

Part 604 – Project Installation

Subpart A – General Provisions

604.0 Introduction

There is no further guidance in the handbook corresponding to this section in the manual.

604.1 Operations Management

A. Installation Schedule

Section 606.60 of this handbook contains an example of an “Installation and Contracts Schedule.”

B. Budget Requests and Funds Management

(1) Reaffirming Feasibility

- (i) Certification of annual watershed project funding requests in POINTS should not be completed without assurance that the project measure is feasible and conforms with environmental, social, economic, and programmatic guidelines, policies, and regulations.
- (ii) The Council of Environmental Quality (CEQ) states that, “as a rule of thumb, EISs that are more than five years old should be carefully reexamined to determine if the criteria in NEPA Regulations, 40 CFR Section 1502.9 compel preparation of an EIS supplement.” The criteria discussed in 40 CFR Section 1502.9 refer to substantial changes in the proposed action that are relevant to environmental concerns or significant new circumstances or information relevant to environmental concerns.
- (iii) As necessary, costs and benefits may be reevaluated by performing a new benefit-cost analysis or updating benefits and costs by appropriate indexes. Suggested sources of indexes for the various cost categories include the following:

- **Consumer Price Index-Services.**—The services component of the project installation cost consists of the sum of land treatment (less critical area treatment) as shown in “Table 1 - Estimated Installed Cost” of the plan, and engineering, and project administration, as shown in “Table 2 - Estimated Cost Distribution.” The Consumer Price Index-Services is usually the most appropriate to use for these items.
- **Engineering News Record Construction Cost Index or DOC Composite Index.**—The index for construction and critical area treatment may be based on the Engineering News Record Construction Cost Index or the U.S. Department of Commerce Composite Index.
- **Local Information.**—The index for real property rights and relocation is to be determined by the State Conservationist (STC) based on an analysis of the cost of land and its acquisition appropriate to the local area.
- **Wholesale Price Index.**—If a large part of the damages occur to contents of urban buildings, the Wholesale Price Index-All Commodities or Consumer Price Index (CPI)-Durables may be used.
- **Economic Research Service Data.**—Indices of prices received by farmers for all crops and prices paid by farmers on all commodities are

obtained from the Economic Research Service, and may be used to update crop and pasture flood damages and other agricultural flood damages.

604.2 Agreements Required

A. Real Property Acquisition Assurance

Form NRCS-ADS-78, “Assurances Relating to Real Property Acquisition,” may be necessary when sponsorship changes and new operation and maintenance agreements are established with the new sponsor.

B. Methods of Installation and Payment

- (1) Contracting for planned watershed project measures is normally performed by the contracting local organization, but may be performed by NRCS when requested in writing by the sponsoring local organization (SLO). All Federal contracts must be solicited, awarded, and administered in accordance with Federal Acquisition Regulations. The watershed plan should state the method to be used.
- (2) Under special conditions, measures may be installed by force account, division of work, performance of work, average cost, or Federal contract procedures. Detailed information may be received from the State contracting specialist or appropriate administrative staff. A summary is provided below.
 - **Formal Contract.**—Formal contracts include construction contracts and vegetative contracts. Under formal contract, the SLO provides its share of the contract cost in cash. Contracting for the construction of structural measures and cost-shared land treatment measures is normally performed by the contracting local organization, but may be performed by NRCS when requested in writing by the SLO.
 - **Equipment Rental Contracts.**—Where a formal construction contract would be impractical because of the nature of the work and it would not be feasible to prepare detailed drawings and specifications or compute accurate quantities, the work may be performed under a competitively awarded equipment rental contract. Only work that can be done by equipment may be included.
 - **Small Purchases.**—Supplies, materials, and services may be purchased by informal written or oral solicitation of prices if the maximum amount of purchase is \$25,000 or less.
 - **Force Account.**—Under this method, the SLO provides its own forces, including labor, equipment, and materials, in lieu of cash. The SLO must keep accurate records of the cost of all the work performed.
 - **Division of Work.**—This method may be used only for cost sharing land treatment measures. Measures to be installed by this method must be described in the plan narrative and cost estimates included in the plan. The watershed agreement must specify the increments of installation work for which NRCS and the SLO are responsible without citing a percentage rate of cost sharing. The SLO is not required to keep records of expenditures. Detailed NRCS cost estimates must be maintained in support of the plan to show that Public Law 83-566 costs for land treatment do not exceed the rate authorized.
 - **Performance of Work.**—Under this method, the value of work to be provided by the SLO is determined by negotiation between the SLO and NRCS and is included in a project agreement for the work. NRCS-approved cost estimates made immediately before signing the agreement establish the maximum value of the work

- **Average Cost.**—This method is limited to the installation of critical area treatment measures and cost-shared land treatment measures under Public Law 78-534 and Public Law 83-566 programs. The average cost method is a procedure where cost-share payments are based either on a percentage of the average cost when the conservation district cooperator installs the work using his or her own forces, or on a percentage of the actual cost, not to exceed the average cost (for any component of the work that the cooperator contracts). Average costs must be developed by NRCS for each component of a measure to be installed by this method.
- **Long-Term Contracts.**—Long-term contracts are used to provide financial assistance to land users under Public Law 83-566, Section 3(6). The contract period will be from 3 to 10 years long, depending on the magnitude of the work. It will be at least 3 years, but may not exceed 10 years. All cost-shared land treatment is to be installed at least 2 years before expiration of the contract. The two methods of carrying out long-term contracting for installing land treatment measures receiving financial assistance under Public Law 83-566 are either—
 - A project agreement between NRCS and the SLO with a long-term contract (LTC) between the SLO and land user.
 - An LTC between NRCS and the land user.

604.3 Real Property Rights

A. Acquisition of real property is a major step in project implementation. It is one of the most important responsibilities of the SLO and requires firm scheduling, attention to details and followup.

B. Requirements

Dams.—The watershed plan, plan modification, and watershed agreement or project agreement should also prohibit the future construction of inhabitable dwellings below the secured land rights at the elevation upstream from the dam.

604.4 Easement Monitoring and Enforcement

There is no further guidance in the handbook corresponding to this section in the manual.