Subject: Working with Water and/or Power Contractors During Formulation of Operation and Maintenance Programs, and Providing Quality Service to Contractors During Current Year Program Activities

Purpose: Establishes a Bureau of Reclamation-wide policy that provides all water and/or power contractors who share in project operation and maintenance (O&M) costs the opportunity to participate in annual O&M Program formulation processes that directly impact them. Also reaffirms Reclamation’s commitment to provide quality service to all contractors during current year O&M Program activities.

Authority: The Reclamation Act of 1902 as amended and supplemented.

Approving Official: Commissioner

Contact: Policy and Administration (84-57000)

1. **Introduction.** Reclamation believes that efforts to deliver quality services in the most efficient and economical manner will be enhanced by working in partnership with our contractors to develop, review, and understand the O&M Program. Therefore, Reclamation is implementing policy that, while final O&M Program development and management decisions will remain with Reclamation, all contractors who share in project O&M costs will be actively provided the opportunity to fully participate in the development and formulation of the O&M Program. It is also Reclamation policy to provide contractors with quality service during current year O&M Program activities.

2. **Applicability.** This Policy applies to Reclamation staff involved in the O&M of Reclamation facilities.

3. **Definitions.** For purposes of this Policy, the following definitions apply:

   A. **Contractor.** A water and/or power user organization (customer) that has an active repayment or water/power service contract with Reclamation, a Federal power marketing agency, or a non-Federal operating entity and pays or shares in the O&M Program costs for operating and maintaining Federal projects or facilities managed by Reclamation.

   B. **O&M Program.** Annual O&M activities planned and accomplished by Reclamation personnel or by others under contract with Reclamation to ensure the structural integrity, operational reliability, environmental compliance, and continued longevity of Reclamation projects or facilities.
4. Responsibilities.

   A. Commissioner. The Commissioner is responsible for establishing Reclamation-wide Policy regarding the O&M Program and related activities.

   B. Regional Directors and Director, Policy and Administration. Regional directors and the Director, Policy and Administration are responsible for ensuring compliance with Policy regarding the O&M Program and related activities.

5. Implementation.

   A. Working with Water and Power Contractors During O&M Program Formulation. Appropriate Reclamation staff will:

      (1) Ensure all contractors are contacted at least annually to determine their desire to participate in Reclamation O&M Program formulation for those parts of projects or facilities in which they share O&M responsibilities and/or costs with Reclamation. This could be accomplished through normal billing processes to minimize workloads.

      (2) Provide all contractors who have expressed interest in participating the opportunity to work with Reclamation for the purposes of discussing, developing, and reviewing priorities and scheduled work that may be proposed in the program formulation process, and related cost estimates for O&M activities for those parts of projects or facilities in which the contractors share the O&M responsibility with Reclamation or pay a portion of the O&M cost.

      (3) Provide interested contractors the opportunity, within a mutually agreeable timeframe (typically a minimum of 15 working days), to review and comment on scheduled work and preliminary cost estimates for the coming year. Responses to comments will be provided to all contractors who submit comments within the agreed-upon review period.

      (4) Notify interested contractors of any significant changes (e.g., increases of 10 percent or another mutually agreed-upon percentage change) in the applicable timetable of scheduled work or final program formulation.

      (5) Review program information with interested contractors after Congress receives the President’s budget to provide an understanding of Reclamation’s proposed share of program activities.

   B. Providing Quality Service to Contractors During Current Year O&M Program. Appropriate Reclamation staff will:
(1) Provide current year O&M costs on a mutually agreeable schedule to ensure contractors are kept informed of any anticipated shortfalls or excesses in expenses that impact them directly.

(2) Ensure that all costs and charges billed to contractors are presented in a clear and understandable manner. Reclamation will be prepared to explain all costs and charges to our contractors.

C. Non-disclosure and Communications. Appropriate Reclamation staff will:

(1) Adhere to Executive Branch guidelines on nondisclosure of embargoed budget materials after the Budget Review Committee’s regional meetings and until the President's budget goes to Congress (e.g., the President's budget for the upcoming fiscal year would go to Congress in February of the current calendar year). Customers will be made aware of this governmental directive.

(2) Communicate to contractors that, due to factors beyond Reclamation’s control, the timeframes and review processes may be shortened in order to be responsive to Congress, the Office of Management and Budget, or the Department of the Interior. When possible, Reclamation will make every effort to minimize any adverse impacts to contractors associated with the O&M Program due to forces outside Reclamation’s control.