

MKARNS THREE RIVERS

Inland Waterways Users Board
Meeting No. 101
October 19, 2023

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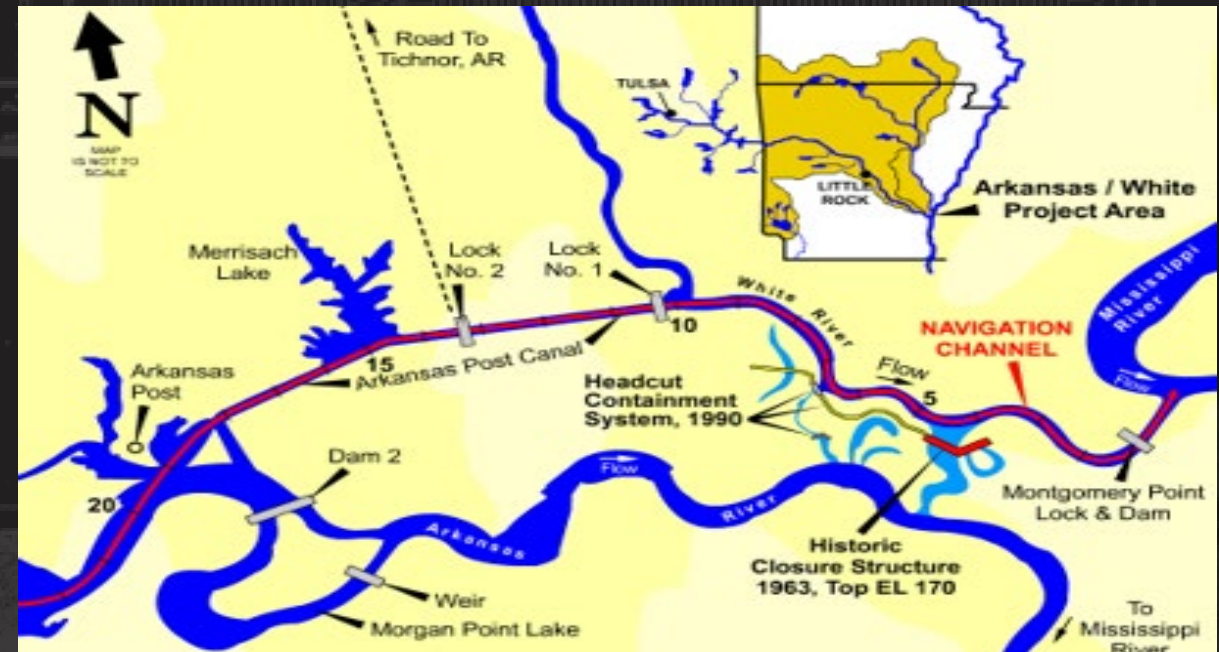
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MKARNS THREE RIVERS - OVERVIEW

Authorization: Section 1401 of America's Water Infrastructure Act of 2018.

- Authorized Cost: \$184,395,000; FY23 Escalated Cost \$242,611,000

Purpose/Description: The purpose of the project is to preserve navigation on the McClellan-Kerr Arkansas River Navigation System (MKARNS). Overland flows have caused significant erosion and head cutting to the land between the Arkansas and White Rivers, threatening the uncontrolled connection of the rivers which would result in the loss of the navigation pool.

Schedule:

Phase 1 Construction Completion scheduled for September 2026.

Post Authorization Change Report scheduled to be completed in March 2024.

Phase 2 Contract is delayed due to substantial cost increase.

Cost: December 2022 Certified Cost Estimate Fully Funded Cost: \$355,681,000

902 Limit: \$279,490,000



MKARNS THREE RIVERS - SCOPE



- Phase 1: Design Build Construction of a Hydraulic Weir at elevation 145 feet above MSL (HC145) at the location of the Historic Closure Structure.
- Phase 2: Design Bid Build Construction of a Hydraulic Containment Structure at elevation 157 feet above MSL (C157), the Modification of the Owens Weir, and the Modification of LaGrues Culverts.



MKARNS THREE RIVERS – BLUF STATUS / DASHBOARD

PROJECT SAFETY



Exposure Hours:
18,468 (9/26)
No accidents

PROJECT STATUS SUMMARY



Schedule:

	<u>Original</u>	<u>Last</u>	<u>Current</u>
Operational ¹	Jun-25	Sep-26	Sep-26
Completion	Jun-26	TBD	TBD

Next Major Contract Award:
Phase 2 contract award TBD

FINANCIAL STATUS SUMMARY



Increased Authorization and funds are needed to award Phase 2. PACR in process, CCB approved.
Project Performance:
6% Planned, 9% complete.

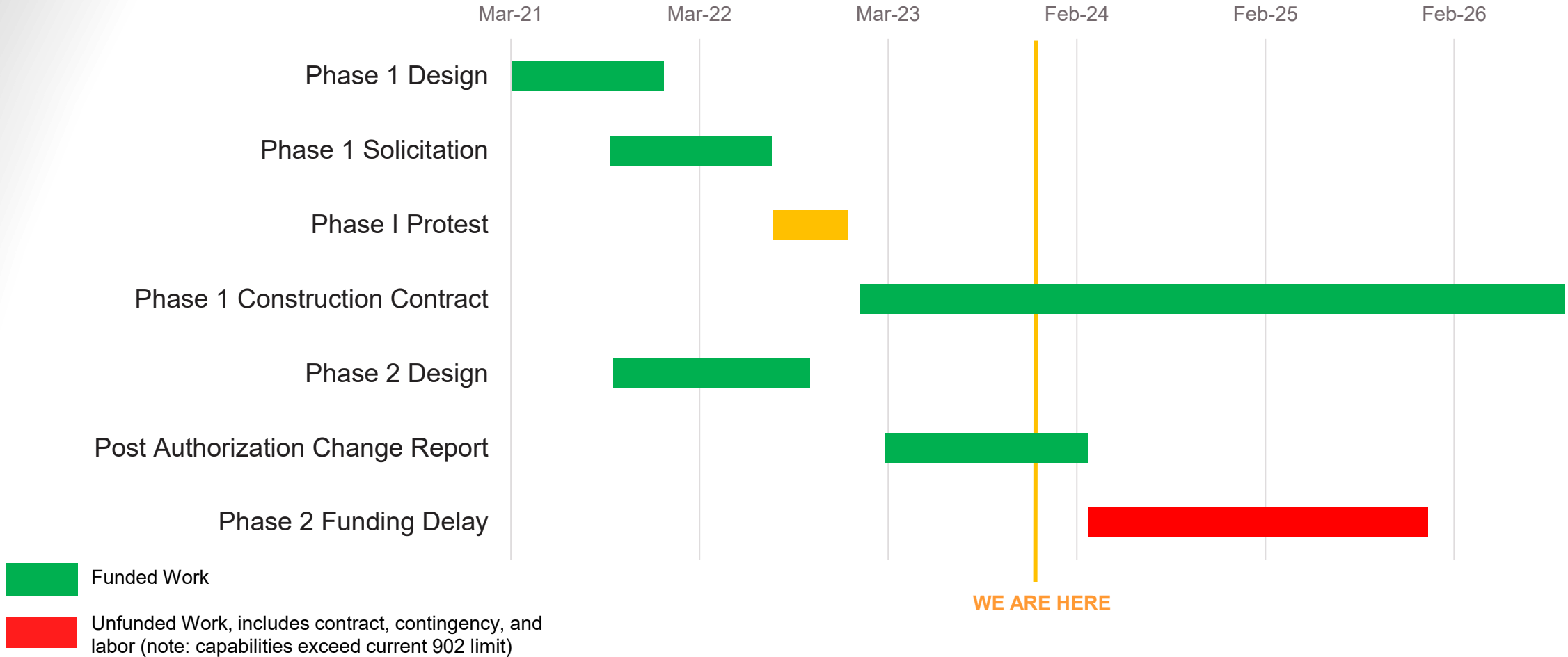
¹“Operational” is considered the completion of Phase 1, full project benefits will not be realized until the completion of Phase 2.

EXECUTIVE SUMMARY:

- Phase 1 Design Build Construction contract was awarded 19 Jul 22, delayed by protest.
- NTP 5 Jan 2023.
 - Although delay was approximately 5 months, the contractor lost a dry season.
 - Phase 1 design is at 95% level.
 - Groundbreaking held 24 August 2023.
 - Early Work Packages for West Training Structure, North Coffe Dam, South Coffe Dam, and Electric/Fiber Optic relocation under construction.
 - Certified Cost Estimate (CCE) for Phase 2 was updated December 2022.
 - Phase 1 contract value was \$175,850,000
 - Updated CCE is \$355,681,000 (exceeds authorization, 902 Notification Letters sent)
 - Post Authorization Change Report in process and Change Control Board was approved.
 - Phase 2 delayed pending additional authorization and receipt of additional funds.



MKARNS THREE RIVERS – SCHEDULE & FUNDING



Schedule comments:

- Phase 1 Contract Award 19 Jul 22, Protested 22 Jul 22, Protest withdrawn 13 Dec 22
- Phase 1 NTP 05 Jan 23, Phase 1 Construction Contract scheduled completion 30 Sep 2026.
- Post Authorization Change Report (PACR) in process and Change Control Board approved, anticipate PACR completion Mar 24.
- Phase 2 Design Recertification, Solicitation, and Construction is expected to take approximately 4.5 years.



MKARNS THREE RIVERS – FUNDING SUMMARY

Allocations:	INV (\$M)	CG (\$M)	IWTF (\$M)	BIL (\$M)	Total (\$M)
Through FY21	\$12.47				\$12.47
FY22		\$96.85	\$52.15	\$109.15	\$258.15
FY23		(\$4.36) ³	\$4.36 ³		\$0
Total to Date	\$12.47	\$96.85	\$52.15	\$109.15	\$270.62
Remaining TPC Balance					\$91.42 ²

Notes:

¹\$6.68M of INV funding to be returned due to award of construction contract.

²Based on updated FY23 Certified Cost Estimate (Dec 22), \$103.17M in FY24 funds, \$115.44M in FY25 funds.

³Funding swap to account for PED cost share.

Total Project Cost (TPC)	\$355.68M ¹	2023
Authorized Cost:	\$184.4M	WRDA 2018
Escalated Cost:	\$232.79M	2023
902 Limit:	\$279.49M	2023
PED Cost:	\$14.55M ¹	2023
EDC Cost:	\$13.13M ¹	2023
S&A Cost:	\$23.79M ¹	2023

Notes:

¹From Updated Certified Cost Estimate (Dec 22)

Fiscal Year Funding Capabilities: add additional years if required

FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	TOTAL
\$103.17	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Commentary:

- Updated Certified Cost Estimate Received December 2022
- Post Authorization Change Report in progress, scheduled completion March 2024
- Total Project First Costs BCR 2.1, Remaining Costs BCR 4.5 (May 2023).



MKARNS THREE RIVERS – ISSUES/CHALLENGES

- Phase 1 Contract Award of \$175,850,000 was higher than estimated.
 - Updated Certified Cost Estimate (Dec 22) indicates total project cost exceeds 902 limit.
 - Post Authorization Change Report and Change Control Board in progress.
- Protest of Phase 1 Contract Award delayed project 5 months
 - Lost a dry season.
 - Protest has caused schedule and cost impacts on Phase 1 Contract.
- Challenging Site Conditions



THANK YOU

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