

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 09/08/2017)

Subject: Submittal of Safety of Dams Modification Projects Less than \$20 Million

Purpose: To establish requirements for submitting Safety of Dams (SOD) projects less than \$20 million. 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

Contacts: Dam Safety Office, 84-44000; Reclamation Law Administration Division, 84-55000

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 (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 (October 1, 2015, price levels).
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 (October 1, 2015, price levels).
 - C. This D&S also establishes the requirements for submitting a request for approval to the Commissioner for projects with field costs less than \$1,800,000 (October 1, 2015, price levels).
 - D. This D&S provides specific direction on what costs are considered to be "modification expenditures."

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3. **Definitions.**

- A. **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.
- B. **Non-contract Costs.** Costs of work or services provided in support of the project. Examples of non-contract costs are 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 mitigations, restoration, and return to full operational status; and documentation. Note that some non-contract activities may be accomplished using consultant services or contracts not associated with the major construction contract.
- C. **Total Cost.** Field cost plus non-contract costs.

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 notice of expenditures are prepared for SOD modifications under \$20 million (October 1, 2015, price levels); 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.

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5. **Notice of Expenditures.** For modification field cost expenditures between \$1,800,000 and \$20,000,000 (October 1, 2015, price levels), a request for approval memorandum will be submitted to the Commissioner for signature. The memorandum will provide a summary of the project, the cost of the project, and any alternatives that were considered. Upon approval by the Commissioner, a written notice of the planned expenditures will be submitted by the Commissioner to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. The “modification expenditures” limitation applies only to funds expended for field costs, not total costs (as defined in Paragraph 3.A.). The written notice of expenditures will provide a summary of the project, the cost of the project, and any alternatives that were considered. This notice must be submitted at least 30 days before the date on which field costs are expended.
6. **Request for Approval.** For SOD modification projects less than \$1,800,000 (October 1, 2015, price levels), a request for approval memorandum will be transmitted to the Commissioner for approval. The request for approval memorandum will provide a summary of the project, the cost of the project, and any alternatives that were considered. The “modification expenditures” limitation applies only to funds expended for field costs, not total costs (as defined in Paragraph 3.A.).
7. **Certification Review.** If a project will have an estimated total cost, at completion, greater than \$10 million, a certification review team shall be established to provide internal independent oversight review for SOD modification projects.¹ The projects are reviewed by the project management team, the certification team, and decision makers prior to submission of the reports to the Commissioner. Certification is not required for projects with total costs of less than \$10 million. Instead, a peer review shall be completed by a program manager or a regional coordinator that is not associated with the project.
8. **NHPA Compliance – Cost Allocation and Reimbursement.** All costs associated with compliance with the 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 considered 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 NHPA.
9. **Repayment.** Repayment of the costs incurred in the modification of a structure will be performed in accordance with the requirements of Reclamation Manual D&S, *Safety of Dams Repayment* (PEC 05-05). The approval memorandum for the SOD repayment contract

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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is developed by the Reclamation Law Administration Division, 84-55000. The approval memorandum notes the status of the notice of expenditures; however, it does not serve as the Commissioner's approval of the notice of expenditures.

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: _____