

**Bruce A. Measure**  
Chair  
Montana

**Rhonda Whiting**  
Montana

**W. Bill Booth**  
Idaho

**James A. Yost**  
Idaho



**Dick Wallace**  
Vice-Chair  
Washington

**Tom Karier**  
Washington

**Melinda S. Eden**  
Oregon

**Joan M. Duker**  
Oregon

September 9, 2010

## MEMORANDUM

**TO:** Fish and Wildlife Committee members

**FROM:** Mark Fritsch, project implementation manager

**SUBJECT:** Proposed changes to the BOG process used to adopt within-year adjustments.

At the September meeting, Council and Bonneville staffs will provide an overview of proposed changes to the current BOG process to update and streamline the process. No formal decision from the members is necessary at this meeting; staff is presenting the idea to obtain member feedback before going any further with the proposed changes.

## BACKGROUND

In 2004, Bonneville and the Council formed a budget oversight group (BOG) to conduct a budget tracking process. A principal role of the BOG is to validate whether the requests are a reschedule or within-year request (i.e., scope change, budget change, scope/budget change, and new request) and to place the within-year requests into one or more of the sorting categories (1-5). Reschedules are forwarded to Bonneville for assessment and funding as funds become available, and within-year requests are also forwarded to Bonneville for recommendation on the availability of funds as identified at the quarterly reviews.

The BOG uses the quarterly reviews to initiate a prioritization process to establish which budget adjustment requests can be met with funding available in the current fiscal year project budget. This process also includes a public comment period.

Since 2004, the BOG process has been updated numerous times to be more proactive, coordinated (internally and externally), and to provide a more rigorous review of the requests. Most recently, in May 2008, the Council adopted a threshold for within-year budget adjustment management.

## ANALYSIS

Recently Council and Bonneville staff have been collaborating on refining the BOG process. No major changes are incorporated, staffs have only updated the process to reflect changes to

websites (i.e., cbfish.org) and categories (i.e. remove the number system of 1 - 5, and incorporate categories of Emergency, Urgent, Threshold, Categorical Review, and Quarterly).

Please find attached the revised BOG process for your review and comment.

**Project Change Request Tracking Process for the  
Bonneville Power Administration (BPA) /  
Northwest Power & Conservation Council  
(Draft Version August 12, 2010)**

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## Project Planning Budgets

1. BPA Start of Year (SOY): BPA develops SOY project budgets in last spring of each year, informed by the Council's recommendation. The BPA SOY budget will be used as the basis for the Working Budget, which reflects changes made to project budgets as determined through the budget modification process described below. BPA's SOY can be viewed at:  
<http://www.cbfish.org/Portfolio.mvc/Display/284>
2. Northwest Power & Conservation Council (Council) Categorical Review: Starting in 2009, the Council initiated categorical reviews and recommended category and project-specific budgets to BPA. The Council may recommend potential cost savings that may be achieved by Bonneville in contracting for each project; any cost savings are not accounted for in the Council's recommended budget. Also, the Council is considering a prioritization development process to give additional guidance to the region about which elements of the fish and wildlife program should be addressed in the near term. This type of budget recommendation allows project sponsors and Bonneville flexibility in annual contracting; adjustments during the planning budget period can and should be made as necessary during contracting. The Council recommended budgets can be viewed at: <http://www.nwcouncil.org/fw/Default.asp>
3. Change Request tracking: Project change request tracking can be viewed at:  
<http://www.cbfish.org/ChangeRequest.mvc/Index>
4. Within-Year Budget: A line item for potential within-year budget adjustments is included in the SOY budget. Any budget or scope changes (as described in items 2 & 3 below) proposed through this process will be considered relative to the available within-year budget line item. As such, decisions through this process are only for the current project year based on available funds.

## Monthly Budget Oversight Group (BOG)

In 2004, Bonneville and the Council formed a budget oversight group (BOG) to conduct a budget tracking process. A principle role of the BOG is to validate whether the change request is for scope, timeline or budget and to place the scope and budget requests into the appropriate category in order to determine next steps.

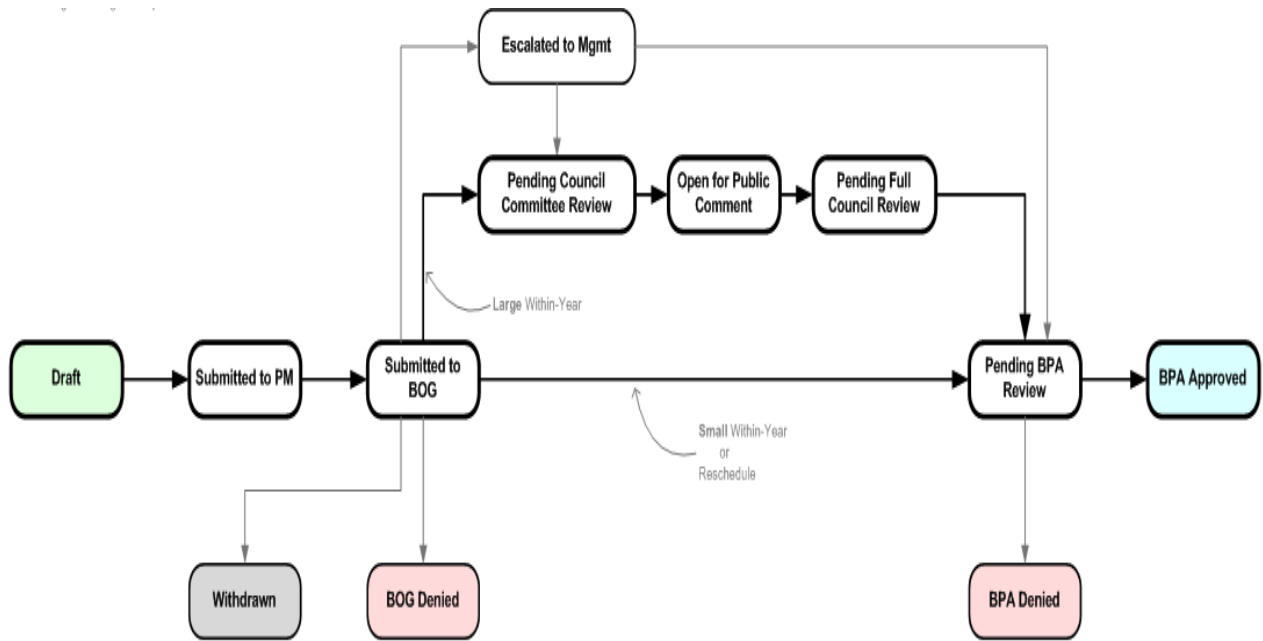
- a. The Budget Oversight Group (BOG) consists of Council state and central staff, BPA staff, and others tasked with coordination functions.
- b. BOG Management Group consists of BPA's Fish & Wildlife Director and Council's Fish & Wildlife Director.
- c. The BOG will meet monthly to review change requests and to track the fiscal year budget.
  - i. This meeting will be held on the Wednesday prior to regularly scheduled, current month's Council meetings.
  - ii. The first step in making a BOG request is to contact your BPA contracting officer's technical representative (COTR). BPA COTR's and project sponsors should work together to ensure the appropriateness and accuracy of the project change request. Project sponsors must attend BOG meetings either in person or via phone to discuss their requests. Otherwise, their change requests will not be considered at that BOG meeting and will be deferred to the next BOG meeting.
  - iii. Project Sponsors need to submit their request in a timely manner to allow the BPA COTR time to review/comment/accept the request to BOG. All change requests must be submitted no later than one week prior to the BOG meeting for consideration in that month. *(Previously, project sponsors were able to submit request without COTR review. BPA requested that CBFish.org allow documentation of COTR review and comments as part of the process.)*
  - iv. All change requests received will be reviewed, sorted and categorized. Requests can be reviewed on the [BOG change request website](#) within cbfish.org. The BOG meetings will be open to the public and announced on the [BOG website](#).

### Project Change Request Process:

There are three possible adjustments for ongoing projects:

1. Timeline (reschedules)
2. Budget change (request for budget adjustment)
3. Scope (change in reviewed/approved scope or moving through three-step process)

Table 1. Project change request flowchart.



**Suggested changes:**

- “large within-year” **to** “outside of Council recommendation or above threshold”
- Change “small within-year or reschedule” **to** “within Council recommendation, threshold or reschedule”

**1. Timeline (reschedules):**

Project sponsors may request a change in timeline. A timeline change is called a reschedule where contracted tasks and the associated budget are moved from one project year to another project year and added to the subsequent contract.

Reschedules requests are decided by BPA based on the following criteria:

- A. The request includes tasks/funding that was previously contracted.
- B. Confirmation that money is still available in the contract/project to cover the rescheduled tasks.
- C. Proposed timeline change for rescheduled task completion is reasonable and attainable.

If the reschedule is approved, Work Elements, milestones, etc. should be updated in Pisces.

**2. Budget Change (request for budget adjustment):**

There are 5 processes that a budget change request can follow to reach a decision. At the BOG meeting, the BOG members will determine what process the request will follow.

- A. Emergency (*must act now, follow up with paperwork later*): Acts of God or the unforeseen loss of mechanical infrastructure that necessitates an extraordinary action to avoid the imminent loss of fish and/or wildlife resources or to mitigate serious human health or safety issues should be addressed immediately.
- When this situation occurs, the project sponsor should deal with the issue immediately, but responsibly, in coordination with the BPA Project Manager and BPA Contracting Officer.
  - If additional funding is needed to cover the issue (i.e. the emergency falls outside the normal SOW & line item budget), the project sponsor should submit a change request. The BOG will forward the request to BOG Management Group for confirmation.
- B. Urgent (*just found out and need answer soon, but can't wait for quarterly process*): Actions necessary for the project, though not of an emergency nature, to avoid the loss of a previous project investment, that would jeopardize the performance discrete task or objective of the project or have adverse biological consequences to the project.
- These urgent requests will be forwarded by the BOG to BOG Management Group for a decision.
- Poor planning does not constitute urgent, thus this will be used infrequently.*
- C. Threshold: The change request meets threshold category if all of the following are true: 1) within the scope of the recommended project; 2) within 10 percent of the approved SOY budget; and 3) is less than \$75,000;
- A decision is recommended by the BPA COTR & their manager and forwarded to the BOG Management Group for a confirmation.
- D. Categorical Review: Change requests that are addressed within the Categorical Review and consistent with Council recommendation, but not yet addressed within BPA's SOY.
- If the specific request has a favorable council recommendation, the decision will be made by BPA, coordinated through BOG.
- E. Quarterly: All other requests that do not fall within the emergency, urgent, threshold or categorical review processes, follow the quarterly process. Based on the schedule below, requests will be pooled together and be reviewed quarterly by Council followed by a BPA decision. (See table 2).
- Following Council committee meeting, the 14-day public comment period is open. Comments can be submitted on the CBFish website:  
<http://www.cbfish.org/ChangeRequest.mvc/Index>

Table 2. Quarterly process schedule.

Requests discussed at the following BOG Meetings will be pooled together:	Reviewed by the Council's F&W committee and initiate 14-day public comment the following month:	Reviewed by the Full Council and provide with a recommendation to BPA.
October/November/December	January	February
January/February/March	April	May
April/May/June	July	August
July/August/September	October	November

### 3. Scope (change in reviewed/approved location of work or work elements or progression through the Council's three-step process):

Project Sponsors may request a change in Scope through the BOG. The BOG will review/discuss the proposed change in scope with the project sponsor during the meeting and determine next steps. The BOG will determine whether or not the request is a true change in scope and warrants ISRP review.

- A. If BOG determines the proposed scope change does require ISRP review, the BOG will forward to BOG Management for concurrence.
  - If BOG Management agrees to pursue the scope change, council staff will coordinate with the project sponsor and submit to ISRP.
  - If BOG Management doesn't agree to pursue the scope change, the request will be denied.
  - If BOG Management disagrees with BOG's determination of ISRP review, they will determine next steps (i.e. follow quarterly process, falls within BPA contractual authority, withdraw).
- B. If BOG determines the proposed change does not warrant ISRP review, the BOG will determine next steps (i.e. follow quarterly process, falls within BPA contractual authority, withdraw).

Project Sponsor should work with Council Staff and the BPA COTR to move through the three-step process. The three-step process can be viewed on the Council's website: <http://www.nwcouncil.org/LIBRARY/2001/2001-29.htm>