

## CHAPTER 3 - MAJOR REHABILITATION PROJECTS

3-1. Purpose. This chapter establishes guidance for preparation and submission of Major Rehabilitation Project Evaluation Reports for annual program and budget submissions.

3-2. Background. Major rehabilitation projects began to be budgeted under Construction, General and Flood Control, Mississippi River and Tributaries (construction element) appropriation accounts in FY 1993. Major rehabilitation new starts have to compete with other types of new construction starts for scarce resources. To successfully compete as new starts, Rehabilitation Evaluation Reports and supplemental information sheets will have to provide a level of detail and evidence of criticality commensurate with other Civil Works new starts.

3-3. Rehabilitation Categories. Major rehabilitation shall consist of either one or both of two mutually exclusive categories - Reliability or Efficiency Improvement.

a. Reliability:

(1) Rehabilitation is major project feature restoration consisting of structural work on a Corps operated and maintained facility such as a lock, dam, hydropower plant, etc., intended to improve reliability of an existing structure, the result of which will be a deferral of capital expenditures to replace the structure.

(2) Rehabilitation will be considered as an alternative when it can significantly extend the physical life of the feature and can be economically justified by benefit-cost analysis. The work will extend over at least two full construction seasons and will require over \$5.0 million in capital outlays; for Inland Navigation Projects initially funded in FY 1994, the reliability threshold will be over \$8.0 million.

b. Efficiency Improvement: The Efficiency Improvement category will enhance operational efficiency of major project components. Operational efficiency will increase outputs beyond the original project design. Efficiency Improvements will require over one million dollars funded in FY 1994 in capital outlays on a component which does not exhibit reliability problems.

c. The dollar amounts referred in paragraphs above shall be adjusted annually according to the economic assumption published each year as guidance in the Annual Program and Budget Request for Civil Works Activities of the Corps of Engineers.

3-4. Guidance.

a. Required document preparation. Features recommended for new starts will be complete with PB-2a, project map, and an approved Rehabilitation Evaluation Report. Fifteen copies of the Major Rehabilitation Evaluation Report will be submitted for approval to CECW-AR by 15 March of the BY-2. Preparation guidance for the Rehabilitation Evaluation Report is contained in Appendix B.

b. Rehabilitation will not consist of routine or deferred maintenance, which will continue to be considered in the U.S. Army Corps of Engineers Operation and Maintenance, General budget appropriations.

EP 1130-2-500  
27 Dec 96

c. In determining whether project work falls within the dollar thresholds set forth in paragraphs 3-3., the dollar value of work on separate projects shall not be aggregated, even if within the same river or waterway system.