



United States Department of the Interior



BUREAU OF RECLAMATION
P.O. Box 25007
Denver, Colorado 80225-0007

IN REPLY REFER TO:

March 16, 2009

84-52000
ADM-13.00

Subject: American Recovery and Reinvestment Act of 2009 (Recovery Act) Funding Allocation for the Bureau of Reclamation's Water Reclamation and Reuse Program

Dear Title XVI Project Sponsor:

The recently enacted American Recovery and Reinvestment Act of 2009 (P.L. 111-5) requires that at least \$126 million in Federal funds be provided by the Bureau of Reclamation (Reclamation) for water reclamation and reuse projects authorized under Title XVI of P.L. 102-575, as amended (Title XVI). The purposes of the Recovery Act are, among others, to quickly and prudently commence activities that preserve and create jobs and to promote economic recovery, and to invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.

While the Recovery Act requires that at least \$126 million be devoted to Title XVI projects, no decision has been made at this time as to whether Reclamation will provide additional funding beyond \$126 million or as to which projects will be funded. That decision will be made in the future, with consideration given to the overall purposes of the Recovery Act and Reclamation's priorities for its various programs and projects. Reclamation will allocate funds based on the criteria set forth in the Recovery Act and the accompanying conference report, and will target activities that quickly infuse money into the economy.

The purpose of this letter is to provide information to eligible Title XVI projects sponsors on how to request Federal funds provided under the Recovery Act and to outline the associated requirements and responsibilities. Reclamation has developed a team to review submittals, score requests, and prioritize Title XVI projects for funding. In order for Reclamation to fulfill the intent of the Recovery Act to rapidly create jobs and generally provide stimulus to the economy, all requests for Recovery Act funds of Title XVI projects must be submitted to Reclamation no later than April 7, 2009. Announcement of the allocation of funds to specific projects is expected in May.

Background

Title XVI directs the Secretary of the Interior, acting through the Commissioner, to undertake a program to identify and investigate opportunities to reclaim and reuse wastewaters and naturally impaired ground and surface water in the 17 Western States and Hawaii. Title XVI also provides authority for the Secretary to provide up to the lesser of 25 percent of, or the Federal appropriations ceiling (typically \$20 million) for, the cost of planning, design, and construction of specific water

recycling projects. To date, 43 projects have been specifically authorized and two demonstration projects have been undertaken through the general authority of section 1605(a).

Eligibility Requirements

Pre-construction activities (such as feasibility study development, financial capability preparation, or environmental compliance) and construction activities will be considered for Recovery Act funding. In order to be eligible to receive Recovery Act funds, a water reclamation and reuse project must be specifically authorized under Title XVI. However, funds for construction activities associated with an individual project will not be disbursed until all Title XVI pre-construction requirements have been met for that project. These include: (1) a finding that the feasibility study meets the requirements of Title XVI; (2) complete compliance with the National Environmental Policy Act and other environmental clearances; (3) an approved determination of financial capability; and (4) an executed cooperative agreement for financial assistance.

In addition to the currently authorized Title XVI projects, requests for funds will be accepted for Title XVI projects with pending authorizing legislation, such as those identified in S. 22, the *Omnibus Public Land Management Act of 2009*. However, if the pending authorization is not signed into law in the near future, these proposed projects will not be included in the May announcement.

Requirements Specific to Recovery Act Funding

Recipients of Recovery Act funds for Title XVI projects will be subject to specific requirements contained within the Recovery Act (Enclosure 1). Project scopes of work and detailed budgets must take into consideration the impacts of these requirements. Further, many of these requirements will be assigned to sub-contracts and sub-grants issued by the recipient and may require modification of the terms for any current contracts or grants administered by the recipient for project completion.

Required Information to Request Funds

Along with the enclosed criteria (Enclosure 2), Reclamation will rely upon the information below to determine the eligibility of proposed activities for Recovery Act funding. Your submittal should address each item in enough detail to allow the review team to determine how well your project meets the criteria.

To be considered for Recovery Act funding, please provide the following information by the deadline specified at the end of this letter:

Title Information

Provide a brief, informative, and descriptive title for the proposed activity that indicates the nature of the project. Include the project manager name and address, e-mail address, and telephone and facsimile numbers. If the project has previously been funded by Reclamation, clearly indicate the cooperative agreement number. If authorization is pending, identify the legislation and applicable section.

Executive Summary

The executive summary should include: (1) a short activity summary (that can be posted on the internet); (2) identification of the city, county, and state of the applicant; (3) the amount of water that will be reclaimed or reused by the entire project; and (4) the amount of water that will be reclaimed or reused by the activity proposed for Recovery Act funding.

Activity Description

Describe the work in detail and the approach that will be used to perform the work. Address both the proposed activity for Recovery Act funding and the overall authorized project. Please provide a map of the project and project area.

Project Schedule and Cost Estimate

Provide a schedule that clearly indicates major milestones and expenditures by calendar-year quarter. The proposed activity should not extend beyond September 30, 2011. Also, provide a cost estimate for the proposed activity that clearly provides the details and basis for the estimate. To assist in the development of the proposed activity budget, an example template is enclosed (Enclosure 3), although this template is not required. Cost estimates should be based on unit prices; lump sum line items should not be used. The sources of all Federal and non-Federal funding for the proposed activity should be clearly identified.

If the amount of Federal funds currently received (including obligated funds) for the project is less than 25 percent of the overall expenses, then the project sponsor may request Federal funds greater than 25 percent for the proposed activity as long as the overall Federal cost share does not exceed 25 percent of incurred expenses. For example, if the expenditures to date are \$30.5 million and only \$2 million in Federal funds has been received, the project sponsor may request up to \$7.5 million in Recovery Act funds (with no additional non-Federal cost share) for the proposed new construction or pre-construction activity. The following equation may be used to calculate the amount of Federal funds that can be requested with no additional non Federal cost share.

$$\frac{(\text{Total incurred costs} - \text{Federal funding received (including unliquidated obligations)})}{(\text{Federal funding received} \times (0.75/0.25))} \times 0.25/0.75 = \text{Amount of Federal funding that can be provided to bring cost share up to 25 percent. Costs beyond this amount are cost shared at the normal 25 percent Federal to 75 percent non-Federal.}$$

For scheduling and estimating purposes of new construction or a new pre-construction activity, the proposed activity should commence during or after May 2009, after the allocation is made. Schedules and cost estimates for activities already underway should consider May 2009 as the start date for which costs can be incurred against Recovery Act funds.

Cost and schedule estimates should reflect actual capability to the extent possible because in the summer of 2010 Reclamation will evaluate the status of the project against the submitted

estimates and schedules. If the project is unable to meet the estimated expenditure rate and schedules, Reclamation may reallocate funding to other projects capable of expending funds.

Project Specifics

The criteria set forth in Enclosure 2 will be used to allocate Recovery Act funding for the Title XVI program. Your request should provide enough project-specific information to address each criterion.

Submittal Deadline and Addresses

The information identified in this letter is required to allocate Title XVI funds under the Recovery Act. Your request is due to the following address or email address on or before April 7, 2009, at 4:00 p.m. Mountain Time. Late submittals or Facsimile submittals will not be accepted.

All requests for funds must be submitted to:

By U.S. Mail:

Bureau of Reclamation
Acquisition Operations Group
Attn: Randale Jackson
Mail Code: 84-27810
P.O. Box 25007
Denver, CO 80225

By Express Mail:

Bureau of Reclamation
Acquisition Operations Group
Attn: Randale Jackson
Denver Federal Center, Bldg. 67 Rm. 152
6th and Kipling Street
Denver, CO 80225

By Electronic Mail:

mrocha@usbr.gov

We look forward to receiving your request for funding. If you have any questions or would like additional information about this opportunity, please contact me at 303-445-2780 or your Title XVI Coordinator, Mr. Dennis Wolfe, Lower Colorado Region, at 951-695-5310.

Sincerely,

Roseann Gonzales, Director
Policy and Program Services

Enclosures - 3

ENCLOSURE 1

Enclosure 1 – Recovery Act Funding and Financial Assistance Requirements

1. **Reporting.** Recipients will be required to report on the financial status and performance of their projects on a quarterly basis. Reports will be due within 10 calendar days of the end of the quarter. Reporting requirements will also include reporting on the performance of all first-tier contracts and grants awarded for the project, with special consideration given to estimating the number of jobs created and the number of jobs retained by the activity. The definition of terms and required data elements, as well as any specific instructions for reporting, including required formats, will be provided in subsequent guidance issued by Reclamation. (Recovery Act, Section 1512(c))
2. **Buy American - Use of American Iron, Steel, and Manufactured Goods.** Recipients are not eligible for Recovery Act funds for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. (Recovery Act, Section 1605)
3. **Wage Rate Requirements (Davis-Bacon Act).** Notwithstanding any other provision of law and in a manner consistent with other provisions of Recovery Act, all laborers and mechanics employed by contractors and sub-contractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this award shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. Detailed budgets submitted must take into consideration the prevailing wage rates for the locality and type of laborers to be employed. The wage rate information is available through the Department of Labor at the Wage Determinations OnLine service, www.wdol.gov. (Recovery Act, Section 1606)
4. **Dun and Bradstreet Universal Numbering System (DUNS)/Central Contractor Registration (CCR).** Recipients of Recovery Act funding must have a current registration in the CCR and have a DUNS number. First-tier sub-recipients (contracts and grants) must also comply with the DUNS and CCR requirements prior to when the recipient's first quarterly report is due.
5. **Schedule of Expenditures of Federal Awards.** Recipients must separately identify the expenditures for each grant award funded under Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." This identification on the SEFA and SF-SAC shall include the Federal award number, the Catalog of Federal Domestic Assistance (CFDA) number, and amount such that separate accountability and disclosure is provided for Recovery Act funds by Federal award number consistent with the recipient reports required by Recovery Act Section 1512(c)(4).

6. **Responsibilities for Informing Sub-recipients and Sub-contractors.** Recipients will be required to separately identify each sub-recipient and sub-contractor, and at the times of sub-award and disbursement of funds, document the Federal award number, CFDA number, and amount of Recovery Act funds.
7. **Chief Executive Officer Certification.** The Recovery Act, Sec. 1511, states that with respect to covered funds made available to state or local governments for infrastructure investments, the Governor, mayor, or other chief executive shall certify that the infrastructure investment has received the full review and vetting required by law and the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. If applicable to your project, this certification will be required prior to award of an agreement.
8. **Financial Assistance Standard Terms and Conditions.** Recipients must comply with standard terms and conditions for financial assistance which are available at [www.usbr.gov/mso/aamd/downloads/Standard Terms Agreements 06 2006.doc](http://www.usbr.gov/mso/aamd/downloads/Standard_Terms_Agreements_06_2006.doc).

ENCLOSURE 2

Enclosure 2 - Criteria for Prioritizing Title 16 Projects for Recovery Act Funds

The criteria in this document will be used to prioritize Title XVI water reuse and recycling projects for funding under the American Recovery and Reinvestment Act of 2009, P.L. 111-5 (Recovery Act). These criteria specifically address the requirements of the Recovery Act and accompanying conference report. The criteria are intended to target projects that increase jobs and expend funds quickly for the benefit of infusing money into the economy.

In order to receive funding a project must be specifically authorized and meet other requirements specific to the Recovery Act and financial assistance.

Funds for construction activities will not be disbursed until all Title XVI pre-construction requirements have been met. This includes: (1) a finding that the feasibility study meets the requirements of Title XVI of P.L. 102-575, as amended; (2) complete compliance with the National Environmental Policy Act and other environmental clearances; (3) an approved determination of financial capability; and (4) an executed cooperative agreement

Criteria 1 – Project Implementation – 50 points.

This criterion will award a higher number of points to proposed activities that will expend funds by September 30, 2010. Points will be awarded based on the percent of funds projected to be spent by September 30, 2010, and the reasonableness of the submitted cost estimate and expenditure rate.

Please state the percent of funds that will be spent by that date and provide a narrative which explains and supports your cost estimate and projected expenditure rate.

Sub criteria 1.1 - 40 points will be awarded for those projects that are scheduled to expend the funds by September 30, 2010. The benefit of this criterion will be that economic stimulus funds will be spent expeditiously. The following guidelines are provided for this criterion.

96%-100% of the funds expended by September 30, 2010 – 40 points
86%-95% of the funds expended by September 30, 2010 – 30 points
76%-85% of the funds expended by September 30, 2010 – 20 points
56%-75% of the funds expended by September 30, 2010 – 10 points
50%-55% of the funds expended by September 30, 2010 – 5 points
Less than 50% of the funds expended by September 30, 2010 – 0 points

Sub criteria 1.2 – 10 points will be awarded based on the reasonableness of the submitted cost estimate and expenditure rate and the likelihood of the project to meet the established goals. The benefit of this criterion is that the projects with reasonable estimates and projections will be prioritized.

Criteria 2 – Funding to Satisfy Outstanding Federal Cost-Share – 15 points.

This criterion will award a higher number of points to those projects where the Federal cost share of current expenditures to date is less than 25 percent.

Please identify expenditures to date, Federal funds requested to date, and any remaining obligated Federal funds.

Sub criteria 2.1 – 15 points will be awarded to those projects with the Federal cost share of expenditures to date less than 25 percent. The benefit of this criterion is that projects for which the project sponsor has outspent the Bureau of Reclamation will be brought up to the 25 percent cost share. The following guidance is provided.

The Federal cost share of current expenditures, including obligated funds, is less than 25 percent - 15 points

The Federal cost share is 25 percent - 0 points

Criteria 3 – Readiness of Project to Proceed – 15 points.

This criterion will award a higher number of points to proposed activities that are likely to be completed within the provided project schedule.

Please describe the status of all contracts for the proposed activity. Indicate if existing contracts have been modified to address Davis-Bacon Act requirements and the use of American-manufactured goods; if bids are being solicited; or if scopes of work and designs are complete or under development.

For construction activities only, please describe the status of the feasibility study, financial capability statement, environmental compliance, cooperative agreement, and all required local and state permitting.

Sub criteria 3.1 – (15 for pre-construction activities) 10 points will be awarded to those projects with construction activities that have low risk of failing to meet the schedule. The benefit of this criterion is that projects will expend funds as scheduled and estimated. The following guidelines are provided for this criterion.

Contracts are awarded and projects are ready to go forward. Any modifications necessary for the American Recovery and Reinvestment Act are complete and in place (Davis Bacon and Use American). – 10 points for construction projects, 15 points for pre-construction activities.

Bids are being solicited with the Davis Bacon Requirements and Use American – 7 points for construction projects, 10 points for pre-construction activities

Designs, scope of work, and specifications are complete – 3 points for construction projects, 5 points for pre-construction activities

Designs, scope of work, or specification are under development – 0 points for all.

Sub criteria 3.2 (Construction Projects Only) – 5 points will be awarded to those construction projects that have met all the requirements to begin a project. The benefit of this criterion is that projects with complete documentation will be funded. This criterion will prioritize those projects that are already under construction.

The following guidance is provided for construction projects only:

The project has a positive finding on the feasibility study, approved financial capability statement, complete environmental compliance, cost share agreement, and complete local and state permitting – 5 points

Anything less will receive 0 points.

Criteria 4 – Completion of a Phase or Useful Service – 20 points

This criterion will award a higher number of points to those proposed activities that complete a pre-construction activity, a phase of a project, or make water available on or before September 30, 2011.

Please identify if the proposed project will complete the pre-construction activity or a phase of the overall project. If water will be made available through the completion of the phase, please indicate the water delivery or treatment capacity that will be made available.

Sub criteria 4.1 – 15 points will be awarded to those projects that will complete a phase of a project or will complete a pre-construction activity by September 30, 2011. The benefit of this criterion is that Reclamation will be able to clearly identify accomplishment once the project is complete. The following guidance is provided.

The funds will complete a phase or a pre-construction activity by September 30, 2011. If a construction project, additional capacity will be brought online – 15 points for construction, 20 points for pre-construction.

Anything less – 0 points.

Sub criteria 4.2 (Construction Projects Only) – 5 points will be awarded to those construction projects that will complete a phase and make more water available through completion by September 30, 2011. The benefit of this criterion is that Reclamation will fund those projects that will recycle larger volumes of water. The following guidance is provided.

More than 1,000 acre feet – 5 points

0 acre feet – 0 points (including projects that will not complete a phase or the phase does not add additional capacity).

ENCLOSURE 3

Sample Budget Proposal Format					
<u>Budget Item Description</u>	<u>Computations</u>		<u>Recipient</u>	<u>Reclamation</u>	<u>Total</u>
	<u>Rate/Unit Price</u>	<u>Quantity</u>	<u>Funding</u>	<u>Funding</u>	<u>Cost</u>
Salaried and Wages					
Classification 1					
Classification 2					
Additional classifications as necessary					
Fringe Benefits - ____%					
Travel					
Airfare					
Per Diem					
Mileage					
Equipment					
Description A					
Description B					
Other Descriptions as necessary					
Supplies/Material					
Description A					
Description B					
Other Descriptions as necessary					
Contractual/Construction1					
Item 1					
Item 2					
Item 3					
Environmental and Compliance					
Classification 1					
Classification 2					
Permits					
Other					
Total Direct Costs					
Indirect Costs - ____%					
Total Project Costs					

1 Construction and contracts should be broken out into specific line items. Lump sum estimates should be minimized. Applicants may attach a separate, detailed budget for each contract or construction activity.