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October 7, 2003

MEMORANDUM

TO: Council Members

FROM: Doug Marker and Patty O'Toole

SUBJECT: Follow-up discussion of an innovative project solicitation process

Action

Consider initiation of Innovative Project selection process for 2004.

Recommendation

Although the Council staff supports the concept of an innovative project category for the Fish and Wildlife Program, the Council staff does not recommend initiating a 2004 Innovative Project selection process for 2004 at this time. Funding the provincial review recommendations for 2004 exhausts the current available funds.

Background

The Innovative Project funding category, which was suggested by the Independent Scientific Review Panel (ISRP) in past annual program reviews, was designed to improve knowledge, encourage creative thinking, and provide an opportunity for sponsors to submit proposals that focus on testing new methods and technologies designed to directly benefit fish and wildlife in the Columbia River Basins. Innovative projects were funded in Fiscal Years (FY) 1998, 2000, 2001, and 2002.

In 2002 the Council recommended eight projects under the Innovative category to Bonneville for funding. After the selection process was completed, Bonneville funded only two of the recommended proposals, citing the Bonneville fiscal crisis as the reason. Bonneville's choice of those two projects was based on funding only those projects that Bonneville believed met both the needs of the Fish and Wildlife Program and the Biological Opinion. The process included a review of proposals by the ISRP and the Columbia Basin Fish and Wildlife Authority (CBFWA).

The project selection process, from proposal solicitation to final project approval by Bonneville required approximately seven months to complete.

The Council adjusted the selection process for innovative proposals each year the process was used. In 2002, the Council sought to solicit for “pilot projects” rather than full-scale projects and limited their duration to a maximum of 18 months. The purpose was to implement shorter term demonstration projects so that their results could be evaluated sooner. The solicitation called for projects that would be a one-time only contract for the complete scope of work and projects were not to exceed \$200,000. A total of \$2 million was made available to fund projects in the Innovative category. In previous years, proposals could have larger budgets and longer performance periods.

Analysis

According to the recently developed accounting protocols developed by Bonneville, the program funding commitment is an average of \$139 million for four years. The Council recently approved a start of year budget for 2004 of \$154 million. Based on anticipated under-spending in FY 2003, the Council approved a FY 2004 program budget using unspent funds and “rescheduling” from 2003 to fund the program at \$154 million. This allowed the Council to reaffirm support for projects already reviewed and approved during the provincial review process¹. No requests for expansion of scope were recommended. Project scope changes and other adjustment will be addressed during the quarterly program status review meetings as funding becomes available. Keeping the Councils provincial review recommendations funded in 2004 exhausts the funds available for 2004. As a result, the Council staff does not recommend initiating an innovative project selection process for 2004 at this time.

The Council staff, however, recognizes the value in funding innovative projects and believes that, although some important information has been gained, the four years of funding for this group of projects has not been adequate to fully test the value of the Innovative Project concept. In addition, the completion of a research plan for the Fish and Wildlife Program would complement continued funding and support of this category of projects.

¹ Funding recommendations for the Columbia Gorge and Intermountain provinces expired at the end of FY 2003. The Council recommended that projects continue in these provinces and maintain their existing project scope, pending implementation of subbasin plan recommendation in 2006.

