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May 4, 2004

## **MEMORANDUM**

**TO:** Council Members

**FROM:** Patty O'Toole, Program Implementation Manager

**SUBJECT:** Bonneville presentation on the Fish and Wildlife Division, Process Improvement Initiative

Scott Hampton, Manager of Finance, Budget and Information Technology for Environment, Fish and Wildlife at Bonneville will present information regarding the Process Improvement Initiative at the May Council meeting. Information provided by Bonneville is attached.

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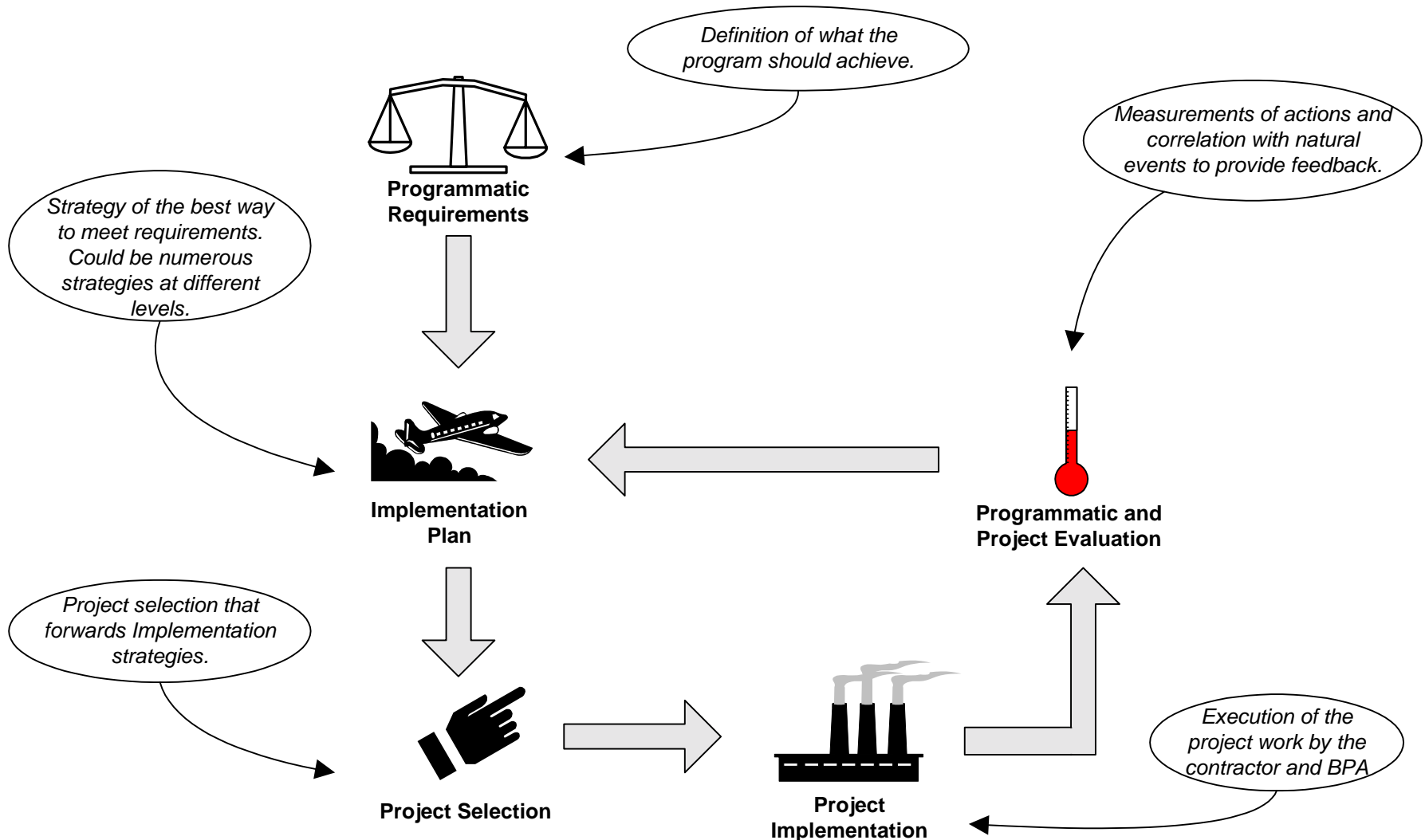
# BPA Fish and Wildlife Division Process Improvement Initiative

## May 2004 Council Update

Walla Walla, Washington

# High-Level Fish & Wildlife Project Lifecycle

*BPA's Fish & Wildlife Division has developed a model of its business.*



# Process Improvement's Focus

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*Where to begin positive change...*

Process Improvement is focused on improving BPA's activities within Project Implementation first.

We chose to focus on this area first because:

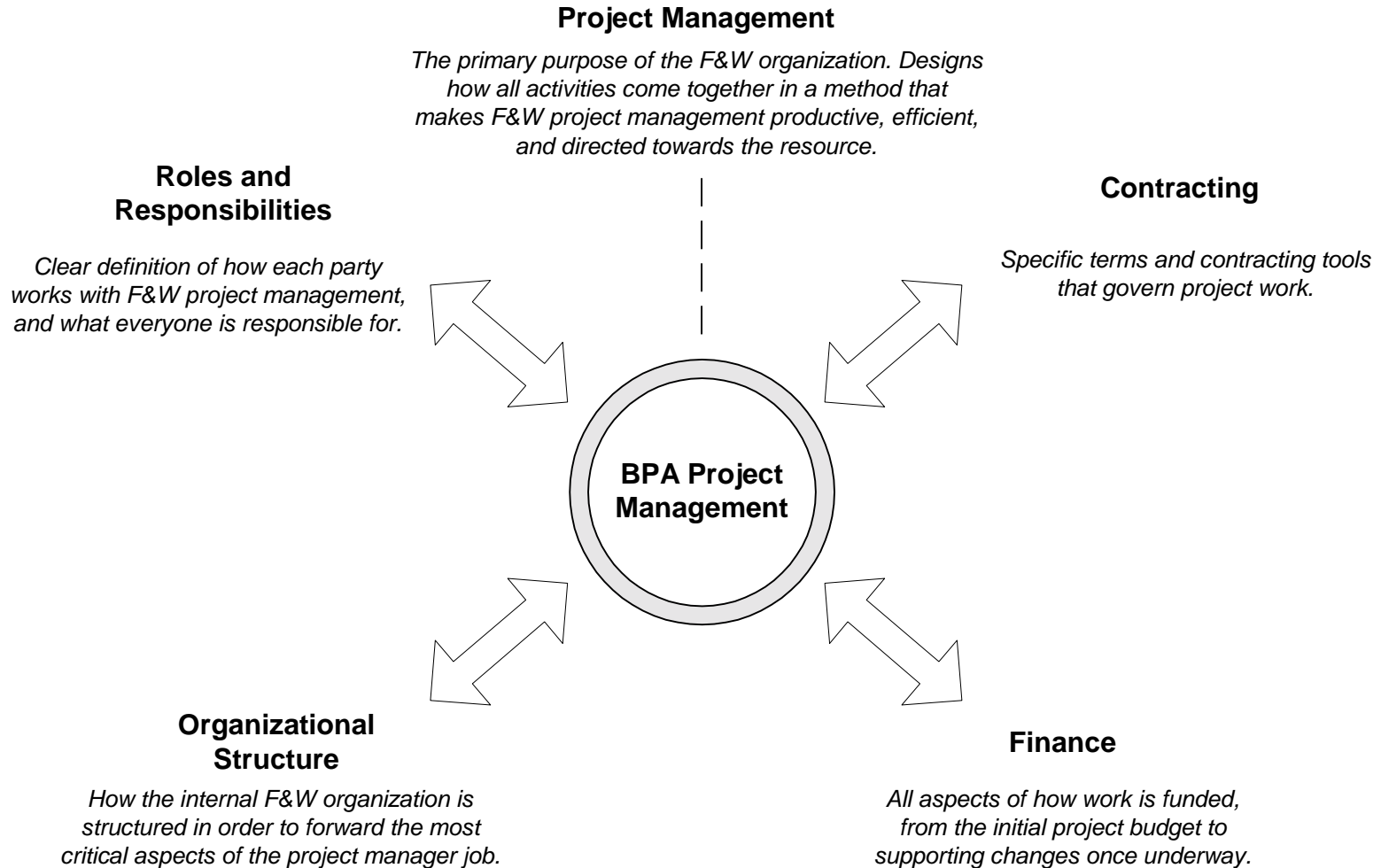
- We have heard from Council, CBFWA, and our contractors that there is great potential for improvement in BPA's processes and project management approach.
- Overseeing the implementation of projects is largely within BPA's responsibility and should be an area where we can evoke change.
- We have already identified specific improvements that will deliver great benefit to the program.
- This initiative will provide a foundation that can be applied to improving project selection.

Any initiative to improve the project selection process should be jointly sponsored by Council, CBFWA, and BPA.

# Analysis Model

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*The key to improving F&W project management is by examining the entire system.*



# Improving BPA's Project Management Model

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*Project management improvements will:*

- Deliver standard approaches for defining project scope, budget, work schedule, deliverables, and milestones to improve the quality and consistency of F&W projects; and shorten the time between project selection and implementation.
- Deliver a streamlined approach for reporting project status and progress against a project's scope, schedule and budget.
- Shift the focus of the BPA project manager to monitoring project progress, assisting contractors, and validating deliverables. Reduce the amount of energy directed towards activities that do not add value.
- Connect projects with implementation strategies and program metrics for the Endangered Species Act, Northwest Power Act, and Wildlife Obligations reporting.
- Make all project information and status reporting accessible via an IT system in an on-line fashion.



**Our goal is to improve how BPA contributes to high-performing, well-understood, and efficiently executed projects.**

# Improving BPA's Contracting Model

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## *Contracting improvements will:*

- Enable contracts to be created in an efficient and timely fashion. Limit the number of iterations it takes to arrive at an agreement to reduce the impact on project execution as much as possible.
- Draw upon different contracting agreement types, such as fixed-price, to find the best fit for each type of project. Don't force all contracts into a cost-reimbursement model.
- Sign contracts and provide stable funding for a period that makes the most sense, in some cases longer than a fiscal year.
- Focus on those processes that have the greatest impact on the timeliness of contract execution. For example, if we have standard tasks and deliverables based on project type, statements of work can be adopted more quickly, resulting in less time between a BPA funding decision and a contract start date.



**Our goal is to enable BPA's contracting to be a timely, simple, and transparent activity.**



# Clarifying Our Project Roles & Responsibilities

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*Roles and responsibilities improvements will:*

- Deliver clarity on BPA's expectations of how all partners take part in project management activities, such as review of the SOW, etc.
- Utilize tools such as project kick-off meetings to strengthen the understanding and collaboration of all parties before a project begins.
- Improve the communication channels a BPA project manager relies upon to resolve issues beyond their responsibility. For example, establish a mechanism for gaining rapid clarity on topics that are outside of the scope of the project manager and are the responsibility of the BPA Policy Team and the Council.
- Provide for open and honest feedback that can help resolve issues before they become significant hurdles.



**Our goal is to improve our project management work through better defined relationships and a lower level of frustration for those executing projects.**

# Funding Should Support the Work

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*Financial process improvements will:*

- Although the project selection process is outside of the scope of Process Improvement, we will identify what model of financial support works best for project implementation. Communicate our findings as requirements for improvements to the project selection process.
- Redesign existing financial processes so they best support project work. Pursue ideas such as multi-year funding and allowing funding to easily follow work across fiscal years.
- Provide clear guidance and transparency such that BPA's need for financial documentation is well understood, and information is easily collected.
- Make the right financial information readily available via an IT system, reducing the extra effort required by the contractor or BPA project manager to collect information each time a party requests it.



**Our goal is to deliver a streamlined approach to financial management that better supports projects and at the same time makes required information more readily accessible.**

# BPA's Organization

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*Internal organizational improvements will:*

- Assign BPA project managers to best support:
  - ✓ Cross project and subbasin coordination
  - ✓ Application of technical knowledge
  - ✓ Consistency and simplified points of contact for contractor support
  - ✓ Greater mentorship and management of new staff
- Provide BPA project managers and contractors with clear guidance and greater empowerment to better enable them in executing projects.
- Improve the consistency and transparency with which BPA operates.
- Formalize communication channels so contractors and BPA project managers have the most up-to-date information about project happenings and program decisions.
- Have well-defined criteria to guide how projects are assigned to BPA project managers.



**Our goal is to structure the organization around the core purpose of BPA's F&W Operations – fish and wildlife project implementation**

# High Level Themes

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*We have developed six themes upon which our design will be based.*

**Theme One: A performance-based program** - Our recommended model will emphasize performance over effort for all parties involved.

**Theme Two: Use the right tool for the job** - Because the same approach is not appropriate for managing all projects, Process Improvement will apply the right tool for each project type.

**Theme Three: Up front investment will deliver returns** – Working together to better understand a project's approach before it begins will head-off problems down the road.

**Theme Four: Enable BPA's project managers to focus on results** - Because our model will require greater emphasis on project management, we need to find a way to streamline administrative tasks so project managers can work on what adds value. Do so while maintaining accountability and improving transparency.

**Theme Five: Empowering the project managers can elevate the performance of the entire organization** – By clearly defining roles and management's expectations of PMs, management can spend more time on strategic activities; PMs will know what they are accountable for and be able to exercise their craft to more timely and efficient results.

**Theme Six: Certain aspects of project management are indispensable** - It is important that future decisions – such as how we conduct our budgeting, whether we travel to validate deliverables, etc. – align with our priority of proactive project management.

# High-Level Requirements - Prism

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*Four major business functions have been identified for automation in Prism:*

1. **Definition of Work** - Deliver a standardized way to capture the work, timeline, and detailed budget information for all projects. Allow for tasks to be chosen from drop down lists such that standard templates can be used to describe projects.
  2. **Capture Status and Forecasting** – Enable contractors to provide information about their projects on-line. Use status reporting to monitor project performance and continuously forecast when work will be completed and spending occur.
  3. **Link to Scientific Goals** – Connect projects to obligations and biological implementation plans. Capture project measurements using regionally approved standards. Make all project and measurement information available to the systems of other agencies.
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4. **Automate the Project Proposal Process** – Allow project sponsors to contribute proposals on-line, using a format that makes deliverables, project goals, and biological relevance available to the selection process. Design in a future effort in collaboration with Council, CBFWA, and Contractors.

Make all information captured in Prism available to external users via the internet and through self-serve reporting at any time.

(Items below the line are scheduled for a later phase.)

# Implementation Planning

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*It is our goal to implement initial process improvements within BPA's fiscal year, including:*

- ✓ The **application of fixed-price contracts** to select projects.
- ✓ Attempting to **align as many cost-reimbursement contracts with the fiscal year** as possible.
- ✓ **Installing a software system** to make all of our project information easily accessible and transparent to the region.
  - Prism costs estimated at no more than \$750K for FY'04 paid out of the program's capital budget.
- ✓ **Connecting projects with implementation strategies** and promoting the capture and reporting of performance measurements.
- ✓ Delivering internal project managers and external contractors **clear documentation and guidance** on how to execute new processes and work with BPA.

It will not be possible to transition all projects to improved processes within the current fiscal year.

We will define how this challenge should be approached in collaboration with our contractors, CBFWA, and Council staff.

# External Involvement

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*We are approaching Process Improvement in a collaborative fashion.*

## **CBFWA and Council Staff**

- Conduct periodic interaction with members of CBFWA and Council staff to gain feedback on our approach and specific design.
- We rely on CBFWA and Council staff to help arrive at the right solution and contribute to an implementation that serves all parties in the program well.

## **Contractors**

- Recently developed a team of approximately 20 contractors to participate in Process Improvement on a regular basis.
- We have called upon contractors to share feedback on our ideas, contribute to solution design, network with other contractors, and prototype implementations.
- An introductory presentation was sent to all sponsors and contractors in early May 2004.
- All contractors will be invited to participate in an anonymous on-line survey during the month of May
- Workshops presenting improvements and instructions for implementation will occur summer 2004.

We are encouraged by our partners' enthusiasm for change and the similarity of their suggestions for improvement.

# Sponsorship and Continuity

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*Specific requirements for Council sponsorship include:*

- ✓ **Support for Process Improvement's design** that clearly outlines the **roles and responsibilities of all partners** in conducting project implementation.
- ✓ **Backing of changes and enforcement of processes** that may not be embraced by all contractors. Any changes will be made with proper warning and documentation in order to best support all partners in complying. A relaxing of rules, or making exceptions, has the potential to undermine the entire system.
- ✓ **Suspension of some current activities** as part of implementing process improvements with existing staffing levels.
- ✓ Encouragement of all partners to **participate and develop a level of understanding and commitment** to Process Improvement.
- ✓ Support for the **implementation of Prism** and regional sharing of our program's information.

The Council's support for Process Improvement is critical to our success.