

MKARNS THREE RIVERS

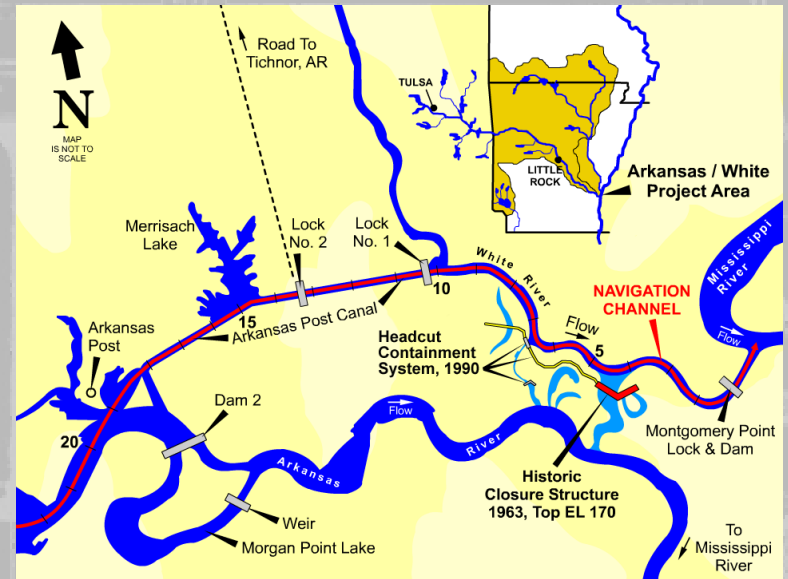
INLAND WATERWAYS USERS BOARD MEETING NO. 99

Jonathan Gillip
Project Manager
U.S. Army Corps of Engineers
Little Rock District (SWL)
13 April 2023

*World-Class Delivery...
Real-World Impact!*



US Army Corps
of Engineers®





MKARNS THREE RIVERS - OVERVIEW



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

- Authorized Cost: \$184,395,000; FY22 Escalated Cost \$232,786,000

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:

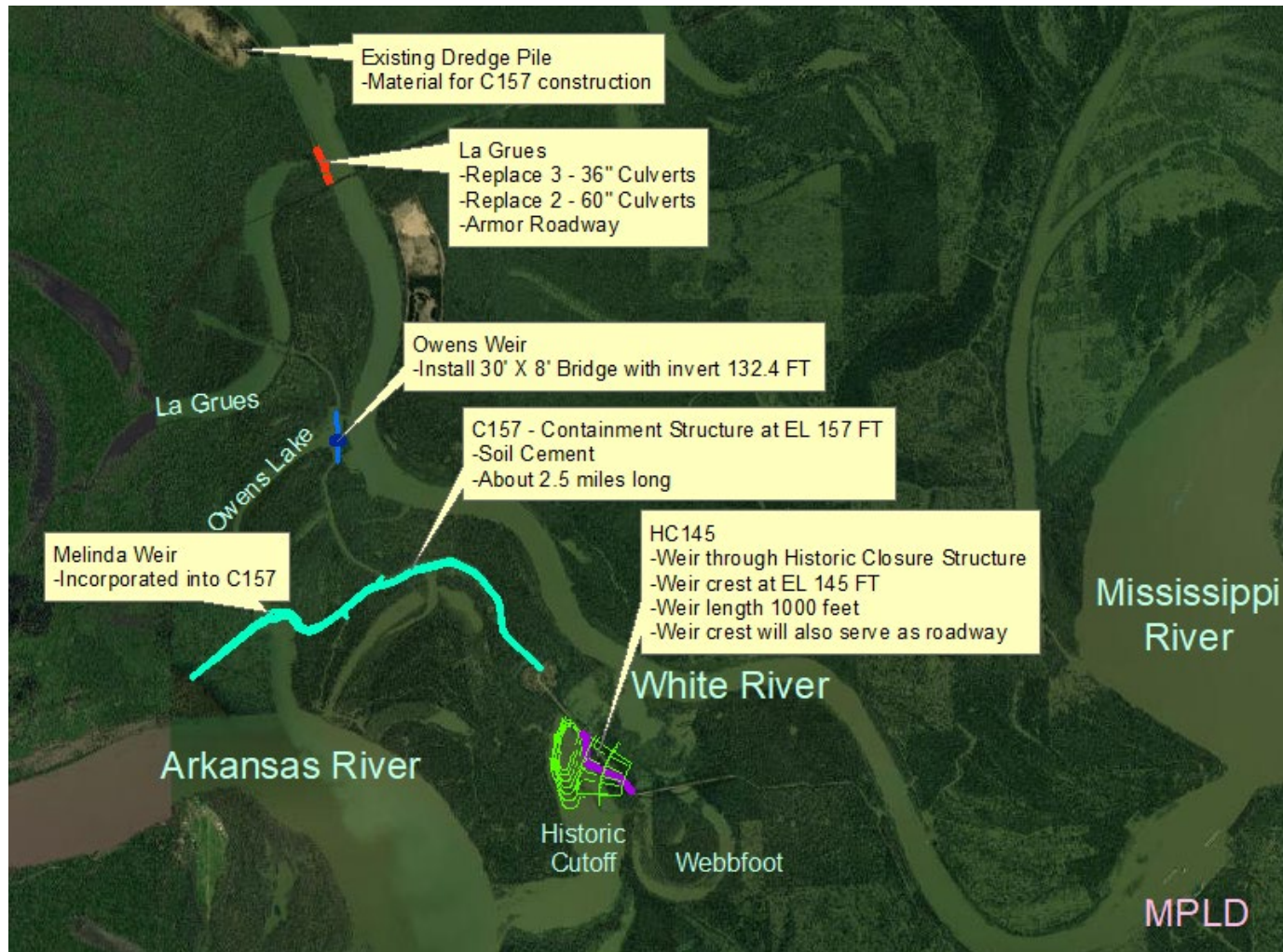
Phase 1 Construction Completion scheduled for September 2026.

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

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



Construction has not begun. No safety issues during data collection for design.

PROJECT STATUS SUMMARY



Schedule:	<u>Original</u>	<u>Last</u>	<u>Current</u>
Operational	Jun-25	Nov-25	Sep-26
Completion	Jun-26	Jun-26	TBD
 Next Major Contract Award:			
Phase 2 contract award		TBD	

FINANCIAL STATUS SUMMARY



Construction has not begun. Phase 1 Design build activities commenced 5 January 2022.

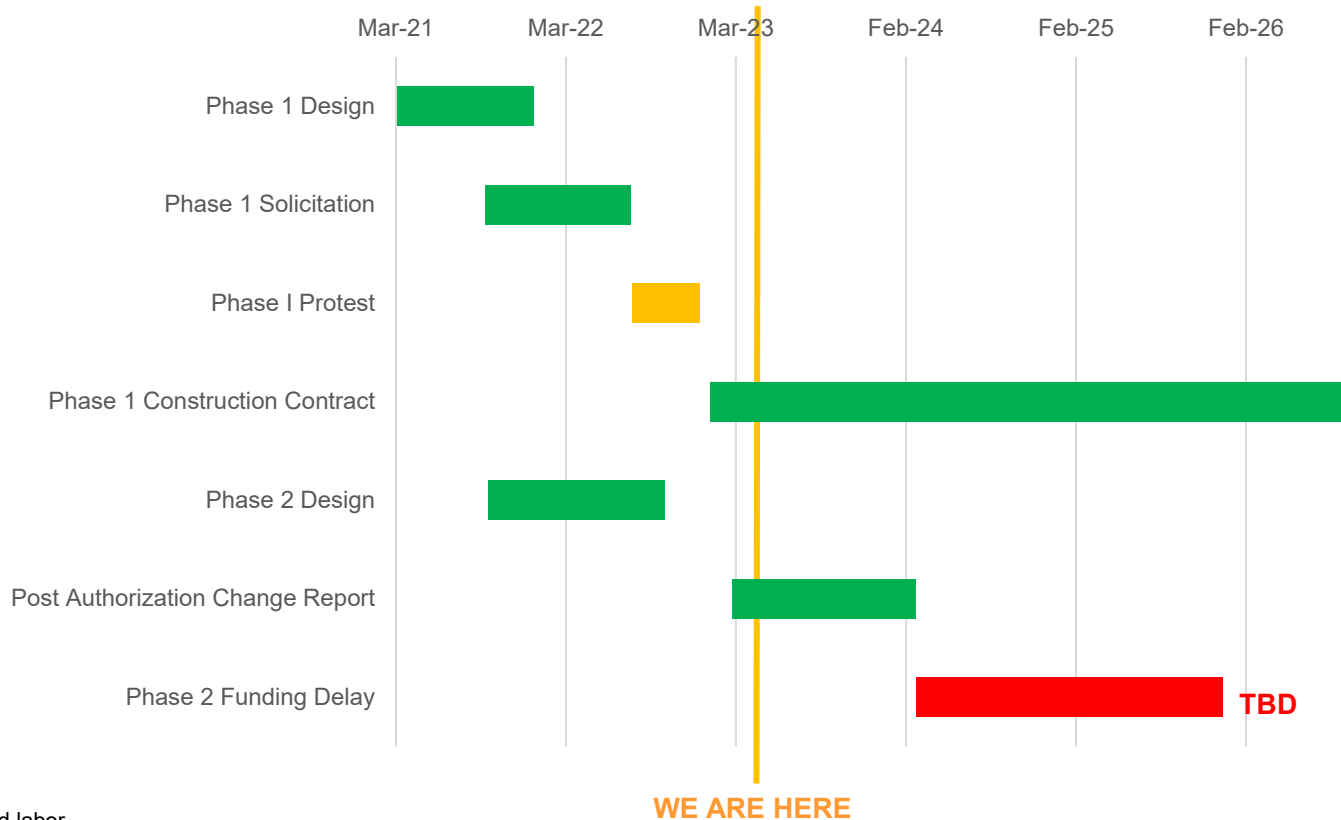
EXECUTIVE SUMMARY:

- Phase 1 Construction contract was awarded 19 Jul 22, protested 22 Jul 22.
- Protest withdrawn 13 Dec 22, NTP 5 Jan 2023.
 - Although delay was approximately 5 months, the contractor lost a dry season.
- “Operational” is considered the completion of Phase 1, full project benefits will not be realized until the completion of Phase 2.
- Updated Certified Cost Estimate (CCE) for Phase 2 was completed by December 2022.
 - Phase 1 contract value was \$175,850,000
 - Updated CCE is \$355,681,000 (exceeds authorization)
 - Post Authorization Change Report and Change Control Board are in process.



MKARNS THREE RIVERS – SCHEDULE & FUNDING

5



Funded Work



Unfunded Work, includes contract, contingency, and labor (note: capabilities exceed current 902 limit)

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) and Change Control board in process, 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 ¹				\$12.47
FY22		\$96.85	\$52.15	\$109.15	\$258.15
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), \$115.44M in FY25 funds.

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
\$0	\$115.44M	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

Commentary:

- Updated Certified Cost Estimate Received Dec 2022
- Post Authorization Change Report in progress, scheduled completion March 2024
- 3.3 BCR from FY22 Economic Update, BCR will be updated in Post Authorization Change Report Process.



MKARNS THREE RIVERS – ISSUES/CHALLENGES



- Phase 1 Contract Award of \$175,850,000 was higher than estimated.
 - Updated Certified Cost Estimate (Dec 22) indicates costs exceed 902 limit.
 - Post Authorization Change Report (PACR) 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

Project Manager: Jonathan Gillip, PMP
jonathan.a.gillip@usace.army.mil

