

84-50000
R. Gonzalez



United States Department of the Interior

BUREAU OF RECLAMATION
Washington, DC 20240



JAN - 5 2007

IN REPLY REFER TO:

LCD-1000
WTR-1.10

MEMORANDUM

To: Regional Directors
Director, Office of Program and Policy Services
Director, Operations

From: Robert W. Johnson
Commissioner

Subject: Decision Related to *Managing for Excellence* Recommendations – Action Item 18

In fulfillment of commitments made by Reclamation in the *Managing for Excellence* Action Plan, the following recommendations from Team 18 are to be implemented by the indicated Directors:

1). Each area office will have a documented process generally in accordance with the process chart included in the attached report, but allowing flexibility based on project specific conditions. The process should:

- Stress customer involvement, including performing analysis of options and even performing major repairs.
- Consider opportunities for stakeholder partnership.

Regional Directors are given responsibility for ensuring implementation of this recommendation.

2). All facility review teams (including CFR & PFR) are encouraged to include at least one customer representative, and all team members should be involved from start to finish. This recommendation should be included in Reclamation Manual Directives and Standards; FAC 01-04, FAC 01-07, and FAC 04-01. Suggested language and placement is included in redline in the attached examples. D&S wording additions are to be implemented by the Director, OPSS. Area Managers are expected to invite a customer representative to be a member of the review team. As always the appropriate Reclamation manager remains the decision maker and team members are only reviewers. Comments from the review team will be made by the Reclamation lead of the team.

3). The Reclamation O&M team will 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). Responsibility for implementation of this recommendation is given to the Director, Washington Office Operations; Director, Safety, Security, and Law Enforcement (SSLE); and the Director, Office of Program and Policy Services (OPPS).

Implementation of these recommendations will begin immediately.

Attachments:

Team 18 Final Report, Suggested Wording for Revisions to FAC 01-04, FAC-01-07,
FAC 04-01

cc: 91-00000 (Collier), 91-10000, 92-00000 (Burman, Brown), 94-00000, 94-30000 (Wolf, Smith), 96-00000, 96-40000
84-20000 (Harrison, Moon), 84-21000 (Feuerstein, Wendling), 84-27000 (Harrison, Mattingly), 84-40000 (Achterberg, Rudd), 86-60000 (Bach, Medina), 86-68000 (Gabaldon, Weitkamp), 86-54000, 86-56000, 86-57000.
All Area Managers (See Attached List)

AREA MANAGERS LIST

Manager, Boise ID, Attention: SRA-1000
Manager, Grand Coulee WA, Attention: GCP-1000
Manager, Yakima WA, Attention: UCA-1000
Manager, Portland, OR, Attention: LCA-1000
Manager, Klamath Falls OR, Attention: KO-100
Manager, Carson City NV, Attention: LO-100
Manager, Shasta Lake CA, Attention: NC-100
Manager, Folsom, CA, Attention: CC-100
Manager, Fresno CA, Attention: SCC-100
Manager, Sacramento CA, Attention: CVO-100
Manager, Phoenix AZ, Attention: PXAO-1000
Manager, Boulder City NV, Attention: LCD-1000
Manager, Temecula CA, Attention: SCAO-1000
Manager, Boulder City NV, Attention: BCOO-1000
Manager, Yuma AZ, Attention: YAO-1000
Manager, Albuquerque NM, Attention: ALB-100
Manager, Farmington, NM, Attention: FCO-100
Manager, Durango, CO, Attention: ALP-100
Manager, Salt Lake City, UT, Attention: UC-600
Manager, Provo UT, Attention: PRO-100
Manager, Grand Junction CO, Attention: WCG-CDeAngelis
Manager, Bismarck ND, Attention: DK-100
Manager, Loveland CO, Attention: EC-1000
Manager, Billings MT, Attention: MT-100
Manager, Grand Island NE, Attention: NK-100
Manager, Austin TX, Attention: TX-Trevino
Manager, Mills WY, Attention: WY-1000

MANAGING FOR EXCELLENCE FINAL RECOMMENDATIONS ACTION ITEM 18

Developing a Process for Identifying Major Repair Needs and Determining if they are Justified

Executive Sponsor: Michael Ryan, Director Great Plains Regional Office

Team Members: Tim Ulrich, Gregory Gere, Larry Hieb, Brian Becker, Karl Stock

Key Organizational Function Interfaces: Regional and Area Offices, Office of Program and Policy Services, Washington Office Operations.

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: The primary driver underpinning many of the recommendations in the many recent reports evaluating Reclamation's performance can be summarized in two major areas that are directly linked. They are communication and customer involvement. Based on this observation, the team focused its primary efforts on developing a process to include customers and stakeholders in decision making for major repair projects. We did, however, 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.

Approach:

1. Researched and inventoried existing processes and measuring tools.
2. Developed a process diagram designed to build in transparency and involvement into major repair decision making, and develop a description of tools.
3. Conducted internal outreach to obtain feedback on the effectiveness of the process and tools, including suggestions for improvement.
4. Conducted external outreach to obtain feedback on the effectiveness of existing processes and measuring tools, including suggestions for improvement.
5. Compiled feedback, established findings, and developed recommendations for improvement.

Deliverables:

1. The attached report presents explanation and detail regarding Team 18's work, its findings and recommendations, and supporting notes regarding internal and external outreach. The report also includes a flowchart outlining the important components of an effective decision-making process for major repair challenges.
2. Minor additions to existing D&S designed to implement one of the team's recommendations are also attached.

Findings:

1. All necessary tools are available to us.
2. Many customers are satisfied with current process and relationship.
3. Most offices have some type of major repair process.

- 4. Too many of our facility reviews overlap and are confusing to customers.
- 5. Funding and cash flow may be significant impediments to performing major repairs. There is broad consensus that a loan guarantee program would be helpful. Another financing mechanism suggested was the formation of non-profit corporations to establish escrow accounts to fund major repairs.

Recommendations: The Commissioner should:

- 1. Direct that each area office should have a documented process generally in accordance with the process chart included in the attached report, but allowing flexibility based on project-specific conditions. The process should:
 - Stress customer involvement, including performing analysis of options and even performing major repairs.
 - Consider opportunities for stakeholder partnership.

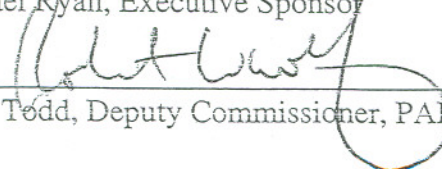
(Regional Directors to be given responsibility for ensuring implementation)

- 2. Direct that all facility review teams (including CFR & PFR) are encouraged to include at least one customer representative, and all team members should be involved from start to finish. This recommendation should be included in Reclamation Manual Directives and Standards; FAC 01-04, FAC 01-07, and FAC 04-01. Suggested language and placement is included in redline in the attached examples. D&S wording additions are to be implemented by the Director, OPSS. Area Managers are expected to invite a customer representative to be a member of the review team. As always the appropriate Reclamation manager remains the decision maker and team members are only reviewers. Comments from the review team will be made by the Reclamation lead of the team.
- 3. Direct the Reclamation O&M team to 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 O&M team is to be provided by the Director, Washington Office Operations in consultation with the Directors of Safety, Security and Law Enforcement (SSLE) and the Office of Program and Policy Services (OPPS)

Submitted by:

 12/22/2006
 Michael J. Ryan for: Tim Ulrich, Team Leader Date

 12/22/2006
 Michael Ryan, Executive Sponsor Date

 1/5/07
 Acting For Larry Todd, Deputy Commissioner, PAB Date