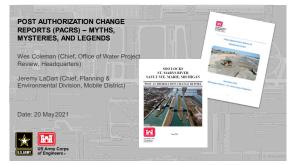
Post Authorization Change Reports May 20, 2021 Q&A Session

This webinar provided an overview of Post Authorization Change Reports (PACRs). Presenters Wes Coleman (Chief, Office of Water Project Review, HQUSACE) and Jeremy LaDart (Chief, Planning and Environmental Division, Mobile District) discussed a ranged of planning considerations for PACRs, including why PACRs are conducted, the various types of PACRs, approval authority, scoping considerations, and obtaining Vertical Team alignment.



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

Both "Post Authorization Reports" and "Post Authorization *Change* Reports" appear in guidance. Is there a difference between these two terms, or are they intended to refer to the same type of document?

There is no difference between a "Post-Authorization Report" and a PCR – they are intended to refer to the same document, but unfortunately guidance from different parts of USACE does not always align (i.e., the Budget Engineer Circular uses Post-Authorization Report while the Planning Guidance Notebook used PACR).

How are PACRs cost-shared?

Cost-sharing splits depend on the type of PACR being conducted. For example, if the PACR is an engineering design document done as part of the preconstruction engineering and design (PED) phase, cost-sharing will be done in accordance with the design agreement, which would be cost-shared the same ways as the construction cost share. If the PACR is a general reevaluation report (GRR) or a limited reevaluation report (LRR), it will be cost-shared like a feasibility study and would require a feasibility cost share agreement (FCSA).

Per recent budget guidance, can a validation study include updates to the impacts analysis without conducting a reevaluation?

In general, the budget should not determine whether or not a reevaluation should be done. A validation study may include updates to the impacts analysis; however, the need for a reevaluation depends on what is driving the need for the impact analysis updates (e.g., updating a few pieces based on information that was unable to be obtained during feasibility vs. identifying a resource that wasn't previously accounted for that may result in the need to reconsider the selected plan).

Does the Section 902 of the Water Resources Development Act (WRDA) of 1986 cost limit apply to projects authorized before 1986 (e.g., for dredging activities for a channel authorized before 1986)? Projects authorized prior to WRDA 1986 are not subject to the Section 902 cost limits per se; however, all projects regardless of when they were authorized or built are subject to the internal limits placed by the USACE Cost Control Board.

However, with respect to dredging projects specifically, dredging maintenance costs are not factored into the Section 902 limit calculation, which only addresses the authorized construction cost. The annual operations and maintenance costs are not subject to the law. These nuances are addressed in Appendix

<u>G of the Planning Guidance Notebook (Planning Reports and Programs)</u>, as well as the <u>Cost Control</u> <u>Board Engineer Circular (EC 5-2-01)</u>. Note: Ms. Andrea Bias-Streat was the primary POC for this EC.

Given the PED funds available under a design agreement, what approval is required to start a validation study?

If a validation study is started for a Section 902 "cost bust" that exceeds inflation or the cost increase documented in law, the validation report will need to be approved at a minimum by the Cost Control Board at Headquarters. However, consideration would need to be given as to why the validation study is needed. For example, if there is a Planning activity required to be done during the design phase (e.g., updating economics information ever few years), that would not rise to the need of starting a separate study.

What is the applicability of new start requirements for reevaluation studies? Often, sponsors are reluctant to engage in GRRs or LRRs because they are concerned about potential delays in getting a new feasibility study started.

Appendix B, Paragraph B-2a.(8) of the USACE Budget Guidance (Engineer Circular 11-2-222 Civil Works <u>Direct Program Development Policy Guidance</u>) states: "Post-Authorization Studies. These types of [studies] occur after feasibility and authorization but prior to construction completion" and indicates that PACRs are categorized as New Phase (NP). In addition, Paragraph 14.c(2) of the Engineer Circular notes that a New Phase requires a new investment decision.