

RECLAMATION

Managing Water in the West

Action Item 12

Proposed Business Model

Portland, Oregon

September 25-26, 2007



U.S. Department of the Interior
Bureau of Reclamation

Workshops & Meetings

- **Feb.** – **Public Meeting**
- **May** – **Reclamation Managers' Conference**
– **Public Workshop in Denver**
- **Aug** – **Reclamation Managers' Conference**
- **Sept** – **Public Workshop in Portland**

Proposed Business Model

- **Collaborating with Customers**
- **Managing Engineering and Other Technical Services**

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Terms Being Used

- “Customer”
- “Program Offices”
- “Service providers”
- “Outsourcing”
- “Policy” and “Directives and Standards”

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Action Item 12

- **Develop business practices and processes**
- **To manage engineering and other technical services**
 - **For construction work**
 - **New projects or project features**
 - **Repair and replace existing facilities**
 - **For non-construction work**

“Right-Sizing”—A Continuous Process

- **Example**
 - 2,400 engineers in 1992 → 1,200 in 2006
 - Outsourcing about 40 percent
- **Final product will be recommended business model**
 - Organizational arrangements and business practices
 - Not a single number for staff size

Engineering and Other Technical (E&OT) Services

- **NRC's focus was TSC**
 - Design engineering
 - Cost estimating
 - Construction management
- **Team 12 expanded scope**
 - Need more for construction work
 - Concept engineering, design data collection, etc.
 - Non-engineering technical disciplines
 - Technical expertise for non-construction work
 - All E&OT services, not just TSC

Current Staffing and Organizational Arrangements

- Decentralized organizational structure
- Broad delegation of authority
- Dispersed E&OT services workforce
 - Geographically and organizationally
 - Variability between regional offices and area offices
 - General result has been:
 - More specialized expertise located in TSC
 - More routine work performed in area offices
 - Regional offices in between

Challenges of Decentralization

- **Achieving reasonable consistency of decisions**
- **Maintaining expertise**
- **Communications between program offices and service providers**
- **Understanding collective impacts of individual decisions**

Challenges of Decentralization

- **Balancing desirable attributes of decentralization**
- **With business practices which enable Reclamation**
 - To ensure it is maintaining its expertise
 - To provide cost-effective E&OT services
 - To make effective use of outsourcing and customers

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Public / Customer Comments

- **We like decentralized/empowered management**
- **We want to collaborate on E&OT services decisions**
- **We want opportunities to do work**
- **We want to discuss Reclamation oversight**
- **We want**
 - **Transparency**
 - **Accountability**
 - **Cost-effectiveness**

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Employee Comments

- Interested in understanding customers' collaboration objectives
- Focused on workflow management issues within Reclamation
 - Relationship of regions and TSC
 - Perceived impacts to their projects
- Supported decentralized management
- Recognized need to improve efficiency, accountability, cost-effectiveness

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Directions Given Team 12 Since May

- **Draft a Collaboration Policy / D&S**
- **Develop a Proposed New Business Model**
 - **More disciplined, agency-wide business practices**
 - **But:**
 - **Not entail any major organizational restructuring**
 - **Minimize changes in current delegations of authority**

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Team 12's August *Interim Report*

- “Efficient Utilization Concept” business model
- Blend of May's four conceptual organizational alternatives
- Distributed to employees
 - Comments invited
 - August 8–9 Managers' Meeting

Objectives for Future Business Practices

- **Empowerment of the Regions**
- **Cost-Effective Engineering and Other Technical Services**
- **Transparency and Accountability**
- **Collaboration with Customers**
- **Predictability of Workload**
- **Ability to Address Core Capability**
- **Strategic Determination of the Workload to be Outsourced**

A New Business Model

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The Coordination and Oversight Group COG

- Improve coordination & communication between offices
- Collect & analyze data on workload distribution & performance
- Monitor core capability and flag potential threats
- Monitor outsourcing - engineering & other technical services
- Track staff utilization & recommend org adjustments
- Report to the DCO on how well the objectives are being met
- Make recommendations for improvements

Implement – Monitor – Evaluate – Recommend – Adjust - Repeat

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Business Model Components -

1 Collaborating with Customers

- On Decisions

2 Distribution of Engineering and Other Technical Services Staffs

- Program offices
- Regional offices
- TSC

Business Model Components -

3 Fee-for-Service

- Statements of Work
- Service Agreement
- Completion Report

4 Advance Planning and Scheduling Future Workload

- Program offices ID workload early
- Service providers then plan better

5 Workload Distribution

- Two alternative approaches are offered for consideration

5 Workload Distribution -

Alternative 1 - “Presumption” with waiver

- Presumes work would be distributed “directly”
- Workload Overflow Process
- Waiver Process
- Planning process requires collaboration
- COG : Monitors

5 Workload Distribution -

Alternative 2 - “Choice” with oversight

- Program office decides where work is distributed with responsibility to meet corporate objectives
- Through SOW TSC/RO get to provide proposal
- Decision can be appealed
- COG : Monitoring & Real-Time Override

Business Model Components -

6 Organization and Staffing Levels

- At the discretion of the RDs and TSC Director
- Responsible for reporting staff utilization
- COG periodically review

7 Cost and performance reporting

- A responsibility of the COG

8 Accountability

- Deputy Commissioner, Operations with COG's input

Questions or Comments?

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