

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 (Reclamation) 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, Dam Safety and Infrastructure
Contact:	Dam Safety Office (86-67100)

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* ([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. **Shared Responsibilities.** The Chief, Dam Safety Office, regional director, and area manager share the responsibility to ensure the requirements of this D&S are implemented. The Chief, Dam Safety Office, collaborates with the regional director and area manager to prepare the Request for Approval Memorandum and Notice of Expenditures for SOD modification field cost expenditures of less than \$20,000,000. The regional director and area manager collaborate with the Chief, Dam Safety Office, to ensure the requirements of this D&S are implemented for notice of expenditures under their jurisdiction and coordinate with beneficiaries on the notice of expenditures and corrective action alternatives.
4. **Requirements Based on Project Cost.**
 - A. **Projects less than \$1,800,000.**
 - (1) The Director, Dam Safety and Infrastructure, 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 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, Dam Safety and Infrastructure, will submit a request for approval memorandum to the Commissioner for approval.
 - (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* ([FAC 06-03](#)).
 - C. **Projects greater than \$10,000,000 and less than or equal to \$20,000,000.**

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- (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. A certification review team shall be established to provide internal independent oversight review for SOD modification projects. The project management team, 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, Dam Safety and Infrastructure, 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* ([FAC 06-03](#)).
5. **Historic and Cultural Resources Compliance – Cost Allocation and Reimbursement Requirements.** All costs associated with compliance with Title 54 (formerly the National Historic Preservation Act (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 RM D&S, *Cultural Resources Management (CRM)* ([LND 02-01](#)). The repayment obligation is determined based on the feature construction costs less costs to comply with historic and cultural resources.
 6. **Repayment Requirements.** 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 and Cost Allocation* ([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.
 7. **Definitions.**

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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 (RM 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 Estimating* ([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 NHPA); utility and support infrastructure relocation, repair, or improvement; land acquisitions; repayment activities; construction monitoring and management; final National Environmental Policy Act (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) **Feature Construction 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. It 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 Commissioner’s approval of the project.

8. **Review Period.** The originating office will review this release every four years.