

Phil Rockefeller
Chair
Washington

Tom Karier
Washington

Henry Lorenzen
Oregon

Bill Bradbury
Oregon



Northwest Power and Conservation Council

W. Bill Booth
Vice Chair
Idaho

James Yost
Idaho

Pat Smith
Montana

Jennifer Anders
Montana

August 4, 2015

DECISION MEMORANDUM

TO: Fish and Wildlife Committee

FROM: Lynn Palensky, Program Development Manager

SUBJECT: b) Solicitation options to address emerging program priorities

PROPOSED ACTION: Staff seek guidance from the Committee on preferred solicitation options to address emerging program priorities, after discussion and alternatives. Staff will outline the possible solicitation alternatives for Committee consideration and will further develop preferred alternatives based on the Committee's guidance.

SIGNIFICANCE Direct guidance from Council members will help staff further develop the most appropriate process to implement new or expanded work in the priority areas of the fish and wildlife program.

BUDGETARY/ECONOMIC IMPACTS

Any process resulting from this discussion and anticipated decisions would not necessarily require an increase in program funds. If staff are directed to further develop a solicitation process to begin in early FY 2017, the effort would increase staffing level in this area and increase sponsors' attention to and possible level of participation in, the process.

BACKGROUND

The 2014 Fish and Wildlife Program states the following: (also see http://www.nwcouncil.org/fw/program/2014-12/program/partsix_implementation/ii_investment_strategy/)

Bonneville funding for emerging program priorities

Bonneville should fund any new fish and wildlife obligations from identifying savings within the current program and as necessary, from additional expenditures. Savings from the current program should not compromise productive projects that are addressing needs identified in this program. For example, additional funding can be obtained when projects complete their goals, such as a research project, or when a project is no longer reporting useful results. Funding should also be sought in general overhead budgets including Bonneville's overhead for its Fish and Wildlife Division. To the extent that targeted savings are insufficient to meet Bonneville's financial obligations in this program, Bonneville should consider increasing expenditures. Prior to every rate case Bonneville should report to the Council how it plans to budget for implementation of the fish and wildlife program.

ANALYSIS

A solicitation process to implement new or expanded work includes some key process steps including detailed staff work at the front end to develop clear expectations and criteria. Solicitation processes generally require proposals to be submitted, reviewed by staff, the ISRP and the Council, and followed by a Council recommendation to Bonneville for funding. It's important that such a process be transparent, clear, predictable, consistent, and equitable. The Council and Bonneville have completed targeted solicitations in the past; the last two were the fast-track M&E and the Innovative Category that began in 2007. Our project reviews are similar to a broad solicitation processes in the process steps and length of time it takes to complete. A solicitation for new projects can range from a narrow to broad focus and by invitation to open competitive, which may require federal register notice. Generally, broad and open equates to more time spent on the process.

Cost effectiveness is a function of how much effort will be expended per dollar. Staff recommends a narrowly focused process if less funding is available, so as to reduce process duration and costs and to provide reasonable expectations on the chance for project funding and implementation to proposal sponsors. If more funding is available it makes sense to increase the scope for solicitation.

Key considerations to include in the discussion about the process include:

- the amount of funding available in FY 2016, 2017 and beyond;
- the level of effort required for each alternative (or gradation);
- the timeframe or duration of work;
- expectations of long-term, continued project funding;
- the likelihood of success;

- and perhaps most importantly, how the Council will make decisions on 1) what to target for solicitation and 2) what to recommend to fund at the end of the review process.

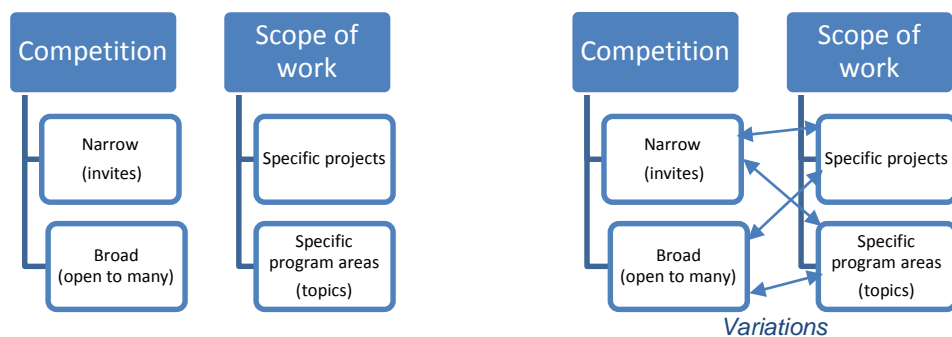
Alternatives:

A. Unique Source Contract

This option might target a specific project that needs to be accomplished in the program, and by using a uniquely qualified implementer. This could be good option if one organization is already doing work in this area or has proposed a specific project and is most suited to continue. An example for when this might be the best option: when the situation calls for a low-cost, short term project with a clear objective and a uniquely qualified provider exists. Bonneville used this approach for the fast-track M&E process.

B. Targeted Solicitations (RFP's narrow, wide, formal)

In a targeted solicitation the *work or the implementers* can be targeted; or both. This option is most useful when funding is limited; say \$5 million or less. It may also make sense include an optional pre-proposal step.



Some logical breaking points might be:

<\$500,000	Target one or more specific projects and limit invitations
\$500k - \$2 million	Target one or more projects areas (very focused)
>\$2 million	Narrowly targeted project areas and open to anyone

C. Broad Solicitation

This option is most cost effective and useful when higher funding levels (>\$5 million) are anticipated. With this option comes longer planning and review times, high staffing levels for Council staff, BPA Staff, ISRP and sponsors, and high expectations. This option is more likely to have an open competitive process. As mentioned above, given the similarity to our typical project category reviews, staff estimate the timeframe to be a minimum of about nine months to complete the process (announcement to final Council recommendations). The planning phase leading up to launch would add 2-3 months minimum. Bonneville requires 90 days to develop new contracts.

- A: Open to all the emerging priorities; or
- B: Open to all Program priorities

Staff Recommendation:

For FY 2016: Based on the need to move quickly to implementation in FY 2016, staff recommends the Council choose one or two specific tasks and invite logical organizations¹ to submit proposals to implement the work.

For FY 2017: Staff recommends operating under the targeted solicitation model (Option B), with variations depending on funding and the level of specificity of defined work.

Staff recommends work begin on a broad open solicitation (Option C) after the processes described above have been launched. This solicitation should be targeted to elicit proposals for all appropriate elements of the emerging priorities.

¹ Open to non-Accord parties.