

RECLAMATION

Managing Water in the West

Managing for Excellence: Midterm Report

Mission Statements

The mission of the Department of the Interior is to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Indian Tribes and our commitments to island communities.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Managing for Excellence:
Midterm Report

Statement from Bob Johnson, Commissioner, Bureau of Reclamation

Over the course of 2006, Reclamation has focused our efforts to identify and address the specific 21st century challenges to fulfill our mission to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. An important catalyst for this evaluation was the National Research Council Report, "Managing Construction and Infrastructure in the 21st Century Bureau of Reclamation" (NRC Report) and the resulting *Managing for Excellence* Action Plan.

The attached report is an update on what we at Reclamation have been doing to increase transparency, efficiency, and accountability within Reclamation through the *Managing for Excellence* effort. This report will allow you to see the considerable progress Reclamation has made since the inception of *Managing for Excellence* and the direction Reclamation will take in 2007.



In 2006, Reclamation made a variety of decisions that will positively impact Reclamation customers and stakeholders. These decisions are the result of considerable investigation, exploration and examination by dedicated Reclamation staff, with consideration for the invaluable input and participation of Congress and customer and stakeholder communities.

We at Reclamation are determined to dedicate the resources needed to address our challenges. Reclamation will continue to dedicate resources to this effort and to communicate internally with employees and externally with Congress and our customers and stakeholders to ensure continued results. With your encouragement and input, the *Managing for Excellence* effort will reinvigorate our programs and provide optimum value to our stakeholders and customers well into the future.

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***Managing for Excellence* Midterm Report**

Introduction

The Bureau of Reclamation has prepared this summary report to provide an update of the progress made on the *Managing for Excellence* Action Plan (Action Plan) through January 5, 2007. This report provides background on the *Managing for Excellence* effort, a summary on the current status, and a description of how the *Managing for Excellence* effort will continue in 2007. Appendix A: Action Item Descriptions is a table that contains the action item description, the due dates, and the current status of the action item for all action items in the Action Plan. Appendix B: Completed Action Items presents information from the decision documents and summarizes the decisions of the completed action items.

Background

The Action Plan, published in February 2006, outlines a process and timeframe for identifying and addressing the specific actions that can be taken to increase transparency, efficiency, and accountability within Reclamation. Changing Reclamation's culture to prioritize the principles of transparency, efficiency, and accountability will improve our ability to fulfill our mission: to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

An important catalyst for this evaluation effort is the National Research Council Report, "Managing Construction and Infrastructure in the 21st Century Bureau of Reclamation" (NRC Report), which examines several facets of our organization, practices, and culture. Each of the NRC Report's recommendations is addressed in the Action Plan. The Action Plan identified 8 functional areas with individual action items under each that have due dates in calendar years 2006 and 2007. All action items are scheduled to be completed before December 31, 2007. The Action Plan is available through the *Managing for Excellence* Web site, <http://www.usbr.gov/excellence>.

The underlying principles and benchmarks that guide the *Managing for Excellence* Project are to:

- Improve the management and leadership processes, applications, staffing, responsibilities, and outcomes in Reclamation activities to increase transparency, efficiency, and accountability.

The *Managing for Excellence* Action Plan outlines 41 specific action items based on these principles and benchmarks. These action items are organized under eight key functional areas to identify and implement needed changes or improvements. The eight functional areas are: (1) relationships with customers and other stakeholders, (2) policies and organization, (3) engineering and design services, (4) major repair challenges, (5) project management, (6) asset sustainment, (7) research and laboratory services, and (8) human resources.

The process for the complete action items was as follows. A team lead and team members from different organizations in Reclamation were assigned. Each team completed the action described in the Action Plan and provided recommendations through the Reclamation Leadership Team to the Commissioner on how best to address the issues raised. Once the Commissioner's decision was made, implementation of that decision began. Although the philosophy of *Managing for Excellence* will continue into the future, the *Managing for Excellence* Action Plan will conclude after December 2007 and implementation will continue as part of Reclamation's normal business. The remaining action items will follow the same process.

Current Status

Through the midpoint of the *Managing for Excellence* process, Reclamation has been making decisions that will change the way Reclamation does business to increase transparency, efficiency, and accountability. Implementation of the Commissioner's decisions will impact customers in a variety of ways and make positive changes in their interaction with Reclamation. Customers and stakeholders will begin to experience the following changes in their interactions with Reclamation:

- Bills with more consistent information about the financial status of Reclamation projects
- More transparency in decisions due to easily identifiable Reclamation policies in the now readily-available Reclamation Manual
- Improved efficiency through the use of project management
- Improved project cost estimating through the implementation of new policies for independent oversight of project design and cost estimating

- Increased customer involvement on decisions regarding necessary repairs at Reclamation dams
- Stakeholder and customer consultation regarding ways to add value to major repairs
- Greater consistency in decision making as a result of clearer policies.
- The availability of valuable data to be used as Reclamation determines the right-size of the organization and develops a process to continually right-size now and into the future (Action Item 12: Right-sizing).
- A publicly available Web site with contracting and financial assistance guidance and examples.

Through January 5, 2007, Reclamation completed approximately 50 percent of the action items. An additional 4 action items are scheduled for completion in January of 2007. Table 1 lists those action items completed by January 5, 2007 that are now in the implementation phase which will continue as a part of Reclamation’s normal business. The results of completed action items are summarized in Appendix B: Completed Action Items. The composition of the teams and decision documents for all completed action items are available on the Internet at www.usbr.gov/excellence/. Reports are also available at the above link for those action items that resulted in a report.

Table 1. List of action items completed by January 5, 2007

Action item	Brief description
2	Make available the Reclamation Manual
3	Revise policy development to consider transparency and value added
4	Identify decision-making process gaps
5	Revise delegations of authority
6	Identify policy gaps
9	Workload evaluation
10	Evaluate workload in terms of commercial, commercial core, and inherently governmental
14	Perform pilot reviews for engineering, design, and estimating oversight
15	Develop policy and directives and standards for design and construction oversight
16	Engineering standards
17	Loan guarantees
18	Develop a process to determine the need for major repairs
19	Add value to major repairs
20-23	Project management
24	Establish and maintain a contracting repository
25	Financial status reporting for all infrastructure
37	Identify staff positions that require collaboration skills

While completing action items, Reclamation has identified areas for improvement that were not included in the original Action Plan that will improve transparency, efficiency, and accountability. These lessons learned will be used to improve the way that Reclamation functions. An example of a lesson learned is the need for all employees to have a consistent understanding of Reclamation policies. Reclamation intends to prepare a training curriculum and hold training sessions for managers to ensure a consistent understanding throughout the organization.

Outreach During 2006

Reclamation has made a concerted effort to keep the *Managing for Excellence* effort transparent to all interested parties. Reclamation has provided information to Reclamation employees through the use of meetings, conference calls, all employee memorandums, and in some cases video clips. Reclamation has also created two Web sites: one available on Reclamation's internal Web site and the other available to the public. All draft documents for review have been posted on the public Web site, along with an e-mail notification that the document is available for review. The Web site address is: www.usbr.gov/excellence. To join the e-mail notification, send a blank e-mail, with no text, to join-m4e@listserver.usbr.gov. Reclamation also has a link on the Web site to submit comments about the overall *Managing for Excellence* effort or individual action items. Comments are also accepted via e-mail at excellence@do.usbr.gov. Comments received from the public are posted on the Web site for viewing by the public.

On multiple occasions, Reclamation has testified before Congress on the *Managing for Excellence* Management Plan. On May 23, 2006, Acting Commissioner Rinne testified before the U.S. Senate Committee on Energy and Natural Resources. On April 5, 2006, Mark Limbaugh, Assistant Secretary of Water and Science (with Commissioner John Keys III in attendance) testified before the U.S. House of Representatives Committee on Resources Subcommittee on Water and Power.

Reclamation has also participated in multiple stakeholder meetings during 2006. In April 2006, Reclamation participated in a national stakeholder meeting hosted by the National Water Resources Association (NWRA). The Family Farm Alliance, Western States Water Council, and the American Public Power Association also participated. The meeting initiated a dialogue with stakeholders on priority *Managing for Excellence* action items and plans for future public involvement.

A second NWRA meeting was held in November 2006 and included three sessions on *Managing for Excellence*. Reclamation provided additional information on three of the functional areas and received feedback from the

NWRA members. Reclamation representatives and the Commissioner have also discussed *Managing for Excellence* at many other meetings.

Reclamation scheduled three public meetings in calendar year 2006 to disseminate information on the process and to create opportunities for feedback from the public. The first meeting occurred on July 10 and 11 in Las Vegas, Nevada. The second meeting occurred on September 19 and 20 in Salt Lake City, Utah, and the third meeting was held in Sacramento, California, on November 13 and 14. Additional meetings are scheduled in 2007. The public meetings were structured such that the public could participate in breakout sessions to learn more about specific action items and to comment on approaches and proposals. Summaries of the meetings are available on the *Managing for Excellence* Web site. Many of the action items include gathering information from customers and Reclamation employees through the use of surveys and meetings.

Managing for Excellence in 2007

In 2007, Reclamation plans to continue focusing the *Managing for Excellence* effort on improving Reclamation's culture to increase transparency, efficiency, and accountability as principles that carry through everything Reclamation does now and into the future.

Reclamation plans to continue with outreach efforts to ensure that the *Managing for Excellence* activities are transparent to the public and Reclamation employees. For internal outreach a lunchtime presentation schedule has been prepared for Denver Reclamation employees. A 2-day Manager's Meeting is also scheduled for February 2007 to make managers throughout Reclamation aware of the ways in which *Managing for Excellence* is going to affect their daily work, as well as to provide them with the necessary information they need to educate their employees. The Reclamation Leadership Team is committed to continuing efforts to reach out to employees on the *Managing for Excellence* effort through the use of all-employee memorandums, meetings, and conference calls.

In addition to internal outreach and a Manager's Meeting, Reclamation is also scheduling public meetings in 2007. The current plans call for three public meetings. The first public meeting is scheduled for February 27 and 28 in Albuquerque, New Mexico.

Reclamation will also continue to maintain the *Managing for Excellence* Web site, post draft products for review, and seek comments from the public and Reclamation employees. Table 2 lists the action items scheduled for completion in 2007.

Table 2. List of action items to be completed in 2007

Action item	Brief description	Due date
1	Strengthen relationships with customers and stakeholders	December 2007
7	Expedite policy for identified gaps (Action Item 6)	December 2007
8	Alternative scenarios	January 2007
11	Analyze cost of in-house performance of commercial workload versus outsourcing	November 2007
12	Right-sizing	July 2007
13	Analyze alternative funding for the Technical Service Center	August 2007
26-27	Identify opportunities to transfer and outsource operations and maintenance	September 2007
28	Find opportunities for title transfer	January 2007
29-30	Analyze and integrate operations and maintenance work into the budget process	January 2007
31	Benchmark operations and maintenance of water storage and distribution facilities	June 2007
32-33	Identify opportunities for using, retaining, consolidating, or eliminating Reclamation labs	February 2007
34	Continue PART goal implementation for research and development	December 2007
35	Increase core mission research and development	January 2007
36	Assess National Academy of Science's desalination review	December 2007
38-39	Collaborative competency curriculum	March 2007
40	Evaluate succession training program	November 2007
41	Workforce succession planning	March 2007

Additional Information

Additional information can be obtained in the following ways:

Internet Web site: www.usbr.gov/excellence

E-mail: excellence@do.usbr.gov

Telephone: (303) 445-2841

Appendix A: Action Item Descriptions

Item No.	Description of Task	Action Plan Due Date	Status	Team Leader
<i>Relationships with Customers and Other Stakeholders</i>		<i>Brenda Burman</i>		
1	Strengthen interaction with customers and other stakeholders at national, regional, and project levels to address Bureau-wide issues.	December-2007	Ongoing	Lorri Gray
2	Ensure that the Reclamation Manual policies and directives and standards are readily available on the Internet.	May-2006	Completed May-2006	Karl Stock
3	Revise Reclamation's centralized policy development process to require appropriate incorporation of the Secretary's 4C's, transparency, and value into Reclamation Manual policies, directives, and standards.	May-2006	Completed May-2006	Jim Kinney
<i>Policies and Organization</i>		<i>Roseann Gonzales</i>		
4	Identify structured decision-making process gaps and potential remedies, with particular attention to the recommendations from "Review and Decision Making in Reclamation."	December-2006	Completed Jan-2007	James Hess
5	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. This will allow Reclamation to respond effectively to the needs of its customers and other stakeholders in a manner that is consistent throughout the agency and which enhances the agency's credibility at all levels.	August-2006	Completed August-2006	Shannon Kersteins

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Item No.	Description of Task	Action Plan Due Date	Status	Team Leader
6	Identify "policy gaps" created by sunseting of the Reclamation Instructions (i.e., missing or inadequate Reclamation Manual Policy, Directives and Standards, technical guidance) that are critical to addressing current and near-term issues and challenges.	October-2006	Completed Oct-2006	Shannon Kersteins
7	Expedite the development of policy, directives and standards, and technical guidance determined necessary in the preceding step to assure that local decision-making is consistent with Reclamation's philosophy and stewardship responsibilities.	December-2007	Ongoing	Shannon Kersteins
8	Consider the scenarios discussed in Chapter Five of the NRC Report and what refinements, if any, to Reclamation's organizational structure may be useful in meeting future challenges under each of these scenarios.	December-2006 revised to Jan-2007	Ongoing	Lisa Vehmas
Engineering and Design Services		Maryanne Bach		
9	Conduct a comprehensive evaluation of historical and near-term workload in this area, including all design, estimating, and construction management work from the Technical Services Center, regions, and area offices.	July-2006	Completed Oct-2006	Jamie Macartney and Perry Hensley
10	Evaluate the identified workload in terms of its commercial, commercial core, and/or inherently governmental nature, in accordance with the definitions in Office Management and Budgeting Circular A-76. This will include the critical determination of the sustainable core capability needed to achieve Reclamation's mission-critical work.	November-2006	Completed November-2006	Gayle Shanahan

Item No.	Description of Task	Action Plan Due Date	Status	Team Leader
11	Analyze the unit to unit costs of in-house performance of the commercial workload vs. outsourcing.	November-2007	Ongoing	Jamie Macartney and Perry Hensley
12	Based on the results of the foregoing, complete a right-sizing process with regard to design, estimating, and construction management staff within the agency, including determination of the appropriate location and distribution of technical capability. A transition plan will then be developed and implemented to achieve the determined size, type, and location of staff resources.	April-2007 revised to July-2007	Ongoing	Jamie Macartney and Perry Hensley
13	Analyze the potential benefits and requirements/tradeoffs associated with alternative funding of the engineering and design staff. This would include an analysis of whether the costs of maintaining core capabilities within the Technical Services Center should appropriately be funded by direct appropriations, by water and power customers, or by some combination of the two.	August-2007	Start in 2007	Larry Walkoviak
14	Implement design engineering estimate oversight functions associated with the Design Estimate Construction/Dam Safety Office position; identify and conduct pilot reviews of key project feature construction estimates during FY 2006.	June-2006	Completed November-2006	Bruce Moore
15	Establish agency policies and procedures for the oversight of design and construction estimates.	October-2006	Completed November-2006	Bruce Moore
16	Analyze Reclamation's engineering standards; both the appropriateness of them and how they are applied internally and externally.	December-2006	Completed January-2007	Jerry Kelso

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Item No.	Description of Task	Action Plan Due Date	Status	Team Leader
Major Repair Challenges		Mike Ryan		
17	Seek/Obtain legislative authority for loan guarantees to facilitate private financing for water users' share of major repair/extraordinary Operations & Maintenance costs, prepare for subsequent program implementation.	August-2006	Completed September-2006	Sandie Simons
18	Develop processes or measuring tools to determine whether a major repair project is warranted.	December-2006	Completed January-2007	Tim Ulrich
19	Working with stakeholders, develop innovative processes that can add value to major repair projects.	September-2006	Completed January-2007	Steven Jarsky
Project Management		Rick Gold		
20	Identify and implement a project management process for all construction projects.	July-2006 revised to December-2006	Completed December-2006	Rick Ehat and Lauren Carly
21	Study the merits of developing a comprehensive and structured project management process for managing projects from inception through the planning and construction stages and into operation, and make a determination of whether such a process should be developed.	July-2006 revised to December-2006	Completed December-2006	Rick Ehat and Lauren Carly
22	If the results of the action item above so direct, develop this comprehensive, structured project management process and develop policies, directives and standards, and other guidance documents to assure effective implementation.	December-2006	Completed December-2006	Rick Ehat and Lauren Carly

Item No.	Description of Task	Action Plan Due Date	Status	Team Leader
23	Develop a training program for all personnel with project management responsibilities. This training program will incorporate existing project management tools as well as any processes developed as a result of the two action items above. It will also address decision-making, stakeholder relations, the differences between project and program management, and other topics relevant to successful project management.	December-2006	Completed December-2006	Rick Ehat and Lauren Carly
24	Establish and maintain a central repository for examples and appropriate guidance regarding procurement contracting.	December-2006	Completed December-2006	Karla Smiley
Asset Sustainment		Kirk Rodgers		
25	Establish and implement a standard, agency-wide process for evaluating and communicating the current financial circumstances of all Reclamation infrastructure, including cost invested, repayment status, Operations & Maintenance cost allocation, design life, facility condition, etc.	September-2006 revised to October-2006	Completed January-2007	Efraim Escalante
26	Determine where opportunities exist for beneficial transfer of Operations & Maintenance responsibility to water users and implement them.	June-2007 revised to September-2007	Ongoing	Randy Chandler
27	Determine where opportunities exist for beneficial outsourcing of Operations & Maintenance for reserved works and implement them.	September-2007	Ongoing	Randy Chandler

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Item No.	Description of Task	Action Plan Due Date	Status	Team Leader
28	Determine where opportunities exist for mutually beneficial transfer of title to project sponsors in order to eliminate Reclamation's responsibility and costs for those facilities, and encourage any that are appropriate.	June-2007 revised to January 2007	Prepared for Commissioner's Signature	Randy Chandler
29	Analyze effectiveness of current Operations & Maintenance planning (does it square with Reclamations Asset Management Plan, and is it is being done agency-wide.).	September-2006 revised to December-2006	Prepared for Commissioner's Signature	Randy Chandler
30	Integrate Operations & Maintenance planning with the budgeting process (analyze the extent to which the current Budget Review Committee process accomplishes this).	February-2007 revised to December-2006	Prepared for Commissioner's Signature	Randy Chandler
31	Benchmark Operations & Maintenance of water storage and distribution facilities in a manner modeled after current practices with power facilities, starting with pilot program.	June-2007	Ongoing	Mike Roluti
Research and Laboratory Services		David Achterberg		
32	Determine where opportunities exist for use of federal and non-federal lab services.	October-2006 revised to February-2007	Ongoing	Cliff Pugh
33	Determine where opportunities exist for retaining, consolidating and/or eliminating lab services within the Technical Services Center and regions.	February-2007	Ongoing	Cliff Pugh
34	Continue implementation of Program Assessment and Rating Tool (PART) goals for Research and Development: produce a 10:1 return on program Research and Development investment; Increase partnership cost-share, Increase Technology Transfer.	December-2007	Ongoing	Dennis Breitzman

Item No.	Description of Task	Action Plan Due Date	Status	Team Leader
35	Re-evaluate the Science & Technology Program Steering Committee's charge to increase opportunities to meet mission-core Research and Development needs in the future.	July-2006 revised to January-2007	Ongoing	Dennis Breitzman
36	Assess the National Academy of Sciences' review of the role of federal desalination Research and Development and consider recommendations.	December-2007	Start in 2007	Dennis Breitzman
Human Resources/Workforce		Larry Todd		
37	Identify critical positions where collaborative competencies are needed and refine position descriptions to include these competencies.	July-2006	Completed October-2006	Lorri Gray
38	Create a collaborative competency curriculum.	December-2006 revised to Mar-2007	Ongoing	Lorri Gray
39	Utilize the Department's Learning Management System to ensure that collaborative competencies are a part of each employee and manager's skill set.	March-2007	Ongoing	Lorri Gray
40	Evaluate the effectiveness of Reclamation's training and development programs in successfully planning for succession, including leadership development and technical training.	November-2007	Ongoing	CJ McKeral
41	Ensure that the conclusions reached and the decisions made as a result of all of the preceding action items are incorporated into Reclamation's current workforce and succession planning processes.	December-2006 revised to March-2007	Ongoing	Ann Gold

Appendix B: Completed Action Items

Completed Action Items

For the action items that are complete, a short summary of the decisions made are identified in this appendix. Additional information, including decision documents in their entirety and/or reports are available on the Reclamation *Managing for Excellence* Web site, available at the following link:

<http://www.usbr.gov/excellence/results/finalproducts.html>.

Additional information is not provided for those items that are prepared for the Commissioner's signature or are ongoing; although, in many cases draft decision documents and/or draft reports are available at the following Web site

<http://www.usbr.gov/excellence/results/draftproducts.html>.

Action Item 2: Make Available the Reclamation Manual

Action Item Statement from the Managing for Excellence Action Plan

Ensure that the Reclamation Manual Policies and Directives and Standards are readily available on the Internet.

Scope Statement

The task is to ensure that the Reclamation Manual Policies and Directives and Standards are readily available on the Internet. The key is "readily available." While the Reclamation Manual is, for the most part, currently on Reclamation's Internet site, it is difficult to access from the home page, and it is unlikely that Reclamation's external customers find it readily available. Reclamation staff and management are also audiences to which the Reclamation Manual should be readily available. In addition to the improvements to be made to the accessibility and format, other regulatory requirements not currently included in the Reclamation Manual Web site will be considered for inclusion. It is also an objective of the team to make Reclamation's internal and external stakeholders aware of the Reclamation Manual's location and familiarize them with its use. Making the Reclamation Manual readily available will increase transparency, efficiency, and accountability of decisions made by Reclamation.

Decision

The Acting Commissioner directed, by memorandum dated May 31, 2006, implementation of the following recommendations:

- The Director, Office Program and Policy Services should "go live" with the new content and organization for the Reclamation Manual Web site. Implementation status: Completed (<http://www.usbr.gov/recman/>).

- The Deputy Commissioner, External and Intergovernmental Affairs should send a memorandum to all Reclamation employees, providing a brief discussion of the existence, significance, and availability of the Reclamation Manual; directions to the new Web links; and an advisory to the recipients that comments and feedback are encouraged and can be submitted by following links on the site. Implementation status: Completed.
- The Deputy Commissioner, External and Intergovernmental Affairs should send a letter to appropriate national stakeholder organizations, congressional committees, offices, and staff identified by the Deputy Commissioner, External Affairs, providing a brief discussion of the existence, significance, and availability of the Reclamation Manual, directions to the new Web links, and an advisory to the recipients that comments and feedback are encouraged and can be submitted by following links on the site. Implementation status: Completed.
- All Regional Directors should send the letter, described above, to appropriate stakeholders they identified within their regions. Implementation status: Completed.
- The Director, Office of Program and Policy Services should ensure that future improvements to the Reclamation Manual will be coordinated by the Office of Program and Policy Services' Reclamation Manual Manager, who shall consider appropriate stakeholder suggestions, as well as the products of *Managing for Excellence* Team 5: Revise delegation of authority, Team 6: Identify policy gaps, and Team 7: Expedite policy of identified policy gaps. Implementation status: Ongoing.

Action Item 3: Revise Policy Development to Consider Transparency and Value Added

Action Item Statement from the Managing for Excellence Action Plan

Revise Reclamation's centralized policy development process to require appropriate incorporation of the Secretary's 4C's, transparency, and value into Reclamation Manual policies, directives, and standards.

Scope Statement

Revise Reclamation centralized policy development process to require appropriate incorporation of the principals of transparency, value-added requirements, and decision-making processes in Reclamation Manual Policies and Directives and Standards. Also, develop a procedure that will establish the process to be utilized by senior executives to request a waiver from a Reclamation Manual requirement.

Decision

The Acting Commissioner directed, by memorandum dated May 30, 2006, issuance of the following documents:

- Policy and Directives and Standards' Temporary Reclamation Manual Releases (TRMR), RCD TRMR-14: Mandatory Reclamation-Wide Requirements and the Directives System (the Reclamation Manual), RCD TRMR-15: Managing the Reclamation Manual, and RCD TRMR-16: Request for Waiver from a Reclamation Manual Requirement and Approval/Disapproval of the Request. Reclamation will operate under these three TRMRs for 1 year. Implementation status: Completed (<http://www.usbr.gov/recman/temporaryreleases.html>).
- The Office of Program and Policy Services will actively monitor, solicit, and collect comments on the TRMRs in preparation for leading the organizational review, revision (as appropriate), and re-release as permanent Reclamation Manual documents no later than May 31, 2007. Implementation status: Ongoing.

Action Item 4: Identify Decision-Making Process Gaps

Action Item Statement from the Managing for Excellence Action Plan

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

Scope Statement

Team 4 will build off past efforts to assess issues with Reclamation's decision-making process raised in the National Research Council and make recommendations for continuous improvement. Using the work of the previous Decision Process Team of 2004 as a starting point, Team 4 will assess how well Reclamation's current decision-making processes support consistent implementation of policy and long term goals. Team 4 will identify the extent to which recommendations and approaches in the 2004 report are being implemented, including positive results, lessons learned and gaps where best approaches are not being implemented widely or consistently. Upon completion of the analysis, Team 4 will make recommendations to increase the implementation of best practices and address gaps where there are identified problems with a lack of structured and consistent decision making processes.

Decision

The Commissioner directed taking the appropriate actions necessary to implement the following recommendations by memorandum dated January 5, 2007.

- All Directors should communicate decisions that have been made which have Reclamation-wide implications.

- The Director, Office of Program and Policy Services should evaluate the potential for incorporating Departmental guidance related to the compilation of Decision Files and Administrative Records into the Reclamation Manual. As appropriate, OPPTS should participate in any Departmental effort to address the subject matter in the Departmental Manual.
- The Chief of Staff should communicate to Reclamation staff the role of the RLT and associated processes, including how related information will be shared.

Action Item 5: Revise Delegations of Authority

Action Item Statement from the Managing for Excellence Action Plan

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. This will allow Reclamation to respond effectively to the needs of its customers and other stakeholders in a manner that is consistent throughout the agency and that enhances the agency's credibility at all levels.

Scope Statement

To refine and clarify Reclamation's delegations of authority, the team must first identify the need for new delegations and review existing delegations of authority from the Secretary and Assistant Secretary for Water and Science to the Commissioner. Upon identifying those delegations, the team must then identify the authorities that the Commissioner will re-delegate to other Reclamation positions. Once the delegations have been drafted, the team will develop a delegation of authority training module for line management. Having clear delegations of authority will increase the efficiency and accountability of decisions.

Decision

The Acting Commissioner directed the Director, Office of Program and Policy Services, by memorandum dated August 31, 2006, to implement the following recommendations:

- Finalize temporary delegation memoranda for the Departmental Manual and the Reclamation Manual. Implementation status: Ongoing.
- Finalize the permanent Departmental Manual and Reclamation Manual delegation of authority releases upon final review by the Executive Review Team and work with Reclamation's Leadership Team to identify staff who will work with the Office of Program and Policy Services to

ensure that Reclamation's delegations of authority are consistently updated and provide training to the staff person's specific organizations. Implementation status: Ongoing.

- Provide training and make the module available to offices throughout Reclamation. Implementation status: Ongoing.

Action Item 6: Identify Policy Gaps

Action Item Statement from the Managing for Excellence Action Plan

Identify policy gaps created by sunseting the Reclamation Instructions (i.e., missing or inadequate Reclamation Manual Policy, Directives and Standards, technical guidance) that are critical to addressing current and near-term issues and challenges.

Scope Statement

The team will identify and prioritize policy gaps by creating an inventory of Reclamation Instructions and comparing that inventory to the Reclamation Manual releases. In addition, the team will identify policy gaps that exist because of new organizational needs. Identifying policy gaps will help Reclamation to develop policy more efficiently.

Decision

The Commissioner approved, by memorandum dated October 30, 2006, the final prioritized inventory of policy gaps and directed the Director, Office of Program and Policy Services to:

- Facilitate the expedited release of Reclamation Manual Policy or Directives and Standards for those gaps determined to be the highest priority. The expedited policy will continue with Team 7: Expedite policy of identified policy gaps. The highest priority policy gaps are: Design, Estimating, and Construction Oversight; Cost Estimating; Project Planning; Title XVI Program; Program Coordination and Budget; and Operation and Maintenance Cost Allocation. Implementation status: Ongoing.
- Maintain the inventory of policy gaps. Implementation status: Ongoing.
- Coordinate a schedule for completion, with program offices responsible for developing Reclamation Manual Policy or Directives and Standards for the remaining gaps identified on the inventory. Implementation status: Ongoing.

Action Item 9: Workload Evaluation

Action Item Statement from the Managing for Excellence Action Plan

Conduct a comprehensive evaluation of historical and near-term workload in the area of engineering and design services, including all design, estimating, and construction management work from the Technical Service Center (TSC), regions, and area offices.

Scope Statement

Team 9 will evaluate and provide factual information on the historic and near-term workload associated with Reclamation's engineering and design services including design, estimating, and construction management activities. This workload information is one of many factors in developing proposals for efficiently and effectively obtaining the technical services needed to carry out Reclamation's mission objectives.

Decision

The Acting Deputy Commissioner, Operations forwarded the report entitled "Evaluation of Historical and Near-Term Workload" to the team for Action Item 12: Right-sizing. The report had the following findings:

- Workload, as measured by funds expended on technical activities, indicates that Reclamation's technical workload is greater than that which is accomplished with Reclamation staff alone. Reclamation utilizes outside technical resources to supplement its staff, outsourcing approximately 40 percent of the technical workload over the past three completed fiscal years. The technical workload has a slight increasing trend as a percentage of the Reclamation appropriations.
- Reclamation management practices have resulted in a net reduction of more than 2,000 positions over the past 15 years, which represents a 25-percent reduction in staff over that time period. During the past 15 years, engineering positions have accounted for the majority of this reduction.
- Technical workload is performed by different segments of the organization, with the more specialized technical workload being performed in the Technical Services Center and broader application workload performed in the regional and field offices.

Action Item 10: Evaluate Workload: Commercial/Commercial Core/Inherently Governmental

Action Item Statement from the Managing for Excellence Action Plan

Evaluate the identified workload in terms of its commercial, commercial core, and/or inherently governmental nature, in accordance with the definitions in Office of Management and Budget Circular A-76. This will include the critical

determination of the sustainable core capability needed to achieve Reclamation's mission-critical work.

Scope Statement

The objective is to provide Office of Management and Budget (OMB) Circular No. A-76 Federal Activities Inventory Reform (FAIR) Act classification guidance to be used to assist with *Managing for Excellence* initiatives to develop proposals for efficiently and effectively obtaining the technical services needed to carry out the Bureau of Reclamation's mission objectives.

Decision

The Director, Technical Resources transmitted the report entitled "FAIR Act Classification" and the Fiscal Year 2006 Act database to the team working on Action Item 12: Right-sizing. The report identified the following major points:

- Classifying activities in accordance with the FAIR Act is an evolving process. Refining and improving guidance and adjusting accordingly continue to improve each cycle. The rightsizing process will provide comprehensive guidance for Commercial Core for future FAIR Act Inventory processes. At some point, the FAIR Act Inventory process will become routine.
- While FAIR Act Inventory data are factors used in reviewing organizational alignment, FAIR Act classification GUIDANCE should be used to determine classifications for organizational alignment.
- Some activities performed may extend beyond the scope of Engineering and Design Services and Technical Services workload defined by Action Item 9: Workload Evaluation and some may be missing. The scope will be refined as a part of the right-sizing process.
- Determining commercial core classification requires a corporate perspective. These activities must be core to Reclamation's mission. As mission objectives change, so do commercial core requirements. For that reason, reviewing and adjusting organizational alignment is a continuous process and should be integrated into the model for Engineering and Design Services and Technical Services.

Action Items 14 and 15: Implement Design, Estimating, and Oversight Functions Policy and Procedures for Oversight of Design and Construction Estimates

Action Item 14 Statement from the Managing for Excellence Action Plan

Implement design engineering estimate oversight functions associated with the Design Engineering Construction (DEC)/Dam Safety Officer (DSO) position;

identify and conduct pilot reviews of key project feature construction estimates during Fiscal Year 2006.

Action Item 15 Statement from the Managing for Excellence Action Plan

Establish agency policies and procedures for the oversight of design and construction estimates.

Scope Statement

Tasks to be accomplished include:

- Issue call letter for Fiscal Year 2007-2009 for Design Engineering Construction reviews
- Issue temporary policy and Directives and Standards for Design Engineering Construction and Estimating
- Conduct pilot reviews on Auburn Dam Update, Temperature Control Device for Glen Canyon Dam and the Reservoirs along the All American Canal in Fiscal Year 2006
- Compile and prioritize Design Engineering Construction reviews for Fiscal Year 2007-2009

Decision

The Commissioner directed implementation of the following final recommendations for Action Items 14 and 15.

- The Director, Technical Resources should finalize and issue RCD TRMR-12: Independent Oversight of Design, Cost Estimating, and Construction and RCD TRMR-13: Identifying Design, Cost Estimating, and Construction Projects for which Independent Oversight Review is Required, and Performing those Reviews as Temporary One Year Reclamation Manual documents. Implementation status: Completed.
- The Director, Technical Resources, should complete and transmit for final disposition by the Deputy Commissioner, Operations a document package for fiscal years 2007, 2008, and 2009, containing projects recommended for review and projects requesting exception. Implementation status: Completed.
- The responsible Regional Director and the Director, Technical Resources should implement the decision-making process for implementation of Design Estimate and Construction review recommendations in accordance with the Policy, Directives and Standards for their respective pilot projects. Implementation status: Completed.

Action Item 16: Engineering Standards

Action Item Statement from the Managing for Excellence Action Plan

Analyze Reclamation's engineering standards; both the appropriateness of them and how they are applied internally and externally.

Scope Statement

Team 16 is to collect, review, and analyze both internal and external engineering standards to determine the appropriateness, effectiveness, and application of Reclamation's existing engineering standards.

Decision

The Commissioner directed the following with regard to **Design Data Collection**:

(1) The Director, Technical Service Center should finalize the draft Data Collection Guidelines and distribute them in a manner which ensures that all Reclamation offices are aware of their existence and of the benefits of their use. Implement the guidelines Reclamation-wide and provide training as needed. Implementation status: Ongoing.

(2) Regional Directors should assign Design Data Collection responsibilities for each region to one or more offices in that region that possess the necessary expertise to collect the data in a timely manner with either in-house staff or through contractors. This concept would be modeled after the regional construction office model. The team does not recommend that offices increase staff to specifically perform this task; rather, Reclamation should take advantage of the staff that already has the skills and capabilities to perform this task. Implementation status: Ongoing.

The Commissioner directed the following with regard to **Design Standards**:

(1) The Director, Technical Service Center should assemble a team, led by Technical Service Center design staff with members from Reclamation's Design and Construction Coordination Team and, if needed, retired Reclamation design staff, to comprehensively review the old Reclamation Instructions, Series 130, and all Reclamation design standards, such as formal design standards, design manuals, engineering monographs, technical memoranda, and commonly accepted practices to identify:

a. Standards to be retained "as is," including Reclamation design standards for high hazard/high risk projects and project features.

b. Standards to be updated by Reclamation, ensuring they utilize and reference all applicable current national standards.

c. Standards to be eliminated, including alternative sources for design guidance, such as applicable national standards.

d. Standards that do not currently exist and need to be established.

Implementation status: Ongoing.

(2) The Reclamation Leadership Team should identify sources of additional funding and reallocate the funding necessary for the Technical Service Center to perform the previous recommendation. Implementation status: Ongoing.

(3) The Director, Technical Service Center should ensure that the conduct of the preceding review is done in a manner that allows input from all Reclamation offices, as well as Reclamation's water and power users. Implementation status: Ongoing.

(4) The Director, Technical Service Center should ensure that the needed internal standards identified in the preceding review are updated and/or created. This activity will, by its nature, be an ongoing process that will need to be supported by adequate funding. Implementation status: Ongoing.

(5) The Director, Technical Service Center should formally announce the selection of each current standard for use by Reclamation, the update of each out-of-date standard, and each decision to eliminate unnecessary Reclamation standards to all Reclamation offices. Implementation status: Ongoing.

(6) The Director, Technical Service Center should post Reclamation Design Standards on Reclamation's Internet Web page to ensure they are readily accessible. Implementation status: Ongoing.

(7) The Director, Technical Service Center, in consultation with the Dam Safety Office, should maintain and update internal standards for Dam Safety, new dam design, and other high hazard/high risk facilities. Implementation status: Ongoing.

The Commissioner directed the following with regard to **Design Process**:

(1) The Director, Technical Service Center shall develop policies and standards related to design and engineering and the provision of the design- and construction-related Reclamation Manual documents. Include in the letter a clear statement of the need for all of Reclamation to comply with design policies. Implementation status: Ongoing.

(2) The Director, Technical Service Center should supplement the “Final Design Process” with recommended procedures to establish and implement a Communications Plan between stakeholders, local Reclamation office(s), and the design provider (either in-house or architect and engineering firms) to ensure critical stakeholder input can be integrated into the development of designs. Implementation status: Ongoing.

(3) The Director, Technical Service Center should enlist the Reclamation Design and Construction Coordination Team to evaluate more efficient methods to produce Reclamation designs, including an assessment of the impact to total project cost of using more performance-based specifications and off-the-shelf components in lieu of prescriptive designs. Implementation status: Ongoing.

(4) In response to the internal and external criticism regarding the cost of Reclamation designs and the time required to produce a product, the Director, Technical Service Center should monitor internal schedules and costs and collect the same for externally prepared designs and other documents to determine:

- a. How accurate the original cost estimate was for the proposed work.
- b. How many changes were required and at what cost.
 - i. Changes in scope
 - ii. Changes in cost estimate
 - iii. Changes in schedule

Implementation status: Ongoing.

(5) Regional Directors should determine capabilities of area and field offices to interact with and coordinate with stakeholders on design and construction projects, and designate a project leader (FAC 03-03) for those area offices that do not have capability. Implementation status: Ongoing.

(6) Regional Directors should ensure that those delegated the authority to perform program functions initiate the appropriate technical and economic dialog between the producers and receivers of design services. Implementation status: Ongoing.

The Commissioner directed the following with regard to the **Close-Out Process**:

(1) The Reclamation Design and Construction Coordination Team should develop guidelines and/or standards for a nondiscretionary close-out process that involves the users and beneficiaries of Reclamation’s designs. Implementation status: Ongoing.

(2) The Director, Technical Service Center should officially communicate the close-out process to all Reclamation offices via a letter.
Implementation status: Ongoing.

(3) The Director, Technical Service Center should develop a Web-based close-out questionnaire that can be e-mailed to all organizations involved in a design. Implementation status: Ongoing.

(4) Regional Directors should task one individual within each region to input the responses into an agency-wide read-only accessible database available for reference by future project managers. Implementation status: Ongoing.

The Commissioner also directed the Director of Technical Resources to provide a copy of the report to the *Managing for Excellence* Team 12: Right-Sizing.
Implementation status: Completed.

Action Item 17: Loan Guarantees

Action Item Statement from the Managing for Excellence Action Plan

Seek/Obtain legislative authority for loan guarantees to facilitate private financing for water users' share of major repair/extraordinary Operations and Maintenance costs, prepare for subsequent program implementation.

Scope Statement

The team's task is two fold:

- (1) Seek/obtain legislative authority for loan guarantees.
- (2) Prepare for subsequent program implementation. Reclamation-prepared legislation has been with the Office of Management and Budget since May 2005, which satisfies the first task. In addition, Senate bill 895, which was sponsored by Senator Domenici (NM) and co-sponsored by Senators Bennett (UT), Burns (MT), and Johnson (SD) was signed into law by the President on December 27, 2006. The team used it as a template with which to complete the second part of its task: to prepare for subsequent program implementation in a transparent manner.

Decision

The Acting Commissioner directed (by memorandum dated September 22, 2006) the Director, Office of Program and Policy Services to

- Send to the Reclamation Leadership Team for review and comment draft guidelines developed by Team 17 for review and comment and to finalize appropriate guidelines when legislation is enacted into law.
Implementation status: Completed.

- Develop the necessary forms in preparation for a loan guarantee program. Implementation status: Ongoing.
- Work with the appropriate offices, both inside and outside of Reclamation, in preparing for the implementation of the loan guarantee program. Implementation status: Ongoing.

Action Item 18: Develop Process to Determine Need for Major Repairs

Action Item Statement from the Managing for Excellence Action Plan

Develop processes or measuring tools to determine whether a major repair project is warranted.

Scope Statement

The primary driver underpinning many of the recommendations in the many recent reports evaluating Reclamation's performance can be summarized in the areas of transparency, efficiency, and accountability. Based on this observation, the team will focus its primary efforts on developing a process to include customers and stakeholders in decision making for major repair projects. The team also will complete an inventory of some of the conventional tools used to determine the need for a major repair, including discussion regarding the appropriateness of each in different situations.

Decision

The Commissioner directed by memorandum dated January 5, 2007 implementation of the following recommendations.

- Regional Directors will ensure that each area office has a documented process that is generally in accordance with the process chart included in the report (available on the Internet at <http://www.usbr.gov/excellence/finalproducts.htm>), but it should allow flexibility based on project-specific conditions. The process should stress customer involvement, including performing analysis of options and even performing major repairs, and consider opportunities for stakeholder partnership. Implementation status: Ongoing.
- All facility review teams (including Comprehensive Facility Review and Periodic Facility Review) are encouraged to include at least one customer representative, and all team members should be involved from start to finish. This requirement should be included in Reclamation Manual Directives and Standards FAC 01-04, FAC 01-07, and FAC 04-01. Suggested language and placement were included in redline. The final Directives and Standards wording additions are to be implemented by the Director, Office of Policy and Program Services (OPPS). The marked

Directives and Standards are available on the *Managing for Excellence* Web site at www.usbr.gov/excellence/finalproducts.htm. Area Managers are expected to invite a customer representative to be a member of the review team. The appropriate Reclamation manager remains the decision maker. Implementation status: Ongoing.

- The Reclamation operation and maintenance team should consider the advisability of combining some of the many different facility reviews. At the very least, the reviews should incorporate the asset management/assessment tools (i.e., HydroAMP, Facility Reliability Rating, etc). Direction to the operation and maintenance team will be provided by the Director, Washington Office Operations in consultation with the Directors of Safety, Security and Law Enforcement and Office of Program and Policy Services. Implementation status: Ongoing.

Action Item 19: Add Value to Major Repairs

Action Item Statement from the Managing for Excellence Action Plan

Working with stakeholders, develop innovative processes that can add value to major repair projects.

Scope Statement

The objective of the team is to produce recommendations to improve the accomplishment of major repair projects at water, power, and dam facilities. “Adding value” for this effort is defined as obtaining the greatest benefit in relation to cost from a required repair of a major component at a Reclamation facility. This does not necessarily mean completing a repair for the least cost, as the least-cost option could result in missed opportunities for life-cycle benefits. Internal and external outreach of staff, customers, and other stakeholders will be conducted, and results will be included in this report.

Major repair projects can be separated into two types: those with a relatively clear economic value and adequate financial resources that can be addressed with technical solutions, and those whose economic value is less clear with limited financial resources, requiring a combination of technical, social, and political solutions. This team will focus its efforts on the business culture, which could improve Reclamation accomplishments for either type of project. New and existing ideas for improving major repairs will be inventoried and listed. The end result will be a checklist for use by personnel responsible for the success of major repair projects.

Decision

The Commissioner directed the Deputy Commissioner, Operations, by memorandum dated January 5, 2007 to distribute the team’s report and ensure that

the following concepts are incorporated into the project management processes and integrated into future training programs, guidance, and directives and standards.

- Early and continuous involvement of customers and other stakeholders is a necessary ingredient for success in all aspects of major repair projects from planning through completion. Ensure that meaningful customer involvement is incorporated into all aspects of Reclamation project management processes. Implementation status: Ongoing.
- Explore existing options for Reclamation to utilize customers to assist with or complete repair projects when appropriate. If necessary, seek additional authority to allow customers to complete such projects where benefits can be realized. Implementation status: Ongoing.
- Ensure that funding continues for Reclamation to provide technical assistance for the review and oversight of its facilities and major repair projects on both reserved works (those operated and maintained by Reclamation) and transferred works (those operated and maintained by water users). Implementation status: Ongoing.
- Develop Reclamation-wide Indefinite Delivery Indefinite Quantity (IDIQ) contracts for services and supplies that are frequently required at Reclamation facilities. Post a listing of currently available Reclamation IDIQs on Reclamation's Intranet and include links to General Services Administration (GSA) Web sites describing GSA IDIQ contracts which could be used for major repairs. Implementation status: Ongoing.
- Using the team's inventory checklist as a model, develop an add-value guidebook that helps employees, customers, and other stakeholders make major repair projects successful. The audience for the guidebook would include all Reclamation staff, customers, and other stakeholders involved with major repairs. Post guidelines for adding value on applicable Reclamation Web sites. Implementation status: Ongoing.
- Incorporate processes to screen for methods which add value during all aspects of Reclamation's project management processes. Implementation status: Ongoing.
- Develop a presentation to communicate the improvements that can be made to Reclamation performance on major repairs by using the concepts in this report. Implementation status: Ongoing.
- Continue to develop, maintain, and expand partnerships among the Federal entities. Expand these efforts to specifically include a more formal method of sharing major repair experiences, such as expanding the

joint Power O&M Workshop to include other Federal entities involved in the power industry. Implementation status: Ongoing.

Action Items 20- 23: Project Management

Action Item 20 Statement from the Managing for Excellence Action Plan

Identify and implement a project management process for all construction projects.

Action Item 21 Statement from the Managing for Excellence Action Plan

Study the merits of developing a comprehensive and structured project management process for managing projects from inception through the planning and construction stages and into operation, and make a determination of whether such a process should be developed.

Action Item 22 Statement from the Managing for Excellence Action Plan

If the results of the action item above so direct, develop this comprehensive, structured project management process and develop policies, directives and standards, and other guidance documents to assure effective implementation.

Action Item 23 Statement from the Managing for Excellence Action Plan

Develop a training program for all personnel with project management responsibilities. This training program will incorporate existing project management tools, as well as any processes developed as a result of the two action items above. It will also address decision-making, stakeholder relations, the differences between project and program management, and other topics relevant to successful project management.

Scope Statement

Using stakeholder (internal and external to Reclamation) input, the Project Management Team will examine Reclamation's current practices for developing projects from inception to Operations & Maintenance to determine the most efficient and cost effective extent that project management can be implemented so that projects, or significant phases of large projects, are completed on time and within budget and scope; and develop implementing policies, directives and standards, other documents, and training.

Decision

By memorandum dated December 22, 2006, the Commissioner directed the Director, Office of Program and Policy Services, to proceed with implementation of Project Management (PM) by developing and issuing an appropriate Policy and Directives and Standards with the characteristics below. Other Directors were to begin implementation of these recommendations immediately. Implementation status: Ongoing.

- All Reclamation actions taken under the Safety of Dams Act shall require the practice of PM. For other projects, allow the appropriate Director, as delegated, to require PM to be practiced for all work that meets the definition of a project, allowing for the degree of PM application to fit the work to be performed. The “oversight” group noted below shall consider future guidance for the application of additional limits/thresholds.
- Incorporate PM into the existing organizational structure.
- Adopt the Project Management Institute’s PMBOK® (Project Management Book of Knowledge) Guide, an American National Standards Institute (ANSI) standard, as a source of definitions, concepts, principles, and philosophy.
- Provide training tailored around PMI; however, implement it as a supervisor/employee responsibility.
- Certification will be on a case-by-case basis as specifically determined by the line manager in consultation with the program manager, if applicable.
- Provide for a sponsored representative group of Project Managers to hold a periodic oversight forum of issues and experiences. This group would report to the Deputy Commissioner of Operations annually on the process of PM in Reclamation.

Action Item 24: Establish and Maintain Contracting Repository

Action Item Statement from the Managing for Excellence Action Plan

Establish and maintain a central repository for examples and appropriate guidance regarding procurement contracting.

Scope Statement

The objective is to facilitate effective results through the development and maintenance of a resource center of acquisition and financial assistance information for use by all employees of the Bureau of Reclamation and the public. The use of an Internet Web site will also increase transparency in Reclamation acquisition and agreement process.

Decision

The Commissioner directed implementation of the Internet page for acquisition and assistance related guidance and that the site be maintained by the Manager, Acquisition and Assistance Management Division. Implementation status: Completed - www.usbr.gov/mso/aamd.

Action Item 25: Financial Reporting for All Infrastructure

Action Item Statement from the Managing for Excellence Action Plan

Establish and implement a standard, agency-wide process for evaluating and communicating the current financial circumstances of all Reclamation infrastructure, including cost invested, repayment status, Operations and Maintenance cost allocation, design life, facility condition, etc.

Scope Statement

In order to better manage existing infrastructure, it is critical that Reclamation add to its knowledge an understanding of the business case for those facilities: the construction investment in the facility, the cost allocation, the repayment status, the O&M allocation, the annual commitment of Reclamation funding to O&M, the design life, the facility condition, and any known or planned significant future investments for Safety of Dams work or major rehabilitation needs. This Bureau-wide, project-by-project information will be invaluable for future decision-making regarding what actions relating to those facilities make sense, and who should do them. In addition, the transparency and value of construction and O&M costs are of critical importance for Reclamation and its customers. Opportunities have been created for meetings with customers, and input and information will be provided in a clearer and more understandable way.

Decision

The Commissioner directed implementation of Team 25's recommendations, by memorandum dated January 5, 2007. The recommendations are designed to improve the process for reporting project financial status to Reclamation's managers, customers, and stakeholders. The team's recommendations are listed below.

- (1) The Deputy Commissioner, Policy, Administration, and Budget should establish a Reclamation-wide team consisting of finance and repayment specialists to finalize the requirements and format of a project "Statement of Project Construction Cost and Repayment" (SPCCR) report as recommended in the Team 25 report. The SPCCR should be accompanied by graphic representations of the SPCCR information in the same format used by the Upper Colorado Region and as displayed in Team 25's report. These requirements should be completed and codified in Reclamation's Directives and Standards by June 30, 2007, for use in the preparation of the project SPCCR's for FY 2007. Implementation status: Ongoing.
- (2) The Deputy Commissioner, Policy, Administration, and Budget should complete the following actions: (1) preparation and issuance of guidance and direction for the initial development of the new "Facility Condition & Investment Summary" report recommended in the Team 25 report, (2) implementation of the new report on a pilot basis at selected projects by April 2007 to determine its value to Reclamation and its customers, (3) an

assessment of the results of the pilot, and (4) development of a recommendation on the future use of this report on a Reclamation-wide basis. Regional Offices should be consulted and invited to participate. Implementation status: Ongoing.

- (3) The Deputy Commissioner, Policy, Administration, and Budget should complete the following actions by May 31, 2007: (1) a review and improvement of the process for accounting and reporting project incidental revenues that is consistent throughout Reclamation's financial reporting systems and transparent to customers, and (2) the development of a new "Incidental Revenue Report" as recommended in the Team 25 report. Regional Offices should be consulted and invited to participate. Implementation status: Ongoing.
- (4) The Deputy Commissioner, Policy, Administration, and Budget should establish a Reclamation-wide team to develop the following two training courses: "Reclamation Project Financial Management for Managers" and "Reclamation Project Financial Management for Customers". The team should include representatives from the Finance, Repayment, and Public Affairs communities in Reclamation who have a solid understanding of Reclamation's financial and repayment program, as well as customer needs. The courses should be completed by March 2007, and should include the elements recommended in the Team 25 report. The development team should recommend an appropriate office to deliver, maintain, and update these courses as needed. Implementation status: Ongoing.
- (5) Each Regional Director, or Area Managers as appropriate, will (Implementation status: Ongoing):
 - Complete a FY 2006 "Statement of Project Construction Cost and Repayment" report for each project by no later than September 30, 2007. Beginning with the FY 2007 report, these annual reports should be completed no later than 6 months after the completion of Reclamation's annual financial statements. Graphic representations of the SPCCR data should accompany the report.
 - Complete a "Facility Condition and Investment Summary" report for each project facility on an annual basis if, after a pilot implementation, it is determined to be a viable report for all projects (see Recommendation 2 above). The report should be prepared in time to be used with customers in program planning and budget formulation for the current and future fiscal years.

- Complete an annual “Incidental Revenues Report” for each project following the guidance and directions resulting from Recommendation No. 3 above.
- Continue to provide project customers with O&M budget and cost reports as required by Reclamation Manual Policy WTR P05, with a special emphasis on reports that:
 - report information at a mutually agreed level of detail, whether that be by activity, object code, combination of activity and object code, or other level of detail,
 - report costs to the same level of detail as the budget,
 - identify the share of cost to be reimbursed (advanced) by the customer,
 - cover the current fiscal year budget plus the next two budget years,
 - include narrative explanations of significant variances of actual costs to current year budgets, and any significant variance between the current and future budget years,
 - are available on a mutually agreed schedule.
- Continue to meet with each project customer as required by Reclamation Manual Policy WTR P05, and as amended by this document, to:
 - review and discuss the status of the O&M budget and costs for the current year,
 - explain costs (what they are, where they came from, etc.)
 - explain any variances from budgeted or estimated amounts,
 - review and explain the information in SPCCR and the customer’s “construction repayment obligation”, including any increases/decreases for the year,
 - review and explain the information in the Incidental Revenues Report, and the application of any revenue credits against any amounts owed to Reclamation by the customer,
 - review and explain the costs being considered in development of power and water rates for the upcoming year,
 - review and explain the information in the “Facility Condition and Investment Summary” and any anticipated future O&M repair costs that the customer will share in,
 - seek customer input for the formulation of the O&M budget well in advance of the submittal to the BRC,
 - review and explain the O&M bill for the upcoming year,
 - and to identify any specific reporting needs of the customer for the upcoming year.

Meetings with the customer should be held a minimum of once or twice per year, or more often as mutually agreed.

- Require each Area Manager, Deputy Area Manager, and appropriate staff (those who develop or communicate financial information for customers) to have basic “Reclamation Project Financial Management for Managers” training within the first year of appointment to their position and once every 5 years thereafter.
 - Provide each Area Office with the necessary financial management training **specific to its project(s)**. This training should address the specific reimbursable and non-reimbursable investment costs of the project(s), how these costs are identified and allocated to the various purposes of the project, how the various costs are recovered or repaid, how O&M costs are accounted for, allocated, and recovered, etc.
 - Offer and provide each customer that has an outstanding repayment obligation to Reclamation, or that shares in the O&M costs of a project, a basic “Reclamation Project Financial Management for Customers” informational course at least once every 3 years, or more often as requested by the customer and agreed to by the Area Office.
 - Provide financial reports to customers via Adobe Acrobat Portable Document Format (PDF) or similar electronic format when requested by those customers.
 - Explore alternative means for reporting financial information electronically to customers when requested by those customers. Coordinate these efforts with the office of the Deputy Commissioner – Policy, Administration, and Budget.
- (6) The Deputy Director, Policy, Administration, and Budget should formalize the above recommendations in appropriate revisions or additions to Policy and D&S in the Reclamation Manual Series WTR and FIN.
Implementation status: Ongoing.

Action Item 37: Identify Staff Positions that Require Collaboration Skills

Action Item Statement from the Managing for Excellence Action Plan

Identify critical positions where collaborative competencies are needed and refine position descriptions to include these competencies.

Scope Statement

The objective of the team responsible for Action Item 37 is to identify critical positions throughout the organization that are required to engage with stakeholders in order to accomplish Reclamation's work. In addition, the team will recommend measures designed to establish collaborative practices at all

levels of the organization. This identification will allow for the modification of position descriptions to ensure that collaborative competencies are reflected in our daily work.

Decision

The Commissioner approved the three collaborative competency levels as described in the Collaborative Competency Levels Matrix and directed implementation of the following recommendations:

- The Director, Administration should, working through existing channels ensure that supervisors identify one level of collaborative competency for each Reclamation employee using the Collaborative Competency Levels Matrix. Implementation status: Ongoing.
- The Director, Administration should work with the human resources community to modify position descriptions to include collaborative competency language. Example language is available on the *Managing for Excellence* Web site at <http://www.usbr.gov/excellence/finalproducts.html>. Implementation status: Ongoing.
- The Director, Administration should work with the Reclamation Leadership Team in establishing the expectation of collaboration as a Reclamation value. Implementation status: Ongoing.