

RECLAMATION

Managing Water in the West

Managing for Excellence

Action Items 26 & 27 Outsource and Transfer Opportunities for O&M

Albuquerque, NM
February 27-28, 2007



U.S. Department of the Interior
Bureau of Reclamation

Operations and Maintenance (O&M) Outsourcing and Transfer

- Stated objectives
 - Action Item 26 – Identify where opportunities exist for transfer of O&M responsibilities to water users
 - Action Item 27 – Identify where opportunities exist for outsourcing of O&M of reserved works

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O&M Outsourcing and Transfer

Progress to date:

- Updated Reclamation facilities status tables regarding “Reserved” or “Transferred” works
- Interviewed Reclamation Area Managers regarding potential transfer interest or candidate facilities and experience related to transfers and outsourcing – follow up needed
- Researching history of and current status of O&M transfer and outsourcing to identify lessons learned
- Reviewed current Laws and Policy regarding O&M transfer and outsourcing
- Began developing a set of criteria to identify candidate facilities for O&M transfer
- Began discussions of considerations for O&M outsourcing

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Facility Status – Transferred vs Reserved

<u>Reclamation-wide</u>	<u>Transferred</u>	<u>Reserved</u>
Dams	151 (58%)	110 (42%)
Power Facilities	27 (33%)	56 (67%)
Water Facilities	232 (88%)	33 (12%)
Fish Facilities	42 (48%)	46 (52%)
Total	452 (65%)	245 (35%)

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Facility Status – Transferred Works

<u>By Region</u>	PN	MP	LC	UC	GP	Total
Dams	30	14	15	55	37	151
Power Facilities	0	1	16	10	0	27
Water Facilities	51	52	27	41	61	232
Fish Facilities	40	1	0	0	1	42
Total Transferred Works	121	68	58	106	99	452
Percent Transferred	60%	60%	81%	79%	56%	65%

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Facility Status - Reserved Works

<u>By Region</u>	PN	MP	LC	UC	GP	Total
Dams	27	23	3	11	46	110
Power Facilities	10	11	3	11	21	56
Water Facilities	3	6	8	6	10	33
Fish Facilities	40	5	0	1	0	46
Total Reserved Works	80	45	14	29	77	245
Percent Reserved	40%	40%	19%	21%	44%	35%

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Information Learned from Area Manager Interviews

- Area Managers in each region have identified O&M transfer candidate facilities
- Obstacles and keys to successful transfer of these facilities have been identified
- Known water user interest in O&M transfer has been identified
- Area Manager experience in transfer of facilities has been explored
- Current outsourcing efforts and potential for additional efforts have been explored

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Information Learned from Area Manager Interviews

<u>By Region</u>	PN	MP	LC	UC	GP	Total
Facilities identified as good transfer candidates	5	7	1	2	4	19
Facilities where water districts or user have expressed interest in transfer of O&M	0	4	1+	1	2	8+

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O&M Transfer

- Draft criteria for consideration of candidate facilities for transfer of O&M:
 - Interested district or entity
 - Capability of district/entity to perform O&M
 - Potential savings to Reclamation budget & staff
 - Power issues
 - Ease of transition
 - Project authorization
 - Agreement among project beneficiaries
 - Other environmental or third party concerns (including statutes, compacts, treaties, etc.)

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O&M Outsourcing

- Considerations related to outsourcing of O&M:
 - Interested district or entity
 - Entity's relationship with facility and Reclamation
 - Competitive process under A-76 or Federal Acquisition Regulations
 - Potential savings to Reclamation budget and staff
 - Outsourcing options – specialized tasks, partial, complete
 - Power issues
 - Ease of transition
 - Other environmental or third party concerns (including statutes, compacts, treaties, etc.)

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O&M Outsourcing and Transfer

Next steps:

- Seek stakeholder interest and feedback
- Clearly identify process of transfer
- Develop set of criteria to identify and evaluate potential candidate facilities for O&M transfer
- Develop recommendations and guidelines to be used when considering the outsourcing of O&M work
- Develop final report with findings and recommendations

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O&M Outsourcing and Transfer

Next steps:

- The team would like your feedback
 - Are you interested in taking over O&M of facilities that are “Reserved Works” ?
 - Are there other criteria that we should consider when looking for candidate facilities to transfer O&M?
 - Are there other considerations we should include when thinking about outsourcing of O&M?
 - Is there something we have missed?
- The team will develop a draft report covering its findings and recommendations for Reclamation’s senior management

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Point of Contact

- Questions, comments, and feedback from stakeholders will be accepted for integration into the team's findings. Please send information to:

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***Managing for Excellence – An Action Plan
for the 21st Century, Fourth Public Meeting
Albuquerque, New Mexico
February 27 and 28, 2007***

**Action Items 26 and 27: Outsource and Transfer
Opportunities for O&M**

Questions or Comments:

(Optional)

Name	Phone Number	E-mail
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You can also comment at: <http://www.usbr.gov/excellence>
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Or send comments to: Managing for Excellence
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