

Reclamation Manual

Directives and Standards

- Subject:** Submittal of Safety of Dams Modification Projects with Field Cost of Less than \$20,000,000
- Purpose:** Establish requirements for submitting Safety of Dams (SOD) projects with field cost of less than \$20,000,000. The benefits of this Directive and Standard (D&S) are improved coordination of the Bureau of Reclamation's dam safety modifications throughout Reclamation, with its beneficiaries, and with the Congress.
- Authority:** Reclamation Safety of Dams Act of 1978 (Pub. L. 95-578; 92 Stat. 2471; 43 USC 506, et seq.), as amended (SOD Act)
- Approving Official:** Director, Security, Safety, and Law Enforcement
- Contact:** Dam Safety Office (84-44000)
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1. **Introduction.** Public Law 114-113 (Division D, Title II, Section 203) amended Section 5 of the SOD Act to require, for "modification expenditures" between \$1,800,000 and \$20,000,000 (herein referring to October 1, 2015, price levels), a written notice of the expenditures be submitted to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. The SOD Act does not have requirements for submitting notice to the Congress for SOD modification projects less than \$1,800,000. For modification field costs that exceed \$20,000,000 refer to Reclamation Manual (RM) D&S *Safety of Dams Modification Reports for Submission to the Congress for Projects Greater than \$20 Million* (FAC 06-03).
2. **Applicability.**
 - A. This D&S applies to all Reclamation personnel and offices having jurisdiction and oversight responsibility for SOD work associated with high and significant hazard potential dams that are either owned by Reclamation or are included as part of an authorized Reclamation project.
 - B. This D&S establishes the requirements for submitting written notice of planned expenditures to the Congressional committees for projects with field costs between \$1,800,000 and \$20,000,000, as adjusted to reflect fluctuations in field costs indicated by Reclamation's construction cost trends. The Technical Service Center's Estimating Services Group maintains the latest indexed cost thresholds.
 - C. This D&S also establishes the requirements for submitting a request for approval to the Commissioner for projects with field costs of less than \$1,800,000
 - D. This D&S provides specific direction on what costs are considered to be "modification expenditures."

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3. Definitions.

A. Cost.

- (1) **Field Cost.** An estimate of the capital costs of a feature or project from award to construction closeout. The field cost equals the contract cost plus construction contingencies. Construction contingencies are intended to account for costs resulting from changes in designs and/or differing site conditions encountered during construction. Non-contract costs are not included in this value (Reclamation Manual D&S, *Cost Estimating* (FAC 09-01)). This is the “actual construction” and “modification expenditures” referred to in Section 5 of the SOD Act.
- (2) **Non-Contract Cost.** Costs of work or services provided by Reclamation staff and/or service contractors in support of the project. See Paragraph 5.H. of *Cost Estimates* (FAC 09-01) and Paragraph 6 of *RM D&S Construction Cost Estimates and Project Cost Estimates* (FAC 09-02) for further discussions of non-contract costs. Examples of non-contract costs for SOD Projects include project management; corrective action alternatives development; modification report; design; design data collection; external review; specification preparation; contract procurement support; environmental evaluations and mitigations; historic properties (cultural resources) investigations and actions to comply with Title 54 USC 300101, et seq. (formerly known as the National Historic Preservation Act (NHPA)); utility and support infrastructure relocation, repair, or improvement; land acquisitions; repayment activities; construction monitoring and management; final NEPA and NHPA mitigation, restoration, and return to full operational status; risk reduction verification; and documentation. Note that some non-contract activities may be accomplished using consultant services or contracts not associated with the major construction contract.
- (3) **Total Cost.** Field cost plus non-contract costs.

B. Notification of Expenditures. The written notice of expenditures provides a summary of the project, the cost of the project, and any alternatives that were considered which is submitted to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate at least 30 days before the date on which field costs are expended, which is typically award of the construction contract.

C. Request for Approval Memorandum. The request for approval memorandum is a summary of the project, the cost of the project, and alternatives that were considered for the Commissioners approval of the project.

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4. Responsibilities.

A. **Chief, Dam Safety Office.** The Chief, Dam Safety Office, in collaboration with the regional director and area manager, is responsible for:

- (1) ensuring the Request for Approval Memorandum and Notice of Expenditures are prepared for SOD modification field cost expenditures of less than \$20,000,000; and
- (2) ensuring the requirements of this D&S are implemented.

B. **Regional Director and Area Manager.** The regional director and area manager are responsible for:

- (1) collaborating with the Chief, Dam Safety Office for ensuring the requirements of this D&S are implemented for notice of expenditures under their jurisdiction; and
- (2) coordinating with beneficiaries on the notice of expenditures and corrective action alternatives.

5. Requirements.

A. **Projects less than \$1,800,000.**

- (1) The Director, Security, Safety and Law Enforcement (SSLE) will submit a request for approval memorandum to the Commissioner for approval. The memorandum is reviewed by the project team prior to submittal to the Commissioner. Upon approval by the Commissioner, construction can be initiated.
- (2) If, at the time of bid opening of the construction contract, field costs exceed \$1,800,000, a written notice of expenditures must be prepared and submitted in accordance with paragraph 5.B or 5.C.

B. **Projects between \$1,800,000 and \$10,000,000.**

- (1) A program manager or a regional coordinator not associated with the project shall complete a peer review prior to submission of reports to the Commissioner. For information on peer review requirements refer to the *Safety of Dams Project Management Guidelines*.
- (2) The Director, SSLE will submit a request for approval memorandum to the Commissioner for approval.

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- (3) Upon approval by the Commissioner, the Commissioner will submit a written notice of expenditures to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.
- (4) If, at the time of bid opening of the construction contract, field costs exceed \$20,000,000, a modification report should be prepared and submitted in accordance with RM D&S *Safety of Dams Modification Reports for Submission to the Congress for Projects Greater than \$20 Million* (FAC 06-03).

C. **Projects greater than \$10,000,000 and less than or equal to \$20,000,000.**

- (1) A certification review team shall be established to provide internal independent oversight review for SOD modification projects.¹ The project management team, the certification review team, and decision makers (the regional director, area office manager and Chief, Dam Safety Office, or their representatives) must review the projects prior to submission of the reports to the Commissioner.
- (2) After the certification review is complete, the Director, SSLE will submit a request for approval memorandum to the Commissioner.
- (3) Upon approval by the Commissioner, the Commissioner will submit a written notice of the planned expenditures to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.
- (4) If, at the time of bid opening of the construction contract, field cost exceeds \$20,000,000, a modification report should be prepared and submitted in accordance with RM D&S *Safety of Dams Modification Reports for Submission to the Congress for Projects Greater than \$20 Million* (FAC 06-03).

6. **Additional Requirements.**

- ### A. **Historic and Cultural Resources Compliance – Cost Allocation and Reimbursement.** All costs associated with compliance with the Title 54 (formerly NHPA) including survey and other investigations, data recovery, analysis, reporting, or preservation of sites, data or collections associated with a SOD modification shall be included in the non-contract cost. In addition, all such costs shall be non-reimbursable pursuant to Title 54 USC 312501-312508 (formerly known as the Archaeological and Historic Preservation Act) and Reclamation Manual D&S, *Cultural Resources Management* (LND-02-01). The repayment obligation is determined based on the total costs less costs to comply with historic and cultural resources.

¹\$10 million is established as a significant and major capital asset investment in the Department of the Interior Capital Planning and Investment Control Guidance.

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- B. Repayment.** The responsible regional director must separately obtain a delegation of authority from the Commissioner to enter the required repayment contract, to any extent that authority is not already delegated to the regional director under RM *Delegations of Authority*. Requirements and procedures for contracting pursuant to the SOD Act and for requesting the Commissioner's delegation of contracting authority are set forth in RM D&S, *Safety of Dams Repayment* (PEC 05-05), RM Policy *Bases of Negotiation for New and Amendatory Water Services, Repayment and Related Contracts* (PEC P06), and RM D&S *Preparing Bases of Negotiation for New and Amendatory Water Service, Repayment, and Other Water-Related Contracts* (PEC 06-01). For further guidance, contact the Reclamation Law Administration Division, 84-55000.

RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: _____

Release No. _____

Ensure all employees needing this information are provided a copy of this release.

Reclamation Manual Release Number and Subject

Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: _____

Date: _____