



United States Department of the Interior

BUREAU OF RECLAMATION
Washington, DC 20240

MAR - 2 2007



IN REPLY REFER TO:
PXAO-1100
ADM-1.10

MEMORANDUM

To: Director, Office of Program and Policy Services
Regional Directors
Attn: PN-1000, MP-1000, LC-1000, UC-100, GP-1000

From: Robert W. Johnson
Commissioner

Subject: Decision Related to Managing For Excellence Team 29 and 30—
Final Recommendations

You are hereby directed to take the appropriate actions necessary to implement the recommendations contained in the attached document, *Managing for Excellence Action Items 29 and 30—Final Recommendations*. The Director, Office of Program and Policy Services will lead the initiative and form an Implementation Team. The Regional Directors should carefully consider and make available appropriate staff to be a part of the Implementation Team.

Attachment

cc: 91-00000 (Collier), 91-10000, 92-00000 (Burman, Brown), 94-00000 (Todd), 94-30000 (Wolf, Smith), 96-00000, 96-40000
84-20000 (Harrison, Moon), 84-21000 (Feuerstein, Wendling), 84-27000 (Harrison, Mattingly), 84-40000 (Achterberg, Rudd), 84-57000 (Krause, Maxey), 86-60000 (Bach, Medina), 86-68000 (Gabaldon, Weitkamp)
PN-1000, PN-1001, PN-3200 (Kent), PN-1810 (Carrington), MP-100 (Rodgers, Schlueter), MP-410 (Heaton), MP-430 (Kristof), LC-1000, LC-1001, PXAO-1100 (Chandler), YAO-1010 (McCloskey), UC-100, UC-101, UC-600 (McCalman), GP-1000 (Ryan, Blankenship, Dixon), GP-2000 (Peterson), DK-700R (Nettleton)
(w/o att to each)

Managing for Excellence - Action Items 29 and 30 Summary and Recommendations

Analyze Effectiveness of Current Operation and Maintenance Planning and Integrate with the Budgeting Process

Executive Sponsor

Kirk Rodgers, Regional Director, Mid-Pacific Regional Office

Team Members

Randy Chandler, Jennifer Carrington, Todd Dixon, Deborah Linke, Ken Maxey, Jennifer McCloskey, Jeff Nettleton

Key Organizational Function Interfaces

Regional and area offices, Office of Program and Policy Services

Action Item Statements from the Managing for Excellence Action Plan

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

Scope Statement from Managing for Excellence Project Management Plan

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 Regions' processes in National Academy of Sciences report).

4. Identify any adjustments needed in the BRC's 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, Directives and Standards, guidelines), and who should be accountable for their adoption.

Approach and Methodology

To accomplish the objectives, the Team prepared a standardized list of interview questions and conducted a series of interviews with Reclamation O&M and budget personnel, external stakeholders, and other organizations to obtain information on how they conduct O&M planning, budgeting, and stakeholder outreach.

Deliverables

The Team developed a summary report of Observations, Best Practices, and Recommendations that should be considered. The report was available for a 2-week stakeholder review, and comments received have been considered and incorporated, where appropriate.

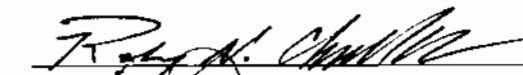
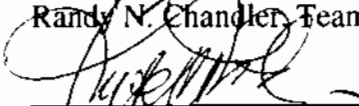
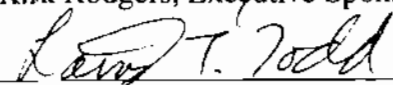
Recommendations

The recommendations identified are for the most part already being considered in various forums of asset management across Reclamation. Therefore, the recommendations are not intended to place any additional burdens on asset managers but should serve to improve efficiency and consistency of asset management across the organization. The Commissioner should convene an Implementation Team under the leadership of the Director, Office of Program and Policy Services (suggested draft memorandum attached), to address the Recommendations as follows:

- Asset managers should **measure the performance and condition of their water delivery facility assets**. After 3 years, these measures should be assessed across Reclamation to identify Best Practices.

- **Develop performance measures** that apply to O&M planning, which will result in increased O&M effectiveness and efficiency **such as increasing wrench time** (i.e., actual time spent performing maintenance activities).
- **Provide meaningful performance and condition data** to management, facility personnel, and customers regarding performance and condition of facilities in order to increase visibility and ownership.
- **Adopt scheduling, planning, and tracking of O&M work** for both water and power facilities to enhance performance efficiency and lower costs.
- **Develop quantifiable condition assessment tools** and metrics for major components of water facilities to gain consistency within the Facility Reliability Rating or alternative metrics that are adopted.
- **Increase focus on preventive maintenance in order to decrease unexpected RAX expenditures.**
- **Adopt a quantifiable prioritization framework** for O&M that is used Reclamation wide in the BRC process that is flexible enough to accommodate special situations.
- Analyze the past 10 years of expenditures for large RAX items, normal RAX items, and congressional write-ins. Based on this analysis, **develop 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.
- Evaluate opportunities to **improve procurement, design, and construction management practices in support of O&M** planning and execution through increased use of existing procurement flexibilities and streamlining of internal processes.

Submitted by:

| | |
|---|----------------|
|  | <u>11/5/07</u> |
| Randy N. Chandler, Team Leader | Date |
|  | <u>1/9/07</u> |
| Kirk Rodgers, Executive Sponsor | Date |
|  | <u>2/14/07</u> |
| Larry Todd, Deputy Commissioner, PAB | Date |