

Reclamation Manual

Policy

Subject: Working With Water and/or Power Contractors During Formulation of Operation and Maintenance (O&M) Program, and Providing Quality Service to Contractors During Current Year O&M Program Activities

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

Authority: Energy and Water Development Appropriations Bill, 1998; Rehabilitation and Betterment Act of October 7, 1949.

Contact: Office of Program and Policy Services, Water Resources Office, D-5500

1. **Policy.** Reclamation believes that efforts to deliver quality services in the most efficient and economical manner will be enhanced by working in partnership with our contractors to develop, review, and understand the O&M program. Therefore, it is Reclamation policy that, while final O&M program development and management decisions will remain with Reclamation, all contractors who share in project O&M costs will be actively provided the opportunity to fully participate in the development and formulation of the O&M Program. It is also Reclamation policy to provide contractors with quality service during current year O&M Program activities. For purposes of this policy, the following definitions will be used:
 - A. **Contractor.** A water and/or power user organization (a customer) that has an active repayment or water/power service contract with Reclamation, with a Federal power marketing agency, or with a non-Federal operating entity and pays or shares in the O&M program costs for operating and maintaining Federal projects or facilities managed by Reclamation.
 - B. **O&M program.** Annual O&M activities planned and accomplished by Reclamation personnel or by others under contract with Reclamation to ensure the structural integrity, operational reliability, environmental compliance, and continued longevity of Reclamation projects or facilities.
2. **Implementation.**
 - A. **Working With Water and Power Contractors During O&M Program Formulation.** To implement this policy, managers at all appropriate levels will:

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- (1) Ensure that all contractors are contacted at least annually to determine their desire to participate in Reclamation O&M program formulation for those parts of projects or facilities in which they share O&M responsibilities and/or costs with Reclamation. This could be accomplished through normal billing processes to minimize workloads.
- (2) Provide all contractors, who have expressed interest in participating (paragraph 2.A.(1) above), the opportunity to work with Reclamation for the purposes of discussing, developing, and reviewing priorities and scheduled work that may be proposed in the program formulation process, and related cost estimates for O&M activities for those parts of projects or facilities in which the contractors share the O&M responsibility with Reclamation or pay a portion of the O&M cost.
- (3) Provide interested contractors the opportunity, within a mutually agreeable timeframe (typically a minimum of 15 working days), to review and comment on scheduled work and preliminary cost estimates for the coming year. Responses to comments will be provided to all contractors who submit their comments within the agreed-upon review period.
- (4) Notify interested contractors of any significant changes (e.g., increases of 10 percent or another mutually agreed-upon percentage change) in the applicable timetable of scheduled work or final program formulation.
- (5) Review program information with interested contractors after Congress receives the President's budget so there is an understanding of Reclamation's proposed share of program activities.

B. Providing Quality Service to Contractors During Current Year O&M Program Activities. To implement this policy, managers at all appropriate levels will:

- (1) Provide current year O&M costs on a mutually agreeable schedule, so contractors are kept informed of any anticipated shortfalls or excesses in expenses that impact them directly.
- (2) Ensure that all costs and charges billed to contractors are presented in clear, understandable language. Reclamation will be prepared to explain all costs and charges to our contractors.

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- C. **Managing External Requirements to Minimize Impact to Contractors.** To implement this policy, managers at all appropriate levels will:
- (1) Adhere to Executive Branch guidelines on nondisclosure of embargoed budget materials after the Budget Review Committee's regional meetings and until the President's budget goes to Congress (e.g., the President's FY 2005 budget would go to Congress in February 2004). Customers will be made aware of this governmental directive.
 - (2) Communicate to contractors that, due to factors beyond Reclamation's control, the timeframes and review processes may be shortened in order to be responsive to Congress, Office of Management and Budget, or the Department of the Interior. When possible, Reclamation will make every effort to minimize any adverse impact to contractors associated with the O&M Program due to forces outside Reclamation's control.