

Army Civil Works Program

Evaluation Process & Criteria

Fiscal Year 2020 Work Plan

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Army Civil Works Program Evaluation Process and Criteria Fiscal Year 2020 Work Plan

Introduction

The Explanatory Statement accompanying the Energy and Water Development and Related Agencies Appropriations Act, 2020, Division C of Public Law 116-94, Further Consolidated Appropriations Act, 2020, (the Act), provided guidance on the allocation of Fiscal Year (FY) 2020 funding for the U.S. Army Corps of Engineers (Corps) Civil Works program. The Explanatory Statement described considerations to be employed in the selection of work to be funded from the funding not allocated in the Explanatory Statement (additional funding) to a specific program, project, or activity (PPA), and called for a detailed description of the process and criteria used to evaluate studies and projects eligible for receipt of those funds.

Consistent with the considerations provided by the Explanatory Statement, the rating system provided herein discusses the performance measures and management controls used to develop the Fiscal Year (FY) 2020 Work Plan.

Overview

The Explanatory Statement provided \$2.739 billion in additional funding for the Civil Works program.

The Act provided this additional funding in the Investigations, Construction, Mississippi River and Tributaries (MR&T), Operation and Maintenance (O&M), and Formerly Utilized Sites Remedial Action Program (FUSRAP) accounts. In each of the Investigations, Construction, MR&T and O&M accounts, the Explanatory Statement divided this additional funding into categories and subcategories based on authorized project purposes, type of work, or other factors. For example, the Explanatory Statement subdivided the additional funding provided in the

Investigations account for the flood and storm damage reduction mission of the Corps among three categories – a broad category covering the entire mission area (“Flood and Storm Damage Reduction”) and two subcategories for that mission area (“Flood Control” and “Shore Protection”). For each such category or subcategory, the report specifies an amount of funding.

The Explanatory Statement distributed the additional funding among the four accounts as follows:

**FY 2020 Work Plan
(\$ in millions)**

| Appropriation | Enacted Total | Funding Allocated to Specific PPA | Additional Funding to be Allocated |
|----------------------|----------------------|--|---|
| Investigations | \$151.000 | \$90.650 | \$60.350 |
| Construction | \$2,681.000 | \$1,189.732 | \$1,491.268 |
| MR&T | \$375.000 | \$214.910 | \$160.090 |
| O&M | \$3,790.000 | \$2,962.344 | \$827.656 |
| FUSRAP | \$200.000 | \$0 | \$200.000 |
| TOTAL | \$7,197.000 | \$4,457.636 | \$2,739.364 |

For the FY 2020 Work Plan, the Explanatory Statement indicated that three types of PPAs are eligible for consideration for the additional funding:

- A PPA that was funded (other than through a reprogramming) in FY 2017, FY 2018, or FY 2019; or
- A PPA that was previously funded, and can reach a significant milestone, complete a discrete element of work, or produce a significant output in calendar year 2020; or
- A PPA that was selected as a new start in FY 2020 in accordance with Public Law 116-94 and the accompanying

Explanatory Statement.

The Explanatory Statement further clarified that:

- Funding cannot be allocated to any item where funding was specifically denied by the Act;
- A PPA cannot be excluded simply on the basis of being inconsistent with Administration policy;
- Voluntary funding in excess of legally required cost shares for studies and projects shall not be used as a criterion for allocating additional funding or for the selection of new starts;
- None of the additional funding provided in the Construction account can be used for projects in the Continuing Authorities Program, or to alter any existing cost-share requirements; and
- The focus of the allocation process should favor the obligation, rather than expenditure of funds

The Corps predominantly uses fully-funded contracts. For such contracts that have multi-year performance periods, the obligations are up front but the expenditures will span the contract performance period. On a case by case basis, the Corps may also consider the use of continuing contracts, which also span multiple years, but are funded incrementally each fiscal year based on the amount provided in each of those fiscal years.

The rating system used by the Army for allocating the additional funds has three components:

- **Performance Measures:** Performance-based considerations, including some measures used in both budget development and work plan development;
- **Considerations from the Explanatory Statement:** Specific considerations that could be used to differentiate among projects or work packages; and

- **Management Controls:** Management controls to ensure that the amounts allocated reflect the estimated cost of a defined set of work.

In addition, the Explanatory Statement specifies that:

- Of the additional funding provided in the Investigations Account for environmental restoration or compliance, the Corps shall allocate not less than \$9,782,000 for ecosystem restoration projects in the PED phase that have been funded within the last three years.
- Of the additional funding provided in the Investigations Account for environmental restoration or compliance and other authorized project purposes, the Corps shall allocate not less than \$2,000,000 for ecosystem restoration projects that are modifications to flood protection project authorizations to address degraded conditions due to prior flood protection work.
- Of the additional funding provided in the Investigation Account for environmental restoration or compliance and other authorized project purposes, the Corps shall allocate not less than \$200,000 to PED activities for ecosystem restoration projects that also provide additional flood storage capacity by restoring the natural habitat.
- Of the additional funding provided in the Investigations Account for flood and storm damage reduction and flood control, the Corps shall allocate not less than \$1,500,000 for PED for projects that are located in economically-disadvantaged communities where per capita income is less than half of the state and national averages and that have previously experienced loss of life due to flooding.
- Of the additional funding provided in the Investigations account for shore protection, the Corps shall allocate not less than \$905,000 for the PED phase of beach renourishment projects that have been authorized by Congress for construction.
- Of the additional funding provided in the Investigations Account, the Corps shall allocate not less than \$10,380,000 for multipurpose projects in the PED phase

that have been funded within the last three years.

- Of the additional funding provided in the Construction Account for flood control, the Corps shall allocate not less than \$20,000,000 to undertake studies and recommendations for construction resulting from a Dam Safety Modification Report completed under Section 1177 of the WIIN Act (Public Law 114- 322), as amended.
- Of the additional funding provided in the Construction account for flood and storm damage reduction and flood control, the Corps shall allocate not less than \$20,000,000 to additional nonstructural flood control projects.
- Of the additional funding provided in the Construction Account for flood and storm damage reduction and flood control, the Corps shall allocate not less than \$25,000,000 to continue construction of projects that principally address drainage in urban areas.
- Of the additional funding provided in the Construction Account for navigation and other authorized project purposes, the Corps shall allocate not less than \$50,000,000 to continue activities to construct new navigation infrastructure for locks and Corps-owned bridges not on the inland waterways system.
- Of the additional funding provided in the Construction account for environmental restoration or compliance and other authorized project purposes, the Corps shall allocate not less than \$25,000,000 for multistate ecosystem restoration programs for which a comprehensive restoration plan is in development or has been completed, of which not less than \$5,000,000 shall be for projects or programs that restore and rehabilitate native oyster reefs.
- Of the additional funding provided in the Construction account for environmental restoration or compliance and other authorized project purposes, the Corps shall allocate not less than \$28,000,000 for ecosystem restoration projects that have incidental flood risk management benefits.
- Of the additional funds provided in the Construction account for flood and storm damage reduction, navigation, and other authorized project purposes, the Corps shall allocate not less than \$35,000,000 to authorized

reimbursements for projects with executed project cooperation agreements and that have completed construction or where non-federal sponsors intend to use the funds for additional water resources development activities.

- Of the additional funds provided in the Construction account, the Corps shall allocate not less than \$40,588,000 to projects with riverfront development components.
- The Corps shall allocate all funds provided in the IWTF Revenues line item along with the statutory cost share from funds provided in the Navigation line item prior to allocating the remainder of funds in the Navigation line item.
- Of the additional funding provided in the Mississippi Rivers and Tributaries account, the Corps shall allocate not less than \$30,000,000 for additional flood control construction projects, of which \$15,560,000 shall be for those projects with flood control, water quality, and sediment reduction benefits.
- Of the additional funding provided in the Mississippi Rivers and Tributaries account for other authorized project purposes, the Corps shall allocate not less than \$1,160,000 for operation and maintenance of facilities that are educational or to continue land management of mitigation features.
- Of the additional funding provided in the Operations and Maintenance account for other authorized project purposes, the Corps shall allocate not less than \$2,200,000 to continue greenway trail improvements at federal projects.
- Of the additional funding provided in the Operations and Maintenance account for other authorized project purposes, the Corps shall allocate not less than \$2,000,000 for efforts to combat invasive mussels at Corps-owned reservoirs.

New Starts

Most Corps studies involve a cost-sharing partner. For such a study to be eligible for consideration as a new start in the FY 2020 Work Plan, the Corps required an identified sponsor that is prepared to partner with the Corps and sign a Feasibility Cost Sharing Agreement (FCSA). Similarly, most Corps Construction projects involve a cost-sharing partner. For such a project to be eligible for consideration as a new

start in the FY 2020 Work Plan, the Corps required an identified sponsor that is prepared to sign a project cost-sharing agreement as soon as practicable but no later than by December 31, 2020, as required by the Act. The Act further directed the Corps to notify the Committees on Appropriations of both Houses of Congress at least seven days prior to execution of a Project Partnership Agreement for construction of any project except environmental infrastructure projects and projects under the Continuing Authorities Program. In addition, before the Corps can issue a work allowance for any of the selected new construction projects, the Explanatory Statement called for the Corps to submit to the Senate and the House Committees on Appropriations an out-year funding scenario on the affordability of the selected new construction projects and their impacts on ongoing construction work.

The Explanatory Statement provided for the following new starts:

- Six new feasibility studies in the Investigations account to be chosen in accordance with the Act and as provided in the Explanatory Statement. The six Investigations account studies shall include: one environmental restoration study; one multi-purpose watershed study to address coastal resiliency; one flood and storm damage reduction study; one flood and storm damage reduction study or environmental restoration study; and two navigation studies. Of the two navigation study starts, one may be for a Small, Remote or Subsistence Harbor navigation study.
- Six new construction projects to be chosen in accordance with the Act and as provided in the Explanatory Statement: two navigation projects; two environmental restoration projects, of which one shall be for the new project start requested by the administration pursuant to the Fiscal Year 2020 Budget amendments transmitted to Congress on May 13, 2019; and two flood and storm damage reduction, environmental restoration, or multi-purpose projects.
- No funding shall be used to initiate new programs, projects or activities in the Mississippi River and Tributaries or the Operation and Maintenance accounts.

1. Criteria used to determine the new starts include:

a. General

- Readiness and ability of a non-federal project partner to execute a cost sharing agreement and, in the case of construction, to meet other requirements of project cooperation.
- Affordability of out-year funding requirements.

b. Flood Risk Management (FRM)

- The potential to reduce a significant risk to public safety.
- The potential to achieve a large economic return.
- Communities that have experienced repetitive flood events.
- Areas with prospects for non-structural solutions.

c. Navigation (NAV)

I. Coastal

- Commercial tonnage conveyed
- Benefit-Cost Ratio
- Subsistence harbors and harbors of refuge

II. Inland Waterways

- Benefit-Cost Ratio
- Segment-ton-miles of commercial use
- Rehabilitation of high commercial-use locks

d. Environmental Restoration (ENR)

- Habitat scarcity
- Connectivity
- Special Status Species
- Hydrological changes
- Geomorphic condition
- Self-sustaining ecosystems
- National significance of resources to be restored

Investigations

Investigations activities were subject to the following criteria for inclusion in the FY 2020 Work Plan:

1. **Feasibility Studies.** Feasibility studies are subject to the Specific, Measureable, Attainable, Risk Informed, and Timely (SMART) Planning process. To qualify for additional funding, a previously funded feasibility study must have a signed FCSA and, if sufficiently advanced, must have documented the scope, cost, and schedule of the study effort. When deciding which investigations to fund, ongoing SMART Planning-compliant feasibility studies generally received priority in allocating the additional funding, especially those requesting last year funding.
2. **Preconstruction Engineering and Design (PED).** PED activities were eligible for consideration if the feasibility study was complete or nearing completion. Among the eligible PED candidates, greater weight generally was given if the additional funding would enable the proposed project to reach the stage where it would then be eligible for consideration as a potential construction start, without further design effort.

3. **General:**

- a. While the additional funding for investigations went primarily to feasibility study and PED efforts, some remaining items also received additional funding to address a priority consistent with the title of the line item.
- b. Consideration also was given to providing sufficient funding to satisfy the Federal share needed to complete the study.

Construction

Construction projects were subject to the following criteria for inclusion in the FY 2020 Work Plan:

1. **General:**

- a. Funding focused on completing ongoing items of work before initiating new work.
- b. All cost-shared projects must have had a local sponsor with the ability to provide the necessary non-Federal cost-share funding.
- c. The additional funding provided reflected an amount that the Corps estimated that it could use for one or more potential increments of work, in conjunction with any funding carried into FY 2020, as well as with any funding allocated to that specific project in the Explanatory Statement.
- d. Priority also is given to DSAC 1 and DSAC 2 dam safety projects.

2. **New Starts:** The affordability of initiating a construction project was considered in the context of its impact on the portfolio of ongoing construction work.

The Corps prioritized investments on the basis of various crosscutting and other specific factors. The general goals included:

- Ability to complete project/phase. Priority was generally given to projects where the additional funding would complete the project, a separable element, or project

phase.

- Economic or Environmental Return: Priority was generally given to those projects with the highest anticipated economic or environmental return relative to other eligible projects.

Each line item of additional funding was allocated for purposes consistent with the title of the line item. Criteria for selecting among competing candidates within a specific program area included:

1. Navigation:

- a. Priority was generally given to achieve a significant economic return.
- b. Consideration was also given to funding identified mitigation.
- c. Dredge material placement site construction activities required a current Dredged Material Management Plan to support that work.

2. Flood and Storm Damage Reduction:

- a. Priority was generally given to address a significant risk to public safety.
- b. Priority was generally given to achieve a significant economic return.

3. Environmental Restoration or Compliance:

- a. Priority was given to work deemed necessary to address existing Biological Opinions to avoid jeopardizing species listed under the Endangered Species Act.
- b. Priority was generally given to high-performing, ongoing construction projects, particularly if additional funding would complete major element(s).
- c. Priority was generally given to projects that would restore degraded ecosystem functions on the basis of their environmental return using the significance criteria described in the Environmental Restoration or Compliance section.

4. Environmental Infrastructure Projects:

- a. Priority was given to fund projects where the additional funds would enable the local sponsor to complete one or more useful increments of work.
- b. Priority was given to projects as described in the Statement of Managers, including projects in rural communities and in areas with high poverty rates or in financially distressed municipalities, consistent with State priorities.
- c. Priority was also considered for projects which improve stormwater capture ability and projects which provide benefits to water quality improvements.

Mississippi River and Tributaries

Mississippi River and Tributaries (MR&T) projects were subject to the following criteria for inclusion in the FY 2020 Work Plan prior to applying the performance metrics relevant to the project based on its purpose(s):

Within those projects that were eligible for additional MR&T funding, the Corps prioritized investments on the basis of various crosscutting and more specific factors. The general goals included:

- Economic or Environmental Return. Priority was given to those projects with the highest anticipated economic or environmental return relative to other eligible projects.
- Ability to complete project/phase. Priority was given to projects where the additional funding would complete the project, separable element, or project phase.
- Useful Increments of work. The additional funding provided reflected an amount that the Corps estimated that it could use for one or more potential increments of work, in conjunction with any funding carried into FY 2020, as well as with any funding allocated to that specific project in the Explanatory Statement.

Each line item of additional funding was allocated for purposes consistent with the title

of the line item. Criteria for selecting among competing candidates within a specific program area included:

1. **Dredging:** Projects requiring dredging are categorized as high, moderate, or low commercial navigation use. Funding is primarily focused on projects with a high or moderate level of commercial navigation use (inland waterways segments with at least one billion ton-miles of traffic), in order to ensure the continued operation of the overall project segment at a level that sustains its performance and improves its function commensurate with the increment of funding proposed. For low-level commercial-use projects a range of factors were considered such as the need to operate and maintain the project; whether the project supports public transportation, U.S. Coast Guard search and rescue operations, national defense or other Federal agency use; the reliance on waterborne transportation for energy generation or home heating oil deliveries; and the level of commercial use compared to other low use navigation projects.

2. **Flood Control:** Priority was given to construction projects that could complete or achieve a significant output, and on completing priority maintenance and repair activities. Examples of a significant output include fully funding major maintenance, completing a separable project element or feature that provides additional flood risk reduction benefits and/or significant economic return.

3. **Other Authorized Project Purposes:** For the MR&T account, these purposes include non-dredging navigation activities, recreation, environmental stewardship, aquatic ecosystem restoration, and water supply, among other authorized purposes. Within this line item of additional funding, priorities for specific program areas included:
 - **Navigation.** Priority maintenance activities for navigation projects at those projects that have the greatest risk of failure, and provide the greatest economic, environmental, and public safety returns to the Nation, in order to ensure the continued operation of these projects at a level that sustains their performance or improves their function

commensurate with the increment of funding proposed.

- **Recreation.** Funding prioritized improving services and conditions at projects.
- **Environmental Stewardship.** Funding prioritized increasing capability needed for master planning, remedying degraded cultural resource sites, addressing boundary and encroachment issues, land management, and resource protection issues.
- **Water Supply.** Funding prioritized to support previously funded ongoing construction contracts.

Operation and Maintenance (O&M)

Within those projects that were eligible for additional O&M funding, the Corps prioritized investments on the basis of various crosscutting and more specific factors. The general goals included:

- Ability to complete useful maintenance, repair, and component replacements that protect and restore project functions.
- Fulfillment of O&M-related legal and safety requirements.
- Prioritizing work that presented the highest return per dollar of investment.

Each line item of additional funding was allocated for purposes consistent with the title of the line item. Criteria for selecting among competing candidates within a specific program area included:

1. **Navigation:**

- a. Funding focused on those projects that have the greatest risk of failure, or those that provide the greatest economic, environmental, and public safety returns to the Nation, in order to ensure the continued operation of these projects at a level that sustains their performance or improves their function commensurate with the increment of funding proposed.
- b. Navigation projects are categorized as high, moderate, or low

commercial navigation use. Funding is primarily focused on projects with a high or moderate level of commercial navigation use (coastal projects carrying at least one million tons of cargo and inland waterway projects with at least one billion ton-miles of traffic).

- c. For low-level commercial-use coastal channels and inland waterways, the Corps considered a range of factors such as the need to operate and maintain locks; use of a harbor as a critical harbor of refuge or a subsistence harbor; whether the coastal port or inland waterway supports public transportation, U.S. Coast Guard activities such as search and rescue operations, national defense or other Federal agency use; or the reliance on waterborne transportation for energy generation or home heating oil deliveries.

2. **Other Authorized Purposes.** For the O&M account, these purposes include flood risk management, hydropower, recreation, environmental stewardship, aquatic ecosystem restoration, and water supply from water storage. Within this line item of additional funding, priorities for specific program areas included:

- a. **Flood Risk Management.** Funding focused on maintenance work on projects that provide significant benefits. Among such projects, priority was given based on the risk of failure and impacts in the event of failure. These activities include repair of damaged project features, and performance of major maintenance and critical non-routine maintenance activities.
- b. **Hydropower:** Priority for funding was based on repairing and/or replacing at-risk components where failure could result in a loss of electrical generation and capacity and remedying life safety hazards.
- c. **Recreation.** Funding prioritized improving services and conditions at projects and concurrently repairing infrastructure such as failing sewage and water distribution lines.
- d. **Environmental Stewardship.** Funding prioritized master planning, addressing boundary and encroachment issues, land management, and resource

protection.

- e. **Aquatic Ecosystem Restoration.** Priority was given to completed projects for operation and maintenance.
- f. **Water Supply.** Priority was given to managing existing water supply agreements and negotiating new water supply agreements that would result in collection of additional revenues.
- g. **Multipurpose and Joint.** Priority was given to newly arising maintenance and repairs.