of an employee and not just the hours applied to the project.

NOTE: OMB Circulars can be found online at http://www.whitehouse.gov/omb/circulars_default/.