

**Report and Recommendations of
Managing For Excellence
Team 4
Decision Making**

In October 2004, the Decision Process Team¹ (DPT), completed and issued an analysis of Reclamation's decision-making processes. The DPT Report, entitled *Review of Decision Making in Reclamation*, provided recommendations, along with a set of decision-making tools which were made available for use in the Bureau of Reclamation.

After a presentation to the Commissioner and the Reclamation Leadership Team (RLT), the DPT Report was posted on Reclamation's intranet at <http://intra.uc.usbr.gov/teams/dpt/pdfs/FR.pdf>. At that time, the DPT Report was distributed and decision makers were encouraged to review it and consider taking advantage of the tools provided. However, there was no requirement to implement any of its recommendations or use the tools provided.

Over the next two years, several offices took advantage of that resource and began using the checklists and other processes identified in the report. However, since implementation or use of those tools was not mandatory, it is unclear how widespread its use has become, what processes are used, and to what extent they have or have not improved the quality and accountability of decisions made in the Bureau of Reclamation.

National Research Council Study: In 2006, the National Research Council (NRC), in its report on the organizational, management and resource configurations of the Bureau of Reclamation entitled *Managing Construction and Infrastructure in the 21st Century*, cited the analysis by the DPT in their report and made several recommendations related to improving the accountability and quality of decision-making in Reclamation (NRC Report, 2006, pages 98 and 103).

Managing for Excellence: As a follow up to the NRC recommendations, Reclamation developed a Managing for Excellence (M4E) Action Plan and established a Team (Team 4) to:

Identify structured decision-making process gaps and potential remedies with particular attention to the recommendations from "Review of Decision Making in Reclamation."

Team 4 Membership: The members of Team 4 represent a diverse cross section of Reclamation with diverse backgrounds in various disciplines such as operations and maintenance, planning, design and construction, safety of dams, policy analysis, and program/project management. Roseann Gonzales, Director of the Office of Policy and Program Services (OPPS), is the Team's Executive Sponsor. Team members are:

¹ This effort was sanctioned by the Reclamation Leadership Team (RLT). Upper Colorado Regional Director Rick Gold served as the DPT's Executive Sponsor.

Names	Title	Region/Office
James Hess Team Lead	Associate Director, Operations	Washington Office
Jayne Harkins	Deputy Regional Director	Lower Colorado Region
Randall Peterson	Environmental Resources Division Manager	Upper Colorado Region
Tino Tafoya	Program Manager	Pacific Northwest Region – Snake River Area Office
Karen Weghorst	Program Manager	Office of Dam Safety - Security, Safety and Law Enforcement –

Additionally, an Advisory Committee was established to review written materials and provide objective advice and input to Team 4. The members of this Committee were selected based upon their experience, expertise and interest in this matter and represented parts of the organization that were not otherwise represented on the Team. Advisory Committee Members are:

Name	Title	Region/Office
Susan Hoffman	Special Assistant	Mid-Pacific Region
Lilas Lindell	Program Manager	Office of Policy and Program Services
Don Moomaw	Assistant Regional Director	Great Plains Region

SCOPE AND METHODOLOGY

In order to meet the M4E Action Plan's stated purpose for Team 4, to "*identify structured decision-making process gaps and potential remedies with particular attention to the recommendations from "Review of Decision Making in Reclamation,"*" the team identified a number of important questions that needed to be answered:

- 1) How familiar are decision makers in Reclamation with the DPT Report and the tools provided?
- 2) Have the tools identified in the DPT Report, or something similar, been used/incorporated into Reclamation's decision-making processes?

3) What progress has been made in the past 2 years in implementing or addressing the DPT Report's major recommendations?

4) Has the quality and accountability of decisions made in Reclamation improved?

In order to understand the impact of the DPT Report, Team 4 reviewed the report and met with the DPT members in a conference call on April 20, 2006. In that conversation, Team 4 received a briefing on the process, the thinking and steps used to develop the DPT Report and on the dynamics within the organization that lead to the various conclusions and recommendations.

As a result of its review of the DPT Report, the meeting with the DPT members and other interviews and discussions, Team 4 concluded that the DPT Report reflected a thorough and comprehensive review of the steps and activities that comprise Reclamation's decision-making processes. The DPT Report provided sound recommendations and offered useful and potentially effective tools to aid in the decision-making process. The DPT Report also included a comprehensive review of the current academic and professional thinking in this area. Therefore, Team 4 determined that it would not revisit the processes, conclusions or recommendations of the report, but would focus on how the report, and its information, has been implemented. In other words, to "*take the pulse of the organization*" as it relates to Reclamation's decision-making processes.

In order to gauge the use and implementation of available decision-making tools in Reclamation, whether formal or informal, Team 4 developed a 10 question survey (See Appendix A) which was distributed to decision makers² throughout Reclamation's regions, area offices and offices in Denver and Washington, DC.

Each Team member distributed the survey to their respective regions and offices, as did members of the Advisory Committee. Once survey results were collected, Team 4 members compiled and completed the initial analysis of the surveys. This compiled data was then further analyzed by Dr. Mark McKinstry, from the Upper Colorado Region, who has a background and expertise in the analysis and interpretation of polling and survey information. Dr. McKinstry prepared further analysis, identifying the correlations between respondents and responses to different questions (See Appendix B for those questions). Once completed, Team 4 reviewed and analyzed the results and then came to a set of conclusions about the use of decision-making tools in Reclamation and the views of its decision makers.

BACKGROUND AND CONTEXT

Solicitor's Guidance on Compiling a Decision File and Administrative Record. After distributing the survey, Team 4 became aware of a memorandum (dated June 27, 2006) from the Deputy Solicitor of the Department of the Interior, David Bernhardt, providing guidance to all bureaus in the Department on standardized procedures for compiling Decision Files and an Administrative Record for judicial review. The memo indicated

² Team 4 defined Decision Makers, for the purpose of seeking views, as all supervisors and managers in the organization.

that this guidance will be incorporated into DOI's Departmental Manual, thereby making it a requirement for all bureaus and offices within the Department of the Interior. (See Appendix C Memorandum dated June 27, 2006 *Standardized Guidance on Compiling a Decision File and an Administrative Record*).

This Departmental guidance reinforced the need for Team 4's survey and other efforts to assist Reclamation to understand how decisions are made and documented and the need to identify any decision-making gaps.

Summary of DPT Report's Conclusions and Findings

In order to understand and analyze the views of Reclamation's decision-makers on the use of decision tools, it is important to recall the conclusions and recommendations of the 2004 DPT Report (See Appendix D for DPT Executive Summary and Decision-Making Tools).

The DPT collected data on decision-making within Reclamation by conducting personal interviews with Reclamation's decision makers. The interviews were conducted with selected Deputy Commissioners, Regional Directors, Deputy and Assistant Regional Directors, Area and Deputy Area Managers, Division Chiefs and Program Managers.

The DPT Report identified concerns about: (1) the consistency, between regions and offices, of decisions being made; (2) unclear delegations of decision making authority (beyond that from the Secretary to the Commissioner); (3) unclear roles and responsibilities; (4) limited accountability for decisions; and (5) poor communications of policy guidance and of decisions once they are made.

In summary, the DPT made the following major recommendations:

- Define the roles and responsibilities of those involved in the decision making process.
- Train staff and managers in decision making and project management.
- Establish guidelines for the preparation and oversight of documents, such as feasibility reports.
- Streamline processes for routine or repetitive decisions.
- Establish consistent decision-making processes, when faced with a problem or issue and follow all the steps.
- Communicate potentially precedent setting decisions.
- Identify and address internal and external constraints where they are limiting the organizations ability to make a timely decision.

- Field test and implement the Decision and Documentation Paper developed by the DPT (Section II – Decision-Making Tools).
- Use facilitated decision-making tools, techniques or processes to help teams to develop their recommendations to decision makers.

As stated earlier, the DPT Report was released and decision-makers were encouraged to review and consider taking advantage of the tools provided. However, there was no requirement to use any of the tools provided by the DPT Report.

Survey Results: Team 4 members distributed 576 surveys throughout the agency to decision makers (See Appendix E for regional break out). Reclamation decision makers were given three weeks to complete the survey and asked to return them to a Team 4 member. The team received 188 fully completed surveys³, giving Reclamation an aggregate response rate of 33 percent. While this response rate is somewhat lower than what published literature has identified as being optimal, Team 4 received a good distribution of responses from many levels within the organization. As such, the survey provided enough information to make assumptions and reach conclusions about views of Reclamation’s decision makers and about trends in Reclamation. It is important to note that careful consideration was made about how far to take some of the conclusions. Furthermore, because of the relatively lower response rate, Team 4 was hesitant to uniformly break down some of the specific responses by regional or area offices since there was not a separate examination of the biases of those that did not respond.

Significant Decisions: In looking at Reclamation’s decision making processes, Team 4 recognized that Reclamation managers and staff make hundreds of decisions every day related to day to day management of personnel, budgets, operations and so forth. The focus of this review was on “significant decisions,” or those that rise to the level of potentially needing documentation or decision papers to memorialize the decision. Team 4 determined that in order to understand that scope, there needed to be an understanding or definition of what was meant by “significant decisions.” Therefore, decision makers were asked to identify the primary circumstances that merit decision papers/documentation (See Decision Making Survey Question 3 in Appendix A). From the results, respondents identified three major categories or criteria for defining a Significant Decision:

- 1) There is a requirement for documentation of the decision process taken or the conclusion reached (36%).
- 2) The issues are too complex to make a decision without a paper (20%).
- 3) There are many diverse opinions on an issue and the paper helps document consensus (23%).

³A total of 190 surveys were returned. However, two surveys were incomplete and deemed to be unusable for analytic purposes.

TEAM FINDINGS

Based upon the survey responses and the comments provided, Team 4 determined that familiarity with the DPT Report and the decision making tools is not widespread within the organization. Furthermore, 60 percent of respondents indicated that they did not use any decision making tools that are either formal or informal (whether it be those included in the DPT Report or others).

While overall awareness of the tools and techniques of decision-making was limited, there are some regions and offices that have, since the DPT Report was released, instituted clear and formal decision-making process, along the model provided in the DPT Report (Section II). The Upper Colorado Region, for example, has instituted a process whereby a decision paper must be prepared before any significant decision is made in the region. (See Appendix F for an example of the UC Region Decision Memo).

Furthermore, the Office of Design, Estimating and Construction/Safety of Dam Oversight (DEC/SOD) is proposing to establish a decision making process using some of the tools provided in the DPT Report – Section II (See Appendix G -draft Directive and Standards on DEC/SOD.).

And finally, there is uncertainty about the guidance provided by the RLT, and about that entity's role in decision-making, i.e. are they a decision-making body or a consultative group that provides input to assist the Commissioner in making decisions for the agency as a whole?

THEMES AND DECISION-MAKING “GAPS”

Based upon the survey responses and results, Team 4 was able to identify a number of conclusions, common themes, policy gaps and lessons that the respondents raised or identified in their answers and comments about the uses of formal and informal decision-making tools in Reclamation.

Delegation of Authority for Making Decisions

Findings: Thirty-two percent of the survey respondents indicated that an important way to improve the consistency and quality of decisions made by Reclamation is to delegate decision making to the appropriate level in the organization (See Table 4, Appendix H). Consistent delegations of authority received the second highest level of positive responses. One of the principles for managing issues and challenges includes attaining a balance of centralized policy development (through Reclamation Manual documents) and decentralized operations. As such, it is crucial to have clear delegations of authority to maintain efficiency and consistency in an organization with decentralized operations.

Managing for Excellence Team 5, led by Shannon Kerstiens, was given the assignment to refine and clarify delegations of authority within the agency to ensure that they are commensurate with assigned responsibility, including appropriate training of line

management with regard to authorities. On August 31, 2006, Acting Commissioner Rinne issued a decision memorandum directing the Director, Office of Program and Policy Services to implement the following Team 5 recommendations:

- (1)Finalize the temporary delegation memoranda for the Departmental Manual (delegations from the Secretary and Assistance Secretary - Water and Science to the Commissioner) and Reclamation Manual (delegations from the Commissioner to the various Directors).
- (2)Finalize the permanent Departmental Manual and Reclamation Manual delegation of authority releases upon final review by the Executive Review Team. Team 5 is also to work with the RLT to identify a staff person who will work with OPPS to ensure Reclamation's delegations of authority are consistently updated, and provide training to their specific organizations.
- (3)Provide training and make the module available to offices throughout Reclamation.

The authority delegated to the Directors may be redelegated unless otherwise prohibited. All redelegations of authority must: (1) be in writing; (2) reference their basis; and (3) be maintained by the issuing office as the official redelegation document.

Team 4 discussed the impact that delegations of authority have on the consistency and quality of decisions made in the organization as well as on finding the appropriate balance between centralized policy making and decentralized operations to the lowest appropriate level of decision making. Through the survey responses and review of the DPT Report's findings and recommendations, Team 4 identified potential inconsistencies regarding decision making in the organization when authorities are redelegated to various levels of the organization (i.e. one Region has delegated authority to the Area Office level and another Region has retained that decision making authority in the Regional Office).

Recommendation: Team 4 concluded that there are inconsistencies in how and when authorities are delegated and to what level. While there will always be some level of difference in how authorities are delegated and redelegated based upon the Director who is doing the delegating, Team 4 recommends that Reclamation should:

- Clarify the principles concerning delegations of authority (i.e. is it intended to be centralized or decentralized and to what level). This should be done through the efforts underway as a result of the activities of M4E Team 5 which has been assigned to the Director, Office of Policy and Program Services.

Communications of Decisions and Policies

Findings: The DPT Report concluded that Reclamation generally does a poor job of communicating policy guidance and decisions once they are made. In response, the DPT

report recommended that Reclamation: 1) emphasize the communication of potentially precedent setting decisions, and 2) use facilitated decision-making tools, techniques or processes to help teams or offices develop their recommendations to decision makers.

In order to assess the progress Reclamation has made in implementing the first communication related recommendation from the DPT Report, Team 4's survey asked Reclamation decision makers what they do to improve the transparency of their decisions. Sixty-nine percent⁴ of respondents indicated that they incorporate stakeholder comments received prior to making a decision to improve the transparency of that decision. Fifty seven percent of respondents indicated that they clearly communicate decisions/documentation papers. However, the survey identified one Region whose respondents do not believe that they are clearly communicating decision/documentation papers.

Only 22% of all respondents indicated that they publish clear policies that serve as the basis for decision making. More importantly, only 14% of all Area Office respondents indicated that they do this. It is important to note that 58% of decision makers indicated that they did not use any kind of decision making checklist or something similar (as recommended in the second DPT communication related recommendation). Team 4 concluded that a lack of use of decision making tools and guidelines and/or a lack of availability of decision making examples is at least partly responsible for the failure to follow through and publish decision papers.

Recommendations: Team 4 concluded from the survey results that, in general, Reclamation has improved decision making transparency by seeking and incorporating comments from stakeholders prior to decisions. However, significant progress is needed to more clearly communicate the resulting decision/documentation papers. The Team recommends that:

- Through each of its Directors, Reclamation should continue to identify opportunities to communicate significant decisions internally and externally as appropriate through a decision paper and documentation which should include a discussion of the decision making process, options considered, stakeholder comments, and a description of both the policies and the rationale for the decision made.

Policy, Guidance and Documentation

Findings: Based on the responses to several questions in the survey, there continues to be concern among Reclamation's decision makers, at many levels of the organization, about the level and type of policies and guidance provided to them. This concern is related to both decision making processes and procedures as well as to policies and guidance that govern the management and operation of projects, such as contracting, lands policy and so forth.

⁴ Unless otherwise noted, percentages in this section come from Table 5, see Appendix H)

Procedural Guidance: Some respondents indicated a view that there may not be clear policy guidance to the organization on how to make and document decisions. For those respondents who indicated that they seldom or never used documented decision making tools (109/188 total respondents), 39 percent indicated that having adequate and clear policy guidance could improve the consistency and quality of decisions made in Reclamation (See Appendix H, Table 1).

Furthermore, for those respondents who frequently or always use documented decision making tools (77/188 total respondents), 38 percent identified having adequate and clear policy guidance as one of the most important ways to improve consistency and quality of decisions made in Reclamation. In both categories of respondents, this item was the most selected one, thereby indicating its level of importance and resonance as a tool for improving how Reclamation makes decisions.

While the DPT Report provided a number of useful tools to help in this regard, few of the survey respondents were aware of them and several, in comments, indicated a desire for clear direction on how such tools should or could be used.

Policies and Guidance: Concern was also raised about the need for clear policies as a guide for decision-making. Twenty two percent of respondents indicated that publishing clear policies that serve as the basis for decision making would improve the transparency of Reclamation's decisions. Some commented that there continues to be technical areas that lack Reclamation policy. This "policy gap" negatively impacts Reclamation's ability to make decisions. One respondent commented that "policy guidance needs to be 'interpreted' in ways that are meaningful to the staff executing the mission/policies of Reclamation. For that, information needs to be better conveyed throughout the chain of command."

At the same time, there was some resistance to reinstating narrow and prescriptive policies, suggesting that "there is enough latitude within the organization and its processes to allow decision-making to be tailored to meet the needs of specific situations." Others indicated a desire to retain the flexibility at the field level to make decisions, while recognizing the need to document and appropriately justify decisions in the event of litigation and other challenges.

In addition to the survey results, Team 4 looked carefully at the Deputy Solicitor's memorandum providing guidance on the compilation of Decision Files and an Administrative Record. This guidance, which is scheduled to be incorporated in the Departmental Manual, thereby becoming a Departmental requirement, is focused on ensuring that the bureaus and offices within the Department of the Interior adequately and consistently document the basis and rationale for decisions that are made.

Recommendations: Team 4 concluded that there continues to be a diverse set of views on policy. On the one hand is a desire for greater guidance through policies. On the other hand is a view that Reclamation should maximize operational flexibility at the field

level by limiting centralized policy directions. Additionally however, there is a need to address and acknowledge the development of guidelines from the Solicitors Office on the compilation of Decision Files and Administrative Records. In order to balance these divergent views and requirements, Team 4 recommends that Reclamation should:

- Issue policies and/or guidance on documenting significant decisions that may impact Reclamation as a whole, while considering and incorporating local circumstances. Given that this effort is being undertaken as a result of M4E Teams 6 and 7, we support their efforts. Oversight of this effort has been assigned to the Director, *Office of Policy and Program Services*
- The Director, OPPS, is tasked with working with the Solicitor's office to ensure that the Departmental Manual chapter on compiling Decision Files and Administrative Records that is being developed addresses Reclamation's unique circumstances.
- The Director, OPPS, is tasked with evaluating the Solicitor's guidance, instructions and Departmental Manual chapter related to the compilation of Decision Files and Administrative Records and issuing appropriate Reclamation Manual materials.

Commissioner / RLT Roles and Policies

Background: Agency-wide policy guidance and individual decision making involving project beneficiaries are strongly linked. The decision making survey included several questions designed to gauge the understanding and opinions of Reclamation decision makers with respect to the role of the RLT, as it relates to decision making in the Bureau of Reclamation.

Findings: Respondents to the survey indicated that the primary way to improve decision making in Reclamation would be to have adequate and clear policy guidance (See Appendix H, Table 4, question 6). This was particularly true for respondents from Washington and from area offices, but respondents from all offices gave this option a high ranking. Furthermore, a majority of respondents expressed the view that the RLT does not provide adequate mission and policy guidance for use in decision making. However, the survey results also indicated a view that clear policy guidance is essential to appropriate and consistent decision making. While differing local conditions may influence and produce inconsistent decisions, such factors could be formally incorporated into agency policies. This could then provide a clear basis for resulting decisions.

Regardless of whether respondents believed the RLT is providing adequate and clear policy guidance, a slight majority of respondents believed the role of the RLT should be a deliberative body to provide advice to the Commissioner, inferring that the Commissioner is the decision maker with respect to agency policies, and that the RLT members provide their advice and counsel. However, the fact that there are diverse opinions on the question of the role of the RLT, including 21% of respondents who either

didn't know the role of the RLT or had differing ideas, suggests that there is significant uncertainty about the role of the RLT throughout the organization.

Furthermore, based upon the survey results, as well as the DPT interviews, there is confusion about the RLT meeting agendas and about what decisions are made at those meetings. Part of this confusion comes as a result of staff being asked to prepare briefing materials for RLT meetings, but decisions or outcomes are not communicated. This leaves the impression that no decision was made – when in fact the issue was not on the agenda for a decision to be made. Perhaps the item was included as an informational update for RLT members, a decision was deferred as a result of a request for more information, or it was determined that the issue was not ripe for a decision at that time. There was acknowledgement that this might be the case, but the uncertainty and frustration that results can be attributed to the lack of clear communications about the agenda, purpose and outcome of the RLT meeting.

As previously indicated, the survey also showed that a significant number of respondents are not familiar with the DPT Report and they are not using decision making tools in making significant decisions. It is possible that a vague or unclear response from the RLT on the use of the DPT Report was a key factor in this particular result of the Team's survey.

Recommendations: The role of the RLT should be clarified and clearly communicated to employees. Mission and policy guidance should be clearly articulated to improve the appropriateness and consistency of decision making in Reclamation. Specifically:

- Communicate to Reclamation staff the role of the RLT and associated processes, including how related information will be shared. The Chief of Staff is tasked with this recommendation.

Summary of Conclusions and Recommendations.

In summary, Team 4 confirmed many of the conclusions and concerns identified in the DPT Report. While progress has been made to address some of the issues raised in that effort, there has not been widespread or consistent implementation of the recommendations or application of the tools provided in the DPT Report. Awareness of the DPT Report's conclusions was limited and 60% of the respondents indicated that they did not use any decision making tools -- either formal or informal when making significant decisions.

Team 4 recommends that Reclamation should:

- Clarify the principles concerning the consistent delegation of authority (i.e. is it intended to be centralized and to what level?). This should be done through the efforts underway as a result of activities of M4E Team 5.

- Identify opportunities to communicate decisions that have been made which have Reclamation-wide implications.
- Issue policies and guidance on documenting significant decisions that may have impact on Reclamation, as a whole, while considering and incorporating local circumstances.
- Incorporate corresponding guidance and instructions to that being prepared by the Solicitor's office into the Reclamation Manual to ensure that the procedures and processes needed to comply with the Departmental requirement are clearly and consistently applied and interpreted across Reclamation.
- Actively engage with the Solicitor's office to ensure that the Department Manual chapter in this regard meets the need of, and addresses, Reclamation's unique circumstances.
- Communicate to Reclamation staff the role of the RLT and associated processes, including how related information will be shared.