

Tom Karier  
Chair  
Washington  
Frank L. Cassidy Jr.  
"Larry"  
Washington  
Jim Kempton  
Idaho  
Judi Danielson  
Idaho



Joan M. Dukes  
Vice-Chair  
Oregon  
Melinda S. Eden  
Oregon  
Bruce A. Measure  
Montana  
Rhonda Whiting  
Montana

November 30, 2006

## MEMORANDUM

**TO:** Fish and Wildlife Committee Members  
**FROM:** Patty O'Toole  
**SUBJECT:** Recommendation to initiate innovative proposal solicitation

The Council's Fish and Wildlife Funding Recommendations for Fiscal Years 2007 through 2009 include a budget placeholder for innovative projects, as part of the Basinwide project recommendations. Last month, the staff discussed with the Committee general concepts for an innovative proposal solicitation. Following that discussion, staff proposes that the Committee consider the following process and solicitation elements. If the Committee concurs, staff will prepare a decision memo for the Council to consider in January that will establish the process and timeframe for the solicitation.

The following definition and criteria are provided to clearly differentiate between work conducted under the prior program for innovative projects and the new innovative project proposal solicitation process by Council.

### Defining Innovation

For the purpose of the proposed solicitation, innovation is generally defined as a method or technology that is new, or an existing method or technology that has not previously been applied in the Pacific Northwest.

*Scope of Proposals* - Proposals should address: key regional management questions; limiting factors identified in subbasin plans; or, questions identified in the mainstem amendments. The solicitation should be clear that proposals could be applicable to resident fish, wildlife, or anadromous fish.

*Duration of Projects* - The work should be "pilot" in nature, therefore it should be feasible to complete work within 18 months, including one year to implement the work and six months to complete reports and other deliverables as appropriate. Project sponsors should communicate

their state of readiness to begin work (for example, are necessary permits in place?) as well as their capacity to complete work on schedule.

*Specific Review Criteria* - Review of innovative proposals will consider whether:

- The project will demonstrate how to increase biological benefits
- The new or improved management actions have a potential for widespread application
- The project meets existing criteria for ISRP review (scientifically sound, etc)

## Elements of the Solicitation

*Solicitation Schedule* - The Council recommended an innovative placeholder of \$1 million per year for three years in the basinwide project recommendations for FY 2007-2009. Having three separate solicitations, corresponding to each \$1million annual recommendation is not possible at this point, given we need 6-8 months for the solicitation process and that we are already well into fiscal year 2007. We are assuming that projects will have 18 months to complete their work, including 12 months for project implementation, and 6 months to complete deliverables. There are a couple options for proceeding. One is to conduct two solicitations (each with \$1.5 million available), one targeting implementation in FY 2008 and one targeting implementation in FY 2009. The disadvantage of this option is that for the second solicitation in FY 2009, the reporting period would cross into FY 2010, which is in the next rate case. Overlapping and staggering the solicitation could eliminate the cross over of spending into FY 2010 and would allow sponsors to align field seasons to their work needs, but could mean additional work for Council, staff and others involved in reviewing proposals. Another option is to conduct one solicitation with \$3 million available and have implementation and deliverables complete by the end of FY 2009.

Deleted: ;

Deleted: ,

The staff recommends two separate solicitations; the first targeting implementation in FY 2008 and the second for implementation in FY 2009. This is subject to resolving how Bonneville will account for work completed in FY 2010 so there is not an unplanned burden on Program funds in the next rate period.

*Availability and Dispensation of Funds* - For two separate solicitations, \$1.5 million will be available. At the November meeting, the Committee indicated that they did not see a need for a cost cap for proposals. Staff would like to revisit this issue. The origin of a limit on proposals was after FY 2001 solicitation, which capped individual proposal budgets requests at \$400,000. The ISRP then said it believed that funding level encouraged the submission of larger-scale proposals with both pilot and implementation phases. The ISRP suggested that the Program would be better served by funding a larger number of pilot-scale project of moderate budget with 12-18 month testing periods than by supporting fewer large budget, long-term projects. Subsequently, the ISRP recommended solicitations in the range of \$50,000-\$150,000 with a cap of \$250,000. For the FY 2002 solicitation, the Council again adjusted the selection process and solicited for "pilot projects" rather than full-scale projects with a limit of \$200,000 and limited their duration to 18 months.

*Completion of Projects* - No innovative project will be considered complete until a final formal report that includes results, findings, and conclusions is submitted to Bonneville. Bonneville will withhold final payment until these product commitments are satisfied.

*Future Eligibility* - Innovative proposals selected for funding in the first solicitation will be ineligible for funding in the subsequent innovative solicitations. Proposals for follow up work will need to compete for funding through the normal Fish and Wildlife Program project selection process.

### **Other Considerations**

*Bonneville and /ISRP suggestions* - Following the November Fish and Wildlife Committee meeting, Bonneville sent a letter to the Council (attached) that supports working together to design a focused, and carefully crafted, request for proposals (RFP) for *innovative* projects. The letter asks the Council to review limiting factors from the subbasin plans and recovery plans and recommend the innovative RFP address a couple of these limiting factors. This approach suggested by Bonneville is in contrast to the approach suggested by the ISRP. The ISRP's Retrospective Report recommended budgeting for an annual innovative proposal solicitation and recommended regular and open solicitation. The ISRP also recommended that special topic solicitations, such as nutrient supplementation, should be developed as targeted requests for proposals, but that these would not be necessarily considered innovative.

Prior to initiating a solicitation for innovative projects, staff strongly believes that the Council needs to receive commitment from Bonneville that proposal will be funded if they meet the solicitation criteria, are favorably reviewed by the ISRP, and are recommended by the Council. Staff is setting up a meeting to discuss this topic with Bonneville before the December Committee meeting.

*Technical work* - In addition, a few technical improvements could be made to the proposal form used in the FY 2007-2009 solicitation and these would need to occur, along with some work with CBFWA and Bonneville to activate a web-based solicitation process. These tasks could probably occur in a within a couple of weeks of opening a solicitation.

#### *Draft schedule (Single Solicitation)*

January 17-18 Council decision on solicitation

January 22-26 – solicitation for innovative project proposals

March 2 – Project proposals due

March 5 - April 27 - Concurrent ISRP and Fish and Wildlife manager review

April 27 – ISRP and Fish and Wildlife manager review complete

May1 - May 31 – public comment period

June 12 - Committee recommendation

July 11-12 – Council decision

October 1 – Bonneville contracting begins

# Proposed definition of “innovative”

- A method or technology that is new
- An existing method or technology not previously applied in PNW

# Scope of proposals

Proposals should address:

- Key regional management questions
- Limiting factors (subbasin plans)
- Questions identified in the mainstem amendments
- Could be applicable to resident fish, wildlife or anadromous fish

# Duration

- “pilot” in nature
- 18 months to complete
  - One year to complete work
  - 6 months to complete reports/deliverables

# Review Criteria

- The project will demonstrate biological benefits
- The new or improved management actions have a potential for widespread application
- The project meets existing criteria for ISRP review:
  - 1) are based on sound science principles;
  - 2) benefit fish and wildlife; and
  - 3) have a clearly defined objective and outcome with provisions for monitoring and evaluation of results

# Schedule options

- Conduct two solicitations (not overlapping), one for 08 implementation, one for 09.
- \$1.5 million available each year



**Solicit/select**

**Implement**

**Report**

**S-1**



**S-2**



# Schedule options

- Conduct two solicitations (overlapping)
- \$1.5 million available each year

**Solicit/select**

**Implement**

**Report**

**S-1**



**S-2**



**FY 07**

**FY 08**

**FY 09**

# Schedule options

- Conduct one solicitation
- \$3 million available

**S-1**

**Solicit/select**

**Implement**

**Report**



**FY 07**

**FY 08**

**FY 09**

# Availability and dispensation of funds

- 3 million available over three years
- If two solicitations, \$1.5 million each
- Consider “capping” proposals at \$200k - \$250k.

# Additional

- Completion of projects: not complete until a final formal report with results, findings and conclusions. Suggest that Bonneville withhold final payment until all commitments are satisfied.
- Future eligibility: Proposals funded under innovative solicitation are ineligible for subsequent innovative solicitations.