Exemption Procedures for Planning Studies Exceeding Cost and Schedule Limits
Planning CoP Webinar
January 24, 2019
Q&A Session

This webinar addressed the recently released [Planning Bulletin (PB) 2018-02: Exemption Procedures for Planning Studies Exceeding Cost and Schedule Limits]. As outlined in law and policy, the majority of USACE Planning studies should be completed in 3 years and cost less than $3 million. PB 2018-02, issued on 11 December 2018, clarifies the procedures for requesting an exemption to these cost and schedule limits. Ms. Amy Frantz, HQ Senior Policy Advisor, discussed when exemption requests should be made; how they are processed; who has approval authority; and roles and responsibilities for those involved. Participants also learned about policy changes resulting from the 2018 Water Resources Development Act (WRDA 2018).

This summary of the Question / Answer session of the webinar is not a transcription; questions and responses have been edited and reordered for clarity.

How are studies with feasibility cost share agreements (FCSAs) signed prior to the Water Resources Reform and Development Act of 2014 (WRRDA 2014) approved for additional time and/or funding?

All studies with FCSAs signed prior to 2014 have been re-scoped and scheduled based on agreement among the vertical team members. The process to go beyond the approved re-scope and schedule requires the same documentation, but all requests are submitted to the DCG-CEO for approval instead of the Assistant Secretary of the Army for Civil Works (ASA(CW)).

There is no difference in the documentation required for an exemption package for a pre-WRRDA 2014 study. For any specific questions, contact Lisa Kiefel and Amy Frantz.

How would Table 1 in PB 2018-02 be adjusted for studies that have contributed funds (non-Section 203, non-USACE studies)?

The same thresholds in Table 1 of PB 2018-02 apply to studies with contributed funds. If their FCSAs were signed after 10 June 2014, they are subject to the same 3x3 law; if the studies began before 10 June 2014, they are subject to the same internal processes discussed above.

Is there a ballpark estimate on the required time and labor needed to prepare an exemption request for submittal to the MSC for endorsement?

Since the products requested for an exemption package are updated as the study progresses, it should take minimal time and funding to pull the information together for the exemption package. Any study teams experiencing difficulty with pulling together the exemption request packet should reach out to their MSC and RIT Planner immediately to ensure the time and labor anticipated is appropriate.

Are there any new starts or Supplemental studies already planning to submit a 3x3 exemption request due to the complexity of the effort?

There is only one Supplemental study that will need a cost exemption; this study was determined to be an exemption from the beginning because it is a dam safety study combined with a feasibility study. All other new start Supplemental studies were selected in part because MSC leadership committed to meet the 3x3 requirements.

Regarding FY18 new starts, a couple of teams have indicated they may request exemptions based on study complexities. They are currently working this decision with their vertical teams and Sponsors, but no teams have submitted a request yet.

Is there guidance on how to budget for future exemptions prior to their approval?

The revised Section 1001 implementation guidance will provide that an exemption approval is not required in order to budget for funding beyond $3 million total study costs. However, the DCG-CEO must inform the Office of the ASA(CW) Deputies of Management and Budget and Policy of the decision to fund a study beyond the total study cost of $3 million, along with an updated compliance memorandum supporting the change. Prior to receiving the additional funding, an approved exemption is required.

Note: The revised Section 1001 implementation guidance released in July is currently under revision and will be re-signed and released with a correction to the information on independent external peer review.

One of the premises of 3x3x3 was that when a new start began and the FCSA was signed, the $1.5 million Federal funds were made immediately available. Will this provision change?

The full $1.5 million for a cost shared study is not expected to be provided at one time because Federal funds are provided on an annual basis. The studies re-scoped after 2012 and studies initiated since WRRDA 2014 have received the requested, vertically aligned, Federal funding for studies with total study costs, or re-scoped total study costs, of $3 million or less.