

March 31, 2008

Subject: *Managing for Excellence* Concluding Report

Dear Bureau of Reclamation Stakeholders:

The Bureau of Reclamation's ability to manage unique water and power development challenges has contributed significantly to the development of the West during the past century. Future growth in the West will continue to put significant pressure on available supplies. As competition for these scarce resources increases against a backdrop of significant budgetary constraints and increased scrutiny of financial operations, it is critical that Reclamation maintain and strengthen its capacity to work with our many partners in effectively meeting current and future water and power resources challenges in the Western States.

Reclamation has always believed in the philosophy of self-evaluation accompanied by necessary change. In addition to continual, evolutionary changes, Reclamation's history of adapting to changing conditions has been punctuated by several significant, far-reaching efforts to address major transformations in the roles, responsibilities, and expectations assigned to it by its customers and the public. *Managing for Excellence* (M4E) is the latest example of these landmark-type efforts.

In 2004, Reclamation requested a comprehensive evaluation by the National Academy of Sciences. The resulting report and its recommendations were addressed in the formulation of the *Managing for Excellence* Action Plan. During the past 2 years, Reclamation has worked through that action plan with the help of many dedicated employee teams and during numerous meetings with its staff, managers, customers, and other stakeholders. I want to extend Reclamation's sincere thanks to all of these individuals that have helped make *Managing for Excellence* a success.

These efforts have resulted in a great deal of insight into Reclamation's challenges and opportunities, numerous decisions on recommendations for improvement, and detailed implementation plans to help us accomplish the goals we've identified and committed to. This report documents the conclusion of the M4E effort and charts the course for ongoing implementation of the resulting decisions.

Reclamation now looks forward to working closely with its employees, customers, and other stakeholders to realize the goals of *Managing for Excellence* in the accomplishment of our mission over the coming years.

Bob Johnson, Commissioner  
Bureau of Reclamation

**MANAGING FOR EXCELLENCE**  
**FINAL REPORT**

**02/25/2008 Draft**

## What We've Learned

### ***Expectations – Efficiency, Transparency, Accountability***

Through the *Managing for Excellence* (M4E) effort, Reclamation has improved its understanding of the expectations of its customers and other stakeholders. We understand that these expectations can best be met if the agency achieves these three main goals in all of our actions: efficiency, transparency, and accountability. Efficiency in this context consists of providing real value to our customers in the products and services we offer them, and for which they are often required to pay a share.

Transparency means showing interested parties what we are doing, why we are doing it, and how it is being accomplished. Accountability requires that we hold ourselves responsible for accomplishing the things we've committed to.

### ***Collaboration***

One of the main conclusions to come from Reclamation's M4E activities is that developing and sustaining effective collaborative relationships with our customers and other stakeholders is key to accomplishing these objectives of efficiency, transparency, and accountability. The importance of effective collaboration is clearly evidenced in the stated objectives from customers expressed both informally in numerous M4E public meetings, and formally in the January 8, 2008 submission of M4E Customer Objectives. (See Appendix B). It is also evident from the findings of the various M4E Action Item teams, many of which are generally described below.

### ***Examples from the Different Functional Areas***

Reclamation's decentralized and empowered organizational structure has many advantages. It allows regional and area offices to respond quickly and efficiently to customer needs. Feedback from our customers and employees involved in the M4E initiative echoes that found in the NRC Report; many of the best practice examples identified by the M4E teams were developed by regional, area, or project office employees in direct collaboration with customers. This decentralized decision-making does present a few challenges. The primary ones identified during the M4E process included some confusion regarding delegations of authority within Reclamation, the role of the Reclamation Leadership Team, etc.; the communication of local decisions and best practices throughout Reclamation; and considerations of the impacts these local decisions and practices have on other offices and customers within Reclamation. Policies that provide guidance on these issues while continuing to empower local decision makers could help in meeting these challenges.

Reclamation has significant engineering and other technical capability in the Technical Service Center, as well as in the regional, area, and project offices – a capability our customers strongly favor maintaining. However, decisions regarding appropriate staffing levels, maintenance of core capability, and the most effective location of that capability, are sometimes impaired by a lack of accurate and complete data with regard to workload quantity and distribution, as well as accurate cost-comparisons of local versus centralized accomplishment, and in-house work versus outsourcing. An appropriately disciplined, agency-wide process for planning, scheduling, and sharing workload would contribute to the provision of high quality, cost effective technical services and the maintenance of the agency's core capability in this area.

Customers made it clear that Reclamation should develop collaborative processes that would involve them in the early stages of identifying, planning, and scheduling engineering and construction management services for which they will have financial responsibility, and that there should be flexibility in the scope of their involvement from one project to another. Many customers believe that if Reclamation sets clear standards and criteria for projects the districts perform, oversight functions and costs may be reduced.

In many cases, major repairs require significant financial contribution by customers. Early and continuous involvement of customers in major repairs projects can provide innovative solutions to the challenges presented by some of these projects, as well as helping the parties involved to prepare for their significant costs. Good examples of collaboration in this process have often been developed on a local or regional basis. Institutionalizing some of these best practices, or some mechanism to help develop similarly effective practices at other projects, will help Reclamation and its customers to more effectively confront the challenges of properly maintaining our infrastructure.

Reclamation has an effective Project Management program. However, its use has primarily been for major construction projects. Many employees have not been trained in its use on other applicable tasks. An effective project management process in many disciplines is needed to ensure that efficiency and accountability are not compromised.

While many good examples of effective information sharing were identified, it was also noted that Reclamation's financial management system often lacked sufficient transparency. Customers expressed a support for effective, agency-wide methods for communicating the current financial circumstances of Reclamation infrastructure, including cost invested, repayment status, O&M cost allocations, design life, and facility condition, etc. Consequently financial statements were sometimes unclear to customers and even to Reclamation managers in some cases.

The examples of effective communication of financial information to customers were often dependent on particular individuals. Developing a means of institutionalizing these best financial practices would help to ensure they are continued beyond the tenure of the individuals who have developed them. Increasing the knowledge of financial management tools available to Reclamation managers would also contribute to more consistency in effectively communicating useful financial information to customers.

Employees are our most important resource because they engage with stakeholders on a day-to-day basis in order to accomplish our mission. Every position within Reclamation will benefit from collaborative competency skills at some level. Collaborative competencies are as important as the technical skills of our workforce in meeting the needs of our customers and stakeholders, and they take time and resources to develop. Effective succession planning is also necessary to ensure that the things we're doing right continue to be done as we experience significant turnover in our workforce due to retirements and other factors. Succession plans are especially important in an environment of increasing workload fluctuation, and where staffing is trending toward minimal levels necessary to maintain core capabilities.

## What We've Done, and What You Can Expect

As Reclamation concludes the activities laid out in the *Managing for Excellence* Action Plan, it's fair to ask us what you will see as an employee, customer, or other stakeholder as a result of this significant undertaking. This section of the report proceeds to address that question, discussing the decisions we've made, those that have been implemented, our plans for completing the remaining implementation tasks, and ongoing commitments to improve the way we do business.

### ***Decisions on Action Items***

As a result of the M4E initiative, the Commissioner has signed final decision documents regarding the reports, findings, and recommendations of each of the 41 action item teams. Before making each of these final decisions, and in many cases throughout the process leading up to them, substantive opportunities for review and comment were provided to employees, customers, and other stakeholders. Details regarding these recommendations and decisions can be found in Appendix A, or on the *Managing for Excellence* website [link to: <http://www.usbr.gov/excellence/Implementation/index.html>].

With these decision documents, Reclamation has committed to over 100 individual implementation tasks that address the recommendations of the teams assigned to the individual action items. While these tasks cover a broad range of disciplines and functional areas within Reclamation, and the details are indeed important, they all share the common objectives of greater efficiency, transparency, and accountability. Further, it should be noted that each of these recommendations and corresponding decisions have been made with careful consideration of the appropriate balance between centralized policy development that reflects corporate priorities, and a significant degree of flexibility in local implementation that preserves the innovation and creativity necessary for effective collaboration with individual customers. As a result of the implementation of these decisions, following are some of the outcomes you can expect to see:

- more opportunities to collaborate in:
  - development and implementation of policies and business practices;
  - decisions regarding roles and responsibilities for continuing operation and maintenance of Reclamation projects;
  - determining how, where, and by whom both construction and non-construction work is accomplished;
- availability of state of the art engineering and design services, tailored to individual project needs, with continual improvements in cost-effectiveness;
- greater availability of useful, consistent financial information on projects for which you have oversight, management or cost-sharing responsibilities, including opportunities to participate in development of related budgets;
- a Reclamation workforce with a strong commitment to effective collaboration, and one which will maintain this commitment and capability into the future.

The next section of this report contains a discussion of many of the detailed implementation tasks which will lead to these outcomes.

### **Status of Implementation Tasks**

As mentioned previously, Reclamation has committed to over 100 individual tasks to implement the decisions that have been made as a result of the M4E exercise. As of the date of this report, more than half of these tasks have been completed. This section will highlight many of these implementation tasks and how they will lead to greater efficiency, transparency, and accountability within Reclamation. Discussion of these implementation tasks is organized under the 8 functional areas outlined in the *Managing for Excellence* Action Plan, with the completed implementation tasks generally being discussed first, followed by reports on many of the implementation tasks that are in progress. The Action Item number (AI-x) and corresponding task ID number associated with each implementation task discussed below is provided for ease of referencing more detailed descriptions of each task in Appendix A or on the webpage given below. The deliverables related to these tasks, and the status of their accomplishment, are available on the Implementation Status page of the *Managing for Excellence* website [link to: <http://www.usbr.gov/excellence/Implementation/index.html> ]

### **Communication: Strengthening Relationships**

Reflecting perhaps the central goal of the M4E implementation effort, a Reclamation Manual Policy has been drafted establishing Reclamation's philosophy and corresponding requirements for collaboration with customers and other stakeholders. The more detailed application of this policy for individual program areas is covered in RM Directives and Standards and additional guidance developed or proposed as a result of the M4E activities under other functional areas, such as those associated with Action Items 3, 12, and 18. (AI-1)

The Reclamation Manual (RM) will be one of several vehicles to consistently and transparently communicate policies and practices both internally and externally. Through a number of sensible, straightforward changes such as the online access path and its visual organization, the RM website has been improved for both internal and external users. Customers and employees have been advised of the purpose, significance, and availability of the RM, along with directions to the new web link, <http://www.usbr.gov/recman>, where comments and feedback are encouraged and can be provided online. (AI 2; DCEIA-1,2; DCOPPS-1,2; RD-1)

Reclamation has issued temporary RM Policies establishing requirements for the development of RM documents. These include requirements for a minimum 30-day internal review, and a minimum 30-day posting of draft Policies and Directives and Standards on the RM web site to solicit public comments. An inventory of draft Policies and Directives and Standards under development will be maintained and available online. Final versions of these temporary policies are expected to be completed by May 2008. (AI-3,7; DOPPS-3,4,19,20)

### **Policies and Organization**

Reclamation's Leadership Team (RLT) is comprised of our senior executives from our offices in Washington D.C., Denver, and the five Regions. The role of the RLT has been communicated to all Reclamation employees. The RLT provides a forum for discussion

and deliberation of major issues affecting Reclamation, in order to assist the Commissioner in making policy decisions and providing administrative and programmatic guidance. (AI-4; COS-1)

Reclamation has drafted refinements and clarifications to its delegations of authority from the Commissioner to other appropriate Reclamation positions. This was accomplished through a review of relevant laws, the Departmental Manual, and existing delegations of authority. We expect these to be finalized during 2008. Once the revised delegations have been adopted, a training module will be developed for use by line managers. As new authorities are enacted or provided, the delegations will be updated and provided to management as appropriate. (AI-5; DOPPS 6,7,8)

Reclamation has identified policy gaps created by the sunset of the Reclamation Instructions or because of new organizational needs, and maintains an inventory of these here [<http://www.usbr.gov/recman/Postinginventory.pdf>]. The areas given the highest priority for development of Policies and Directives and Standards were those critical to addressing current or near-term issues and challenges. These include: Cost Estimating; Design, Estimating, and Construction Oversight; Title XVI Program; Operation and Maintenance Cost Allocation; Program Coordination and Budget; and Report Certification/Project Planning. Policies and/or Directives and Standards have been developed in the first three areas listed, and are expected to be completed for the remaining three areas during the first half of 2008. (AI-7, DOPPS-9,10,11,21,22)

A report analyzing alternative scenarios for future infrastructure management was completed in May 2007 and provided to the RLT for further distribution. The report is available on the Final Products page of the M4E Website. (AI-8; DOPPS-23)

Reclamation will build upon past efforts to more fully implement its existing decision-making process into day-to-day decisions and continue to communicate those decisions that have Reclamation-wide impact or implications. This will require each Director to communicate significant decisions internally and externally as appropriate through decision papers and other documentation. (AI-4; All-1)

Appropriate staff in Reclamation will work with the Department of Interior (DOI) Solicitor's Office to take advantage of any opportunities for input in the Departmental Manual chapter on compiling Decision Files and Administrative Records currently being developed so that it is compatible with Reclamation's M4E Action Item 4 decisions. (AI-4; DOPPS-5)

### ***Engineering and Design Services***

Reports presenting the results of three major efforts – to evaluate Reclamation's historical and near-term workload, classify its engineering and other technical positions in accordance with the FAIR Act, and compare unit to unit costs of in-house work vs. outsourcing – have been completed and provided to M4E Team 12. These were used in developing a business model for technical services and evaluating the appropriate size,

type, location, and utilization of engineering and other technical staff within Reclamation. (AI-9,10; T9,10)

Throughout much of 2006 and 2007, M4E Team 12 has made significant efforts focused on developing collaborative processes for involvement of customers in decision-making about engineering, design, and construction work, and on addressing Reclamation's internal workflow and workload distribution processes with regard to who provides engineering, construction management, and other technical services. Extensive, productive collaboration on this effort has taken place at several public meetings with customers and other stakeholders; communications to and responses from Reclamation employees; and deliberations with the RLT during this timeframe.

"Rightsizing" is a continual, iterative process, and its successful accomplishment depends on having clearly articulated strategic goals regarding maintenance of core capability, cost effective provision of services, high quality data, and consistent business practices to inform the process. As such, Team 12's final product is not a transition plan setting forth a recommended number for the current or future size of Reclamation's engineering and other technical services workforce. Rather, the team's product is a set of organizational arrangements and business practices (i.e., a business model) that maintains the advantages of a decentralized organizational structure, but will enable Reclamation, in collaboration with its customers, to continually evaluate the staffing needed to maintain its core engineering and other technical service capabilities and accomplish its mission in an efficient, transparent, and accountable manner. While some potential organizational adjustments will be addressed, they will not involve major changes in our current structure of service delivery via area offices, regional offices, and the Technical Service Center, nor a major centralization of engineering and technical services staff. One of the most important components of Team 12's recommendations, and the accompanying implementation tasks, is the establishment of a collaborative process that will help ensure decisions regarding how engineering and other technical services work is accomplished are transparent to customers and provide excellent value. The decisions regarding Action Item 12 directly address numbers 3, 5, 6, and 8 of the January 8, 2008 Customer Objectives for the *Managing for Excellence* initiative (AI-11,12,13)

Independent oversight of design, estimating, and construction (DEC) functions has been established under a Senior Advisor for DEC and Dam Safety functions who will help to assure Reclamation's executive level managers that major decisions and products related to design, cost estimating, and construction are sound at both the project and Reclamation-wide levels. RM Policies and Directives and Standards addressing these functions have also been issued. (AI-14,15; DTR-1,2,3)

Reclamation has implemented or is in the process of implementing improvements to its overall engineering standards with regards to design data collection, design standards, the design process, and the closeout process. The design data collection guidelines have been finalized to provide a comprehensive listing of data to be collected for the preparation of any appraisal, feasibility, or specifications designs performed by or for Reclamation. These guidelines are available on the intranet to all Reclamation offices,

and each region will assign design data collection responsibilities to offices in that region. (AI-16; DTR-17)

A comprehensive review of the Reclamation Instructions, Series 130 design standards (sunsetting in 1993) is being undertaken with regard to formal design standards, design manuals, engineering monographs, technical memoranda, and commonly accepted practices. The review will allow for both internal and external input and will determine what standards will be incorporated into the Reclamation Manual. (AI-16; DTR-5)

Clear and concise Policies and Directives and Standards developed by the Office of Technical Resources regarding the total design process will ensure consistency in Reclamation's decentralized organization. In coordination with the business practices being proposed by Team 12, the "Final Design Process" will be supplemented to establish and implement a communications plan between customers, local Reclamation offices, and the design provider to ensure stakeholder input in development of the designs. (AI-16; DTR-11,12)

Reclamation will evaluate alternative methods to more efficiently produce designs that are intended for construction solicitations, including an assessment of the impact to total project costs of using more performance based specifications and standardized designs. Reclamation will also begin monitoring internal and external costs and schedules for designs to assess the total costs to complete designs versus the initial estimates.. A Directive and Standard will be drafted establishing a process to ensure project closure and acquire valuable customer information related to design services. (AI-16; DTR-13,14,15,16)

### ***Major Repair Projects***

Feedback from customers both prior to and during the M4E effort indicated a significant interest in re-instatement of direct, interest-free loans under the Rehabilitation and Betterment Act of 1949, the Small Reclamation Project loans program, or similar alternatives. Reclamation has heard and understands this interest. However, current funding limitations are likely to prevent the use of these programs in the near future. Therefore while it may be considered for potential legislative action in the future, it was not addressed by the action items or resulting decisions of the M4E effort.

Title II of Public Law 109-451, The Twenty-First Century Water Works Act, was enacted December 22, 2006, authorizing the Secretary of the Interior to provide loan guarantees for, among other things, extraordinary maintenance and/or rehabilitation of Reclamation project and project-related facilities. Reclamation has prepared a draft rule establishing eligibility criteria and other requirements for a Loan Guarantee program and developed other necessary forms to administer the program. We are continuing to work with the Office of Management and Budget to obtain approval to publish the draft rule in the Federal Register for public review and comment, as well as other actions necessary to prepare for implementation of the program. (AI-17; DCOPPS-12,13,14)

Each Area Office will have a documented major repair process in place readily available to customers and other stakeholders. This has been completed in the Pacific Northwest Region, and is underway in the remaining regions. The major repair process will recognize the need for flexibility to account for differing project-specific conditions and will emphasize customer involvement, including opportunities, if desired, to develop partnerships with other potential stakeholders, perform the analysis of alternatives, perform the major repair work itself, and other meaningful involvement. (AI-18; RD-6)

Directives and Standards related to facility reviews will be changed as appropriate to require that area managers invite a customer representative to be a member of the review team and that all team members on a facility review be involved from start to finish. In addition, the Reclamation O&M team will consider combining some of the many different facility reviews, in particular, the asset management and assessment tools such as HydroAMP, Facility Reliability Rating, etc. (AI-18; DCPAB-6; DOPPS-15)

Reclamation will continue to pursue funding for technical assistance for reviews and oversight of its facilities and major repair projects on both reserved and transferred works. Frequently acquired Indefinite Delivery Indefinite Quantity (IDIQ) contract services and supplies for Reclamation facilities will be available to employees internally on the intranet along with links to GSA websites describing contracts which could be used for major repairs. And finally, a value-added guidebook and training will be developed that helps employees, customers, and other stakeholders make major repair projects successful. (AI-19; DCO-1,2,3,4,5)

### ***Project Management***

Reclamation will provide direction for use of project management in RM Policy and Directives and Standards, which have been drafted and distributed for review. These are designed to provide for continuity and the transfer of responsibility from one major project phase to another (such as from planning, to design and construction, to O&M) in an efficient manner. Appropriate directors, as delegated, will require project management to be practiced for all work that meets the definition of a project allowing for the degree of project management application to fit the work to be performed. Appropriate management and staff will receive training with formal certification handled on a case-by-case basis. A member of the RLT will provide oversight and hold periodic forums to address issues and share experiences in project management and report annually to the Deputy Commissioner. (AI-20-23; AII-2; DCOPPS-16)

Reclamation now provides “one-stop shopping” through an easily accessible internet resource center for acquisition and assistance related guidance and information which includes the acquisitions and assistance process overview; roles and responsibilities; more detail about the steps in the process; common scenarios; contract types; documents and templates for all Reclamation employees and outside clients. This web site is located at <http://www.usbr.gov/mso/aamd>. (AI-24; DA-4,5)

### ***Asset Sustainment and Financial Management***

Reclamation-wide standards for Statements of Project Construction Costs and Repayment (SPCCR) have been established, and these will be consistently prepared and presented across Reclamation as established in RM Directives and Standards (FIN 06-02). The new standard format of the SPCCR includes graphics and tables illustrating construction costs, allocation of those costs, and the status of repayment, that can be easily understood by Reclamation employees, customers, and other stakeholders. (AI-25; DCPAB-1)

Regional or area managers will meet with customers, as mutually agreed to, to review and discuss the status of O&M budgets and costs for the current year; explain costs and any variances; review and explain the information in the SPCCR, including any changes from year to year; review and explain the costs being considered in development of power and water rates; seek input for the formulation of the O&M budget well in advance of submittal to the Reclamation Budget Review Committee (BRC); review and explain the O&M bill for the upcoming year; and identify any specific reporting needs of the customer for the upcoming year. (AI-25; RD10,11)

A “Facility Condition and Summary Report” that reports facility reliability as well as any significant or extraordinary O&M expenditures anticipated in the near future has been developed and is being piloted for selected facilities. The team responsible for piloting this report is seeking input from Reclamation managers and customers regarding the usefulness of the report in helping managers to more effectively present their budgets and utilize sound business principles in managing Reclamation’s vast infrastructure, and in helping customers to more accurately forecast their own budgets and set assessments more effectively. (AI-25; DCPAB-2)

Incidental revenue reports have been developed that display the amount, type, and source of incidental revenues credited to a project, application of those revenues to the various functions of the project; and accumulation of tail-end repayment credits where appropriate. The reports will be presented consistently throughout Reclamation’s financial reporting systems to provide greater transparency. (AI-25; DCPAB-3)

Comprehensive financial management training programs have been developed for both Reclamation managers and customers, and are currently being piloted. The final training programs will be required of Reclamation managers and offered to customers to promote a better understanding of the use of project financial information. (AI-25; DCPAB-4; RD-12,13,14,15)

These decisions in the financial management area, and their corresponding implementation tasks, directly address the first two of the January 8, 2008 Customer Objectives for the *Managing for Excellence* initiative.

While Reclamation currently has an agency Title Transfer process in place, draft legislation has been prepared that would establish a title transfer Program and would provide authority for Reclamation to transfer title to specific types of projects in a more expeditious manner. The draft legislation would allow Reclamation to transfer certain

projects, facilities and parts of projects that are considered to be less complicated and controversial, based upon a set of criteria, without need for further legislative action. More complicated or controversial transfers would still require additional Congressional authorization. Reclamation is currently working with OMB and other Executive branch agencies to complete development of the proposed legislation and hopes to have it submitted to Congress by early spring of 2008. (AI-28; DCEIA-3)

While Reclamation concluded after its initial analysis that it would not be beneficial to conduct formal benchmarking of the O&M of its water storage and conveyance facilities, we expect that many of the financial management improvements undertaken as a result of the M4E exercise will contribute significantly to the efficiency of O&M activities of Reclamation and its customers. (AI-31)

Reclamation's Facilities O&M team is addressing the recommendations of M4E Teams 29 and 30. These include the development of a quantifiable prioritization framework for O&M to be used in the Reclamation-wide BRC process that is flexible enough to accommodate special situations; an analysis of the past 10 years of expenditures for large RAX items (replacements, additions, and extraordinary maintenance), normal RAX items, and congressional write-ins; development of a strategy for the next 10 to 20 years for a capital rehabilitation investment plan to ensure the funding strategy needed to successfully address RAX needs; and evaluation of opportunities to improve procurement, design, and construction management practices in support of O&M planning and execution. (AI-29/30; DOPPS-17,18)

### ***Research and Laboratory Services***

Reclamation evaluated the role and use of laboratory services. As part of this evaluation, Reclamation developed an inventory of current laboratory service capabilities and the roles those capabilities served in carrying out the mission of Reclamation. Reclamation-operated laboratories are integral to the work of groups performing engineering and scientific analyses, field investigations, and construction management support to help Reclamation fulfill its mission responsibilities. Where laboratory services involve standardized testing to support operational decision making, Reclamation uses either in-house testing capabilities or accredited private laboratories based on both cost and logistical considerations. A key product of this effort was the development of decision evaluation tools for assessing opportunities for retaining, consolidating or eliminating lab services provided by specific internal Reclamation laboratories. As a result of the evaluation, specific recommendations for consolidation of selected laboratory groups in the Technical Service Center were made. With this consolidation, all capabilities will remain, but at a reduced capacity and with reduced costs. (AI-32/33)

Reclamation has initiated appropriate actions to support accomplishment of the PART (Office of Management and Budget's Program Assessment Rating Tool) goals associated with Research and Development, e.g., producing a 10:1 return on investment, increasing non-Reclamation cost sharing, and improving the transfer of technologies resulting from the R&D program. (AI34/35)

### ***Human Resources/Workforce***

Reclamation has modified position descriptions for all of its employees to address collaborative competency requirements for each individual position. The Commissioner has communicated both formally and informally with all employees regarding the expectation of collaboration in all Reclamation activities, providing examples of successful practices. Further, individual development plan templates have been established which include training plans for employees on collaborative competencies, and tools have been developed to assist managers in selecting applicants for employment with consideration of their collaborative skills. (AI-37/38/39; DA-1,2,3,6,7,8)

### ***Other Efforts to Achieve Efficiency, Transparency, and Accountability***

A new website has been launched by Reclamation, titled Efficiency, Transparency and Accountability (ETA). The ETA website is another way for the public and Reclamation employees to receive current information on Reclamation's efforts to implement the decisions resulting from the *Managing for Excellence* initiative, as well as other activities related to efficiency, transparency, and accountability at Reclamation. This website, along with other media avenues, such as a newsletter, press releases, reports and email will keep stakeholders and employees informed about Reclamation's latest efforts, at <http://www.usbr.gov/eta/>.

## **Conclusion**

Reclamation, its employees, customers, and other stakeholders have all invested significant effort in accomplishing the *Managing for Excellence* Action Plan. The results of this effort represent a very real improvement in our understanding of what is expected of Reclamation, and how those expectations can be most effectively met. The goals we have set of efficiency, transparency, and accountability in accomplishing our mission of delivering water and generating power, and our commitment to achieve these goals by collaborating with our employees, customers and other stakeholders, will help to inform and motivate Reclamation's actions and conduct for years to come. All participants in this effort can be proud of the contributions they have made, and have confidence in the positive and lasting effects the *Managing for Excellence* effort will have as Reclamation projects and programs continue to serve the interests of millions throughout the Western United States.

# APPENDIX A

## **APPENDIX A—ACTION ITEM RECOMMENDATIONS**

Following is a summary of all 41 Action Items including their recommendations and current implementation status.

### **Relationships with Customers and other Stakeholders**

#### ***Executive Sponsor: Roseann Gonzales***

Action Item 1: Strengthen Relationships with Customers and Other Stakeholders

***Team Lead: Lorri Gray***

***Action Item Statement from the Managing for Excellence Action Plan:*** Strengthen interaction with customers and other stakeholders at national, regional, and project levels to address Bureau-wide issues.

#### ***Scope Statement***

The goal of the activity is to strengthen communication and coordination with customers and other stakeholders at all organizational levels of Reclamation regarding Bureau-wide issues. This includes identifying and providing opportunities for stakeholders to become aware of proposed activities and effectively participate in the planning, policy and decision-making processes where appropriate. An outcome of this Team is to have more of a participative relationship with stakeholders and a more informed group of stakeholders. A key element in achieving this outcome is providing a process for hearing and incorporating feedback from customers.

#### ***Decision***

The Commissioner directed the Deputy Commissioner for External and Intergovernmental Affairs, in collaboration with the Deputy Commissioner for Policy, Administration and Budget, develop an annual Bureau of Reclamation award to recognize an individual or group of employees that exemplify excellence in building strong working relationships both internally and externally.

The Commissioner also directed the Deputy Commissioner for Policy, Administration and Budget to develop a policy that establishes a general expectation of effective communication and collaboration with customers and stakeholders and to implement the modified version of the Benchmark Supervisory Performance Standards for the calendar year 2008 rating period.

***Implementation Status: To be updated when formalized.***

### **Action Item 2: Make Available the Reclamation Manual**

***Team Lead: Karl Stock***

**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**

A memorandum dated May 31, 2006, directed 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. A new Reclamation Manual Web site was launched on May 31, 2006. (<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 on the Web site.

**Implementation status:** Completed. On May 30, 2006, a memorandum was sent to all Reclamation employees to communicate improvements to the Reclamation Manual Web site.

- 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 on the Web site.

**Implementation status:** Completed. On May 31, 2006, a letter was sent to Reclamation Stakeholders announcing improvements to the Reclamation Manual Web site.

- All Regional Directors should send the letter, described above, to appropriate stakeholders they identified within their regions.

**Implementation status:** Completed. Reclamation has used letters to inform numerous region-specific stakeholders of the changes to the Reclamation Manual. Reclamation will continue to distribute these letters to additional stakeholders.

- 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:** Completed. The Reclamation Manual Web site now invites the public to provide comments and gives directions to those who wish to receive a response. Reclamation will respond to any comments and will explain how suggestions are being addressed.

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

**Team Lead:** Jim Kinney

#### **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**

A memorandum dated May 30, 2006, directed 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 will operate under these three TRMRs for 1 year.

**Implementation status:** Completed.

- 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:** This task will be completed by May 8, 2008.

## **Policies and Organization**

**Executive Sponsor: Roseann Gonzales**

### **Action Item 4: Identify Decision-Making Process Gaps**

**Team Lead: James Hess**

#### **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 by 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**

A memorandum dated January 5, 2007, directed taking the appropriate actions necessary to implement the following recommendations:

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

**Implementation status:** Steps for implementation of this task are currently under discussion.

- 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, OPSS should participate in any Departmental effort to address the subject matter in the Departmental Manual.

**Implementation status:** Steps for implementation of this task are currently under discussion.

- The Chief of Staff should communicate to Reclamation staff the role of the RLT and associated processes, including how related information will be shared.

**Implementation status:** Completed. A memorandum dated June 7, 2007, informed all Reclamation employees of the revised RLT charter and new RLT Web site. The internal Reclamation Web site addresses the role of the RLT, members, meeting schedules, and other information.

## **Action Item 5: Revise Delegations of Authority**

**Team Lead:** Shannon Kerstiens

### **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**

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

- Finalize temporary delegation memoranda for the Departmental Manual and the Reclamation Manual.

**Implementation status:** This task was consolidated with finalizing permanent delegations of authority stated below.

- 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. Final delegations of authority will be posted on the Reclamation Manual Web site. This task is scheduled to be completed May 30, 2008.

- Provide training and make the module available to offices throughout Reclamation.

**Implementation status:** Ongoing. Reclamation has developed a training module and is currently incorporating comments. A schedule for training will be developed by June 20, 2008.

## **Action Item 6: Identify Policy Gaps**

**Team Lead: Shannon Kerstiens**

### **Action Item Statement from the Managing for Excellence Action Plan**

Identify policy gaps created by sunsetting 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**

A memorandum dated October 30, 2006, approved 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;

**Implementation status:** Completed. Reclamation continues its ongoing work to facilitate release of these products. Reclamation has developed timelines for each high priority Policy and Directives and Standards.

- Maintain the inventory of policy gaps.

**Implementation status:** Completed. Reclamation maintains an inventory of policy gaps on its Web site, where the public is invited to review and comment on Reclamation's current policy development efforts.

- 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:** Completed. Reclamation maintains an inventory of policy gaps on its Web site, which includes schedules for the completion of each Policy and Directives and Standards and opportunities for review and comments. Reclamation continues to coordinate the schedule on an ongoing basis.

## **Action Item 7: Expedited Policy Development**

**Team Lead:** Shannon Kerstiens

### **Action Item Statement from the Managing for Excellence Action Plan**

Expedite the development of policy, directives and standards, and technical guidance determined necessary in Action Item 6 above, to assure that local decision-making is consistent with Reclamation's philosophy and stewardship responsibilities.

### **Scope Statement**

Reclamation will review its current process of developing Reclamation Manual Policy and Directives and Standards to identify improvements that will expedite the process and improve transparency of Policies and Directives and Standards development efforts.

### **Decision**

The Commissioner approved, by memorandum dated May 11, 2007, the updating of RCD TRMR-15 and directed the Director, Office of Program and Policy Services to:

1. Incorporate the requirement of post draft Policy and Directives and Standards on the Reclamation Manual Web site for 30 days prior to finalizing and issuing documents.

**Implementation status:** Completed.

2. Identify the responsibilities associated with making draft Policy and Directives and Standards available on the Reclamation Manual Web site including to which office drafts are submitted for posting, who will be listed as the contact for receiving comments for a particular Policy or Directives and Standards, and who is responsible for maintaining records of the disposition of the comments received.

**Implementation status:** Completed.

The memorandum also directed the Directors of the Office of Program and Policy Services and Technical Resources to ensure that:

1. The new Reclamation Manual process that will be incorporated into RCD TRMR-15 is used to develop the six high priority Policy and Directives and Standards identified in Action Item 6.

**Implementation status:** Completed. Reclamation maintains complete timelines for release of each high priority Policy and Directives and Standards on its Web site.

2. The six high priority Policy and Directives and Standards are officially released in the Reclamation Manual by December 31, 2007.

**Implementation status:** Completed. Reclamation maintains complete timelines for release of each high priority Policy and Directives and Standards on its Web site.

## **Action Item 8: Alternative Scenarios for Future Infrastructure Management**

**Team Lead:** *Lisa Vehmas*

### **Action Item Statement from the Managing for Excellence Action Plan**

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.

### **Scope Statement**

Produce a document that (1) analyzes the three scenarios in Chapter 5; (2) suggests and analyzes additional/amended scenarios, if appropriate, and

(3) recommends a process to include the findings of other M4E teams, as appropriate, and a process to refine Reclamation's organizational structure to address changing customer needs within legal and public policy frameworks.

**Decision**

A memorandum dated May 9, 2007, directed the Director, Office of Program and Policy Services to provide the report entitled "Analysis of Alternative Scenarios for Future Infrastructure Management" to the Reclamation Leadership Team. The report is intended as a resource for use by the agency and stakeholders to anticipate future trends and prepare for any future change as appropriate. Interests and needs vary among Reclamation's project partners and other stakeholders, the public, and the agency itself, and no single scenario is appropriate for meeting all needs. The report does not make recommendations. The report does provide an analysis of a "menu of options" for Reclamation and its stakeholders. Therefore, the analysis should be used as discussions occur on proposals for specific projects.

**Implementation status:** Completed. The report entitled "Analysis of Alternative Scenarios for Future Infrastructure Management" was transmitted to the RLT on May 25, 2007.

**Engineering and Design Services**

**Executive Sponsor: J. William McDonald**

**Action Item 9: Workload Evaluation**

**Team Lead: Jamie Macartney and Perry Hensley**

**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**

Forward 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.

**Implementation Status:** Completed. On October 19, 2006, the Acting Deputy Commissioner – Operations transmitted the report entitled “Evaluation of Historical and Near-Term Workload” to Team 12 leads.

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

**Team Lead: Gayle Shanahan**

#### **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**

Transmit 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.

**Implementation status:** Completed. On November 30, 2006, the Director, Technical Resources transmitted the report entitled "FAIR Act Classification" to Team 12 leads.

### **Action Item 11: Analyze the unit to unit costs of in-house performance of the commercial workload vs. outsourcing**

**Team Leads:** *Jamie Macartney and Perry Hensley*

#### **Action Item Statement from the Managing for Excellence Action Plan**

Analyze the unit to unit costs of in-house performance of the commercial workload vs. outsourcing

#### **Scope Statement**

In today's engineering and construction climate, it is imperative that Reclamation make a concerted effort to collaborate with customers and stakeholders such that our operations are transparent and efficient. At the same time, Reclamation must take positive steps to maintain our core technical capability in order to remain good stewards over our dams and other facilities. The proposed business model is an attempt to meet these objectives while ensuring that our technical resources are fully utilized to the maximum extent possible.

#### **Decision**

The report compares data on the cost to contract with private firms (i.e., outsourcing) for engineering and design-related work with data on the cost to perform similar work with Reclamation staff. This information, along with the information developed for Action Items 9 and 10, is being provided to the team which is addressing Action Item 12. This latter Action Item pertains to processes for the continuous "right sizing" of Reclamation's engineering and other technical services workforce.

Comparative data are provided both for unit costs and for total costs for a given kind of engineering job. However, as this report notes, data which can be validly compared are very limited, particularly for total costs.

**Implementation status:** *Complete. On January 29, 2008 the report was provided to Team 12.*

### **Action Item 12: Right-sizing**

**Team Lead:** *Jamie Macartney and Perry Hensley*

**Action Item Statement from the Managing for Excellence Action Plan**

**Scope Statement**

**Decision** *To be updated when complete.*

**Implementation status:**

### **Action Item 13: Analyze Alternative Funding for the Technical Services Center**

**Team Lead:** *Larry Walkoviak*

**Action Item Statement from the Managing for Excellence Action Plan**

**Scope Statement**

**Decision** *To be updated when complete.*

**Implementation status:**

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

**Team Leader:** *Bruce Moore*

**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**

A memorandum dated November 8, 2006, 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. Reclamation has developed schedules for the completion of both Reclamation Manual releases.

- 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. On January 18, 2007, the Director, Washington Office Operation notified Regional Directors and Director, Technical Resources of the projects approved for DEC review.

- 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. The decision-making process for DEC review recommendations is being implemented as part of ongoing DEC activities.

## **Action Item 16: Engineering Standards**

**Team Lead: Gerald Kelso**

**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:** Complete.

- (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:** An implementation plan has been developed and is being coordinated with the RDCCT to complete this task.

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:** This task is being coordinated with the RDCCT to complete this task.

- (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.
- (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.
- (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.
- (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.
- (6) The Director, Technical Service Center should post Reclamation Design Standards on Reclamation’s Internet Web page to ensure they are readily accessible.
- (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 (2-7 above):** The plan for review and update of design standards is scheduled to be complete February 29, 2008. Draft products for updated or developed standards will be posted for public review and comment. Memos will document scope of work, schedule, and budget.

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:** Complete.

(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:** Reclamation is currently developing a draft communications plan. This task will be coordinated with Team 12 implementation and the Project Management Team.

(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:** Reclamation has developed an implementation plan for this task. A draft report that contains a list of project features and components, including discussion of various approaches to design will be made available for review and comment on April 1, 2008.

(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:** Work on this task awaits the results of Team 12's evaluation of the New Business Model for Managing Engineering and Other Technical Services. The Team will focus on consistency with the Team 12 Model to formulate a process.

- (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:** An implementation plan has been developed and will be coordinated with the RDCCT. It was determined that work on this task should be deferred temporarily to incorporate Team 12's evaluation of organizational structure alternatives.

- (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:** An implementation plan has been developed and will be coordinated with the RDCCT. It was determined that work on this task should be deferred temporarily to incorporate Team 12's evaluation of organizational structure alternatives.

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

**Implementation status:** An implementation plan has been developed. Draft guidelines are scheduled to be made available for public review on September 29, 2008 and completed by January 23, 2009.

- (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:** An implementation plan has been developed. A preliminary web-based questionnaire will be made available for review and comment on June 2, 2008 and completed by October 2, 2008.

(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:** This is being coordinated with the RDCCT to complete this task.

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.

## **Major Repair Challenges**

**Executive Sponsor: Mike Ryan**

### **Action Item 17: Loan Guarantees**

**Team Lead: Sandie Simons**

#### **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**

A memorandum dated September 22, 2006 directed 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:** Completed.

- Work with the appropriate offices, both inside and outside of Reclamation, in preparing for the implementation of the loan guarantee program.

**Implementation status:** On May 30, 2007, the Department of the Interior submitted a proposed rule to OMB. Reclamation received comments from OMB and responded to those comments on October 15, 2007. DOI and OMB discussions are continuing.

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

**Team Lead:** *Tim Ulrich*

### **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**

A memorandum dated January 5, 2007, directed 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, 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.
- 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. The marked Directives and Standards are available on the *Managing for Excellence* Web site. 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:** In Reclamation's MP Region and GP Region, an implementation plan has been developed for this task.. In the UC Region and LC Region a plan for implementation is under development. In the PN Region, all Area Offices have developed a documented process.

- 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:** Reclamation has developed an implementation plan for this task. Opportunities for consolidation of reviews will be determined by March 21, 2008.

## **Action Item 19: Add Value to Major Repairs**

**Team Lead:** Steven Jarsky

### **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**

A memorandum dated January 5, 2007, directed the Deputy Commissioner, Operations, 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:** Complete. This task has been incorporated into Team 20-23 which includes development of Directives and Standards on project management process and training.

- 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:** This task is being addressed as part of Team 12, Right-sizing.

- 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:** This task is being addressed by providing guidance to Reclamation's BRC during annual deliberations.

- 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:** Reclamation has developed an implementation plan for this task.

- 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:** Reclamation has developed an implementation plan for this task.

- Incorporate processes to screen for methods which add value during all aspects of Reclamation's project management processes.

**Implementation status:** Completed. This task has been incorporated into Team 20-23 which is the development of the project management process and training directive and standard.

- 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:** Reclamation has developed an implementation plan for this task.

- 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:** Completed. Reclamation is currently building on core partnership agreements with TVA, the Army Corps of Engineers, and others. Workshops and partnership activities continue on an ongoing basis.

## **Project Management**

**Executive Sponsor: Rick Gold**

### **Action Items 20-23: Project Management**

**Team Lead: Rick Ehat and Lauren Carly**

#### **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**

A memorandum dated December 22, 2006, 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.

- 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.

**Implementation status:** Reclamation has developed D&S specified by this task.

## **Action Item 24: Establish and Maintain Contracting Repository**

**Team Lead:** Karla Smiley

### **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**

A memorandum dated December 26, 2006, 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. A process for maintaining and updating Reclamation's Acquisitions and Assistance Management Division Web site has been implemented and will be maintained as necessary.

## **Asset Sustainment**

**Executive Sponsor:** Kirk Rodgers

## **Action Item 25: Financial Reporting for All Infrastructure**

**Team Lead:** Efraim Escalante

### **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**

A memorandum dated January 5, 2007, directed implementation of Team 25's recommendations. 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:** Complete. A new Reclamation Manual release (FIN 06-02) was posted on September 28, 2007.

- (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:** Reclamation has developed an implementation plan for this task.

- (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:** Complete.

- (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:** Reclamation has developed an implementation plan for this task. Training for managers and an overview for customers has been developed and is being piloted to both audiences.

- (5) Each Regional Director, or Area Managers as appropriate, will
  - 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.

**Implementation status:** This task will be implemented using the new Reclamation Manual release FIN 06-02 which establishes the requirements for SPCCR reports.

- 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.

**Implementation status:** This task will be completed once guidance and direction for Facility Condition and Investment Summary Reports has been completed.

- Complete an annual “Incidental Revenues Report” for each project following the guidance and directions resulting from Recommendation No. 3 above.

**Implementation status:** This will be implemented once a review including process improvements for accounting and reporting project revenues has been completed.

- 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.

**Implementation status:** Complete. The PN Region will continue to provide information to customers responsible for O&M of reserved works. The UC Region provides O&M budget and cost reports to project customers on a regular basis. The MP Region and LC Region have developed an implementation plan for this task. The GP Region will continue to provide budget and financial information to meet the needs of customers.

- 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.

**Implementation status:** In the LC Region and MP Region, an implementation plan has been developed for this task. In the PN Region, each Area Manager will continue to meet with customers and provide information in accordance with Reclamation policy. In the UC Region, processes are in place to meet with customers regularly. In the GP Region, budget and financial information are provided to meet Reclamation Manual requirements.

- 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.

**Implementation status:** This task will be implemented once development of financial management training has been completed.

- 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.

**Implementation status:** This task will be implemented once development of financial management training has been completed.

- 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.

**Implementation status:** This task will be implemented once development of financial management training has been completed.

- Provide financial reports to customers via Adobe Acrobat Portable Document Format (PDF) or similar electronic format when requested by those customers.

**Implementation status:** Complete. In the UC Region, official financial reports extracted from the FFS are available to customers in an electronic format. Other budgetary and financial reports are also available. In the GP Region, budget and financial information are provided to customers in an electronic format. In the LC Region, electronic financial reports are provided to all project customers on a regular agreed upon schedule. In the PN Region, Area Managers and staff will continue to work with customers to provide information in a format to meet customer needs as requested. In the MP Region, an implementation plan for this task has been developed.

- 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.

**Implementation status:** Complete. In the LC Region, processes are in place to communicate with project customers on a regular basis to ensure their needs are being met in obtaining the electronic version of financial reports. In the UC Region, official reports extracted from the FFS are available to customers in an electronic format (pdf) and provided through email as requested. In the MP Region, implementation of this tasking is ongoing; activities are to be developed when requested by the customer. In the PN Region, Area Managers and staff will continue to seek opportunities to provide information more efficiently to customers and in a mutually agreeable format. In the GP Region, budget and financial information are provided in an electronic format.

- (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:** Implementation of this task is based upon the outcome of other tasks above. An implementation plan for formulation of Policy and D&S will be developed as necessary.

### **Action Item 26-27: Transfer and Outsource Opportunities for Operation and Maintenance**

**Team Lead: Randy Chandler**

#### **Action Item Statement from the Managing for Excellence Action Plan**

- Determine where opportunities exist for beneficial transfer of O&M responsibility to water users and implement them (Action Item 26)
- Determine where opportunities exist for beneficial outsourcing of O&M for reserved works and implement them (Action Item 27)

#### **Scope Statement**

Reclamation prefers that project beneficiaries perform the day-to-day O&M where appropriate, through a formal transfer agreement, with Reclamation in the oversight role. Typically, the terms of the repayment contract require the repayment entity to assume

responsibility for O&M upon project completion. If, for whatever reason, such a transfer agreement cannot be achieved, consideration is given to contract with a project beneficiary to perform the day-to-day O&M functions, with Reclamation in the contract administration role. This option may require Reclamation to retain more of a stewardship role, beyond the usual oversight, than it would under a formal transfer agreement. If the O&M cannot be transferred through an agreement or contracting with a project beneficiary is not advantageous, Reclamation retains the responsibility and uses its own forces to conduct the O&M of project facilities.

**Decision**

A memorandum dated November 16, 2007, directed the Acting Deputy Director, Operations to--

- Work directly with appropriate Regional Directors and Area Managers to secure formal O&M transfer agreements for the 16 facilities or projects listed by the Team, subject to mutual agreement with the project beneficiaries. Other opportunities to contract for O&M, where deemed appropriate, will be sought.
- Seek opportunities that could lead to eventual transfer where Reclamation performs the O&M of projects or facilities not specifically identified by the team as candidate projects, but where Reclamation is budgeting for O&M and getting reimbursed by the project beneficiaries.
- Encourage Regional Directors and Area Managers to continue to evaluate and share O&M practices to improve efficiency and look for additional opportunities to contract for O&M on facilities where day-to-day O&M is being performed by Reclamation staff.

**Implementation status:** An implementation plan is under development for this task.

**Action Item 28: Identify Opportunities for Mutually Beneficial Title Transfer**

**Team Lead: Randy Chandler**

**Action Item Statement from the Managing for Excellence Action Plan**

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.

**Scope Statement**

In 2003, Reclamation undertook a comprehensive study of its title transfer activities to date. The objective of that effort was to “determine if there are additional opportunities to encourage and facilitate the transfer of title to projects.” That report was finalized and made numerous recommendations which were presented to the Assistant Secretary-PMB. While many of the recommendations have been, or are being implemented, several have not. This effort will re-evaluate the conclusions, update the data, identify gaps and make recommendations in order to identify where there may be opportunities for mutually

beneficial title transfers to project sponsors in order to eliminate Reclamation's responsibility and costs for those facilities.

**Decision** A memorandum dated February 26, 2007, directed the Deputy Commissioner, External and Intergovernmental Affairs, Deputy Commissioner, Operations, and the Regional Directors to take the appropriate actions necessary to implement the recommendations contained in the report. The Director, External and Intergovernmental Affairs, will lead the initiative, in consultation with the Deputy Commissioner, Operations, and form an Implementation Team. The Regional Directors should carefully consider and make available appropriate staff to be part of the team.

**Implementation status:** A team of DOI and Reclamation staff has prepared draft legislation, currently being reviewed within the Department and Reclamation. Draft legislation will be submitted to OMB for review. Reclamation is currently addressing comments received as part of this process.

### **Action Item 29-30: Analyze Effectiveness of O&M Planning and Integrate With Budgeting Process**

**Team Lead: Randy Chandler**

#### **Action Item Statement from the Managing for Excellence Action Plan**

- Analyze effectiveness of current O&M planning (does it square with Reclamation's Asset Management Plan, and is it being done agencwide?)
- Integrate O&M planning with the budgeting process (analyze to extent to which the current Budget Review Committee process accomplishes this).

#### **Scope Statement**

The responsibility of the team was to:

1. Identify and document what constitutes "O&M Planning" within Reclamation (e.g., annual O&M, identification of replacements, additions, and extraordinary maintenance (RAX), O&M prioritization and scheduling, deferred maintenance decisions, long-term planning).
2. Identify and document what constitutes the relationship between "O&M planning" and "O&M budgeting" within Reclamation.
3. Identify best practices for O&M planning used in Reclamation (note citation of Lower Colorado and Pacific Northwest Region's processes in National Academy of Sciences report).
4. Identify any adjustments needed in the BRC process to incorporate best practices.
5. Analyze the applicability of those best practices to O&M across Reclamation.
6. Document and evaluate existing stakeholder involvement (best practices) in O&M planning.

7. Make recommendations to the Executive Sponsor as to which best practices and any BRC changes that should be adopted, how they should be adopted (Asset Management Plan, Policy Statement, D&S, guidelines), and who should be accountable for their adoption.

**Decision**

A memorandum of March 2, 2007, directed the Director, Office of Program and Policy Services and the Regional Directors to take appropriate actions to implement the recommendations of the Team. The Regional Directors should carefully consider and make available the appropriate staff to be part of the implementation team. The recommendations are to:

- Improve efficiency and consistency in asset management

**Implementation status:** Complete. Reclamation is addressing this recommendation as part of its implementation.

- Convene an implementation team to address recommendations

**Implementation status:** Reclamation forwarded a proposed approach for implementation to the Facilities O&M team for review and comment.

**Action Item 31: Benchmark O&M of Water Storage and Distribution Facilities**

**Team Lead:** Mike Roluti

**Action Item Statement from the Managing for Excellence Action Plan**

Benchmark O&M of water storage and distribution facilities in a manner modeled after current practices with power facilities, starting with pilot program.

**Scope Statement**

As a means to seek further efficiency gains in the operations of Reclamation's infrastructure, the team responsible for Action Item 31 will conduct appropriate benchmarking activities on the operation and maintenance of Reclamation's reserved works water storage facilities with federal and non-federal entities operating similar facilities. This will be accomplished in a manner modeled after current practices at Reclamation power facilities, beginning with a pilot program.

**Decision**

In lieu of true, disciplined benchmarking and as determined appropriate through discussion by the Facilities O&M Team, Reclamation should pursue and implement improved best practices:

- Redefining and expanding its standardized cost accounting system at its reserved works dams so that detailed, consistent, and comparable cost data for various types of O&M activities can be obtained and tracked.

- Developing a means to measure the relative level of effectiveness (quality of O&M) of specific O&M activities to enable activity-based cost comparisons among its reserved works dams, identification of best practices, and long-term tracking of O&M program efficiency.
- Routinely collecting, publishing, and distributing O&M cost data pertinent to its reserved works storage dams through Reclamation's Water O&M Bulletin or via posting on an appropriate Internet website for customer access.
- Incorporating the sharing of best practices regarding the O&M of storage dams within existing Reclamation forums (such as the Facility Review Workshop, Water Management Workshop, facility reviews, and the Water O&M Bulletin) and/or within new forums/workshops.

**Implementation status:** An implementation plan is under development for this task.

## **Research and Laboratory Services**

**Executive Sponsor: Dave Achterberg**

### **Action Item 32-22: Identify Opportunities for Using, Retaining, Consolidating, or Eliminating Research and Laboratory Services**

**Team Lead: Cliff Pugh**

#### **Action Item Statement from the Managing for Excellence Action Plan**

- Determine where opportunities exist for use of federal and non-federal lab services.
- Determine where opportunities exist for retaining, consolidating and/or eliminating lab services within the TSC and regions.

**Scope Statement**

Identify existing Reclamation lab services, the scope of current lab services being performed, and clients for those services. Propose opportunities for retaining, consolidating, eliminating, and or outsourcing lab services in a manner that most effectively supports the design, research, planning, cost estimating and construction management activities critical to the success of Reclamation's mission. An implementation plan will be developed to achieve the appropriate resource staffing levels and distribution of lab services within Reclamation.

**Decision**

The Deputy Commissioner, Operations, in conjunction with the Director, Technical Resources will consolidated selected laboratory groups in the Technical Services Center (TSC) in Denver. The Geotechnical Laboratory and Concrete Laboratory groups have been consolidated to form one combined Materials Engineering and Research Laboratory. With this consolidation, the Technical Services Center will maintain all concrete, soils, and rock testing capabilities, but at a reduced capacity and with a reduced space requirement. The Director, Technical Services, will consolidate space. The Deputy Commissioner, Policy, Administration, and Budget, will negotiate consolidation cost savings with the General Services Administration.

**Implementation status:** An implementation plan is under development for this task.

**Action Item 34: PART Goal Implementation for Research and Development**

**Team Lead: Dennis Breitzman**

**Action Item Statement from the Managing for Excellence Action Plan**

Develop a plan for the continued implementation of PART (Program Assessment Rating Tool) goals for Research and Development.

**Scope Statement**

Formulate a plan to accomplish PART goals for R&D, e.g., produce a 10:1 return on investment, increase non-BOR cost-sharing, and improve technology/information transfer.

**Decision**

The Team finds that the R&D Office has initiated appropriate actions to implement and administer the programmatic efforts that underpin the associated PART goal tracking. The R&D Office also initiated actions to develop and use contemporary interactive on-line knowledge bases and information technology to facilitate efficient integration of these program improvements and automate associated PART goal tracking.

Continued support from Reclamation leadership will help achieve the programmatic improvements initiated by the R&D office. Regional involvement will also be essential for successful implementation. Improving regional engagement and achieving objectives that embody the programmatic objectives associated with the PART goals are consistent

with the tasks to be addressed by the new Science and Technology Program Steering Team established under Action Item 35. As such, no additional *Managing for Excellence* formal recommendations or follow-on actions are necessary to implement Action Item 34 conclusions.

**Implementation status:** Complete. The programmatic objectives associated with PART goals are being addressed by the S&T Steering Team established in Action Item 35.

### **Action Item 35: Reevaluate the Science and Technology Program Steering Committee**

**Team Lead:** Dennis Breitzman

#### **Action Item Statement from the Managing for Excellence Action Plan**

Reevaluate the S&T Program Steering Committee's charge to increase opportunities to meet mission-core Research and Development needs in the future.

#### **Scope Statement**

Either redefine or validate the Steering Committee's role in seeing that the agency's mission related R&D needs are met.

#### **Decision**

A memorandum dated March 2, 2007, provided that the Commissioner should:

1. Approve the Charter for an S&T Team and direct the Director, Technical Resources to establish and implement them.
2. Direct the Regional Directors and the Directors, OPPS and SSLE to appoint representation to the S&T Team.

**Implementation status:** The membership of the S&T Steering Team has been revised. Six of eight representatives have been assigned. The Team will convene in the first quarter of FY2008 to review FY2007 S&T accomplishments and the FY2008 programs.

### **Action Item 36: Assess National Academy of Science's Desalination Review**

**Team Lead:** Mike Collins

#### **Action Item Statement from the Managing for Excellence Action Plan**

Assess the National Academy of Sciences' review of the role of federal desalination R&D and consider recommendation.

#### **Scope Statement**

In early 2006, Reclamation awarded a contract to the National Academy of Science (NAS) to conduct a study of the potential role of desalination technology to meet current

and future water supply needs in the United States for the 21<sup>st</sup> Century. The study considers the state-of-the-art in relevant technologies and factors such as costs and implementation challenges. It will produce recommendations for action and research to a community of multiple Federal, state, and local governmental and private entities concerned with advancing such technologies. The desalination technology roadmap developed by Reclamation and Sandia National Laboratories in 2003 served as a resource to this NAS effort. The current NAS effort is a broader and farther reaching effort which will include recommending long-term goals, the development of a research strategy that balances high-risk research with incremental improvement in existing technology, and recommendations on resource needs and roles.

Under *Managing for Excellence*, a timeline was established to form a team and to evaluate the recommendations of the final NAS report. The planned completion of the Action Item 36 team activity was December 2007. However, the planned delivery of the final NAS report has been delayed by the NAS and will not be available to Reclamation until the second quarter of fiscal year 2008. This delay will not allow for this action item to be completed in the overall time frame outlined for the *Managing for Excellence* completion.

***Decision***

The delay in the delivery of the final NAS Report on the role of federal desalination R&D will now allow Action Item 36 to be initiated before the overall planned completion of *Managing for Excellence*. The need to address the findings and recommendations of the final NAS report will need to be address by Reclamation as an implementation action item rather than a *Managing for Excellence* action item. The Deputy Commissioner, Operations will be responsible for the development of an implementation plan for the response to the NAS report findings and recommendations after Reclamation receives the final report. The planned response to the NAS report will need to provide transparency in the process.

***Implementation status:*** Reclamation will address findings and recommendations in the final NAS report once that report is completed.

***Human Resources/Workforce***

***Executive Sponsor: Darryl Beckmann***

**Action Item 37: Identify Staff Positions that Require Collaboration Skills**

***Team Lead: Lorri Gray***

***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**

A memorandum dated October 5, 2006, 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:** Complete. A collaborative competency level for each Reclamation employee has been identified.

- The Director, Administration should work with the human resources community to modify position descriptions to include collaborative competency language.

**Implementation status:** Complete. Position descriptions for all Reclamation employees have been modified to include discussion of collaborative competency requirement.

- The Director, Administration should work with the Reclamation Leadership Team in establishing the expectation of collaboration as a Reclamation value.

**Implementation status:** Complete. On May 23, 2007, the Commissioner sent a memo to all employees concerning the expectation of collaboration in all Reclamation activities and announcing the requirements for collaborative competencies in each employee's position description.

**Action Items 38-39: Collaborative Competencies**

**Team Lead:** Lorri Gray

**Action Item Statement from the Managing for Excellence Action Plan**

Team 38—Create Collaborative competency curriculum. Team 39—Utilize the Department's Learning Management System to ensure that collaborative competencies are a part of each employee and manager's skill set.

**Scope Statement**

The ultimate goal of Teams 37, 38, and 39 are to increase the use of collaborative competencies in Reclamation's employee's day-to-day activities. While Team 37 focused on identifying the level of collaborative skills expected for every Reclamation position, Team 38 focuses on the importance of employees possessing or acquiring these skills in order to successfully perform their duties. The work of Team 39 is to provide a cost effective means to ensure all employees throughout Reclamation have the skills to carry out their work in a collaborative manner.

**Decision**

A memorandum dated March 22, 2007, directed the Director, Administration to take appropriate action to implement the following recommendations.

1. Ensure all supervisors are in possession of the tool (IDP) and understand the value of using the tool to help employees improve performance and overcome any performance deficiencies in the area of collaboration.

**Implementation status:** Complete. On August 24, 2007, the Director, Administration sent a memo to all Reclamation Human Resources Officers on collaboration competencies and attached an Individual Development Plan template for training on collaboration competency.

2. Coach supervisors in how to recruit for high performing employees who already possess collaborative skills. This activity could, among other things, include the development of questions to be included in the Quickhire library.

**Implementation status:** Complete. On August 24, 2007, the Director, Administration sent a memo to all Reclamation Human Resources Officers to develop questions related to collaboration competencies for the Quickhire library. Further coaching of supervisors will continue on an ongoing basis.

3. Identify opportunities for fully utilizing the Learning Management System to cost effectively provide collaborative skills training to all Reclamation employees.

**Implementation status:** Complete. On August 24, 2007, the Director, Administration asked Regions to load courses on collaborative skills into the Learning Management System. Further opportunities to use the system for training in collaborative skills continues on an ongoing basis.

**Action Item 40: Evaluate Succession Training Program**

**Team Lead: C.J. McKeral**

**Action Item Statement from the Managing for Excellence Action Plan**

Evaluate the effectiveness of Reclamation's learning and development programs in supporting succession planning, including leadership development and technical training.

**Scope Statement**

Evaluate current learning and development activities throughout Reclamation, make recommendations on how to use learning and development programs to meet the competencies required in workforce/succession planning efforts, maintain identified core competencies, make recommendations to close identified gaps, and identify future program direction.

***Decision***

In a memorandum dated November 15, 2007, directed the Director, Administration to take the appropriate actions necessary to implement the recommendations of the team. It also directed the Deputy Commissioners for External and Intergovernmental Affairs; Operations; and Policy, Management, and Budget; and the Regional Directors to make available appropriate staff to be part of the Implementation Team. The recommendations included the following action items for successful implementation and to ensure the best use of learning/development dollars:

- Ensure learning is directed toward collaboration and leadership needs as well as technical competencies.
- Utilize standardized and proven methodologies for evaluating course effectiveness.
- Place appropriate emphasis on enhancing strengths rather than focusing only on recognized weaknesses.
- Recognize and act on our duty to select the right people for the right jobs and leadership development programs by providing training on hiring process and selection tools for all supervisors and managers.
- Expand and improve employee orientation program, and determine the need for a reorientation program, to ensure Reclamation employees are familiar with its history, mission, programs, and strategic goals.
- Expand leadership development program opportunities to employees at all grade levels.
- Improve the existing website to communicate the corporate learning and development philosophy and program resources.
- Emphasize Individual Development Plans (IDPSs) for all Reclamation employees.
- Standardize a process to identify learning and development needs based on IDPs and regulatory, organizational, and policy requirements to be utilized for planning and budgetary purposes and coordinated with workforce succession planning efforts.

- Review the provisions of the Rotation Engineer and Apprenticeship Programs to improve the programs and expand these concepts into other technical areas. These programs should also deliver the learning related to collaboration and leadership.
- Develop a Reclamation-wide Mentor and Coaching Program.
- Create multi-level advisory (governance) team to identify learning/development priorities.
- Ensure all supervisory performance plans clearly and consistently include an element requiring technical, collaborative skills, and leadership development of subordinates.

**Implementation status:** An implementation plan is under development for this task.

### **Action Item 41: Workforce and Succession Planning**

**Team Lead:** Ann Gold

#### **Action Item Statement from the Managing for Excellence Action Plan**

Ensure that the conclusions reached and the decisions made as a result of all of the M4E actions items are incorporated into Reclamation's current workforce and succession planning process.

**Scope Statement**

It is imperative that as competencies are identified and decisions on staffing, organizational structure, skills gaps, etc. are identified, that Reclamation reacts to these issues and looks at the future direction of the organization based on these decisions/outcomes. Therefore, the objective of this task is to ensure that the outcomes of the other HR teams are factored into Reclamation's workforce and succession planning efforts. In addition, outcomes/decisions from some of the teams in other areas will also be evaluated to determine if decisions/outcomes from these teams should be included in workforce/succession planning efforts.

**Decision**

The Commissioner should:

1. Approve the final Reclamation-wide Workforce/Succession Plan.

**Implementation status:** Complete.

2. Charge the Director, Administration, with convening a team to define the next steps and timelines for implementing the specific action items listed in the plan.

**Implementation status:** Complete. A team was convened in May 2007 and developed an implementation plan for the Workforce/Succession plan.

3. Charge the Director, Administration, in consultation with the RLT and servicing Human Resource Officers with determining when the next round of workforce planning will occur to incorporate decisions from other M4E teams.

**Implementation status:** Complete.

# **APPENDIX B**







|  | CUSTOMER OBJECTIVES       |                            |                          |   |  |          |  |   |   |   |  |
|--|---------------------------|----------------------------|--------------------------|---|--|----------|--|---|---|---|--|
|  | Transparency in Budgeting | Transparency in Accounting | Transparency in Planning | Commitment to Cost-Effective Project O&M at the Project Level | Cost-Effective Design, Contracting, and Construction of User Funded Facilities | Overhead | Revision of Reclamation Standards for construction and O&M | Improved customer input relative to outsourcing decisions | Existing positive customer relationships and processes are not jeopardized and existing contracts are respected | The "Managing for Excellence" process and promises work their way down to the Project level | Financial mechanisms that will help Reclamation and water and power users to proactively address failing Western water infrastructure are identified and highlighted |
| <b>ACTION ITEMS</b>  |                           |                            |                          |   |  |          |  |   |   |   |  |
| development  |                           |                            |                          |   |  |          |  |   |   |   |  |
| Increase core mission research and development             |                           |                            |                          |   |  |          |  |   |   |   |  |
| Assess National Academy of Science's desalination review   |                           |                            |                          |   |  |          |  |   |   |   |  |
| Identify staff positions that require collaboration skills |                           |                            |                          |   |  |          |  |   | X   | X   |  |
| Collaborative competency curriculum                        |                           |                            |                          |   |  |          |  |   | X   | X   |  |
| Collaborative competency training for employees            |                           |                            |                          |   |  |          |  |   | X   | X   |  |
| Evaluate succession training program                       |                           |                            |                          |   |  |          |  |   | X   | X   |  |
| Workforce succession planning                              |                           |                            |                          |   |  |          |  |   | X   | X   |  |

DRAFT