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July 7, 2021

### MEMORANDUM

**TO: Fish and Wildlife Committee Members**

**FROM: Mark Fritsch**

**SUBJECT: Revisions proposed for Budget Oversight Group process**

#### **BACKGROUND:**

**Presenter:** Mark Fritsch and Patty O'Toole (Council staff), and Scott Donahue, Chris Read and Crystal Ball (Bonneville Power Administration staff).

**Summary:** Council and Bonneville staff have been working together to revise the Budget Oversight Group (BOG) process to better reflect the contemporary purpose and function of the forum as it relates to the Council's 2014/2020 Columbia River Basin Fish and Wildlife Program and Bonneville Power Administration's 2018-2023 Strategic Plan.

The staff will provide an overview of the revised process that addresses within-year change requests, science review for proposed changes to the scope or intent of a project, and will describe the ongoing discussion about how to treat new projects.

The new title for the process is Project Adjustment Review Group (PAR Group) (please see Attachment 1). This is a working document that can be updated as progress is made by Council and Bonneville staff in a collaborative framework for Fish and Wildlife Program implementation associated with other annual processes and placeholders.

**Relevance:** The revised process would continue to provide Fish and Wildlife Program project sponsors the opportunity to make adjustment requests for their

projects. In addition, the process provides regional transparency and confirmation for the project's administrative record.

Workplan: This effort is consistent with Fish and Wildlife Division work plan 2021; Program Implementation; Task E. Budget Oversight Group.

Background: In 2004, Bonneville, Council and Columbia Basin Fish and Wildlife Authority formed a budget oversight group (BOG) to conduct a budget tracking process. Though the role of the group has evolved since its inception, BOG continues to meet monthly to review specific change requests. The meetings are held on the first Wednesday of each month, as warranted.

Typical requests include changing the type or scope of work being done under a project, which may include a one-time budget increase and additional review by the ISRP or requesting a one-time increase to a project's budget to cover an unforeseen emergency. All change requests are coordinated through Bonneville's Contracting Officer's Representative (COR). The BOG helps review, categorize, and then makes a recommendation for a decision. In addition, there is a BOG management group that provides oversight and direction to the BOG regarding items that need expedited treatment or policy direction. The BOG management group consists of BPA's Fish & Wildlife Director and the Council's Fish & Wildlife Director.

Over the past 18 years the BOG process has evolved to meet the needs of implementing projects in the Fish and Wildlife Program. The formality of the BOG process has created value for the region. Over the years the regularly established meeting dates, a commitment to a defined process with a common set of rules and criteria, a venue for trust-building and communication between Bonneville and Council staffs, and transparency and record for within-year requests have benefited the implementation of the Fish and Wildlife Program.

That said, there is a need to revise the BOG process to better reflect the contemporary purpose and function of the forum. The current review process has not been updated since 2017 and has generally only been used for emergency/urgent type requests, with occasional scope change discussions.

Bonneville continues to manage its fish and wildlife mitigation costs to meet the goals of the agency's 2018-2023 Strategic Plan. The plan's Objective 1a calls for improving cost management by holding the sum of program costs, by business line, at or below the rate of inflation through 2028. Specifically, Goal 3, Objective 3c of the plan outlines the directives that Bonneville follows as it implements mitigation efforts consistent with

the Council's Program<sup>1,2</sup>. That objective states Bonneville will “*Prioritize fish and wildlife investments based on biological effectiveness and mitigation for FCRPS impacts; and manage fish and wildlife program costs at or below inflation, inclusive of new obligations and commitments.*”

Bonneville has generally budgeted \$1 million in each fiscal year to allocate towards BOG requests. In October 2018, as a result of the collaborative development of the [Asset Management Strategic Plan](#), the Council recommended \$250,000 of the BOG placeholder be contributed to a dedicated Asset Management fund beginning in FY21. Bonneville supported that recommendation and has since budgeted \$750,000 per Fiscal Year for ‘within year’ emergency requests.

More Info:

- Current BOG meeting call-in and live meeting information is available online at <https://www.cbfish.org> under the Explore/Reviews/Change Request (BOG) tab (<https://www.cbfish.org/ChangeRequest.mvc/Index>).
- Existing BOG Process ([FY 2018 Process](#)) for Making Budget Modification/Change Requests (Currently posted).

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<sup>1</sup> [Letter to Chair Devlin regarding Bonneville's 2021 SOY Budget, dated October 5, 2020](#)

<sup>2</sup> [Letter to Chair Devlin providing comments on Council revised part one of the addendum, dated June 22, 2020.](#)

## Attachment 1. Draft version of Project Adjustment Review Group Process

# Project Adjustment Review Group

## Process for Making Project Change Requests

### Fiscal Year 2022

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#### Review Group Information and Process Overview for FY22

**Purpose** - The purposes of this group are to review within-year emergency budget change requests, determine need for additional science review for proposed changes to the scope or intent of a project, and to facilitate science review and Council recommendations of 'new projects'. *[Note: Though this draft process document references 'new projects,' BPA and Council staffs are continuing discussions around them, and how those may or may not be considered by this group.]*

**Membership** - The name has changed to better reflect the evolution and function of the group. Formerly known as the Budget Oversight Group (BOG), the review group membership remains as Council's state and central staff, and appropriate BPA staff.

- BPA's Fish & Wildlife Executive Director and the Council's Fish & Wildlife Director are the 'Management Group' and will coordinate on requests that need expedited treatment or policy direction.

**Meetings** - All meetings will be conducted 'remotely' via WebEx until further notice. Meetings will be held on the first Wednesday of each month and are open to the public. The dates, agenda, and relevant information can be found in the [Change Request section](#) of CBFish.

**Emergency Fund** - Bonneville will confirm the placeholder amount at the beginning of each fiscal year. The amount is subject to available funds but is currently established as \$750,000. This fund is titled "General - Within Year" and the accounting of this fund can be tracked [here](#). Use of this fund is intended to address one-time, within-year emergencies; funding will be added to the fiscal year for which the work is contracted.

**Group History** - In 2004, Bonneville Power Administration (BPA), Columbia Basin Fish and Wildlife Authority, and the Northwest Power and Conservation Council (Council) formed the *Budget Oversight Group* (BOG) to help direct within-year requests for consideration and recommendation. The principle role of the BOG has evolved to address reviews, validation, and/or categorization of within-year 'emergency' type budget requests or scope change requests, and make recommendations on the next steps in the process. More details about the history of BOG can be found [here](#).

## The Budget Change Request Process for Emergencies

**If Project sponsors feel they have an emergency situation, they need to contact their BPA Project Manager and associated CORs as soon as possible.**

The goal is to address the emergency issue safely and immediately, but responsibly and in coordination with contracting officials.

- Examples of emergency situations include:
  - Project actions needed to avoid a serious human health or safety need
  - Unforeseen loss of mechanical infrastructure that necessitates an immediate, unexpected or unplanned action to avoid the imminent loss of fish and/or wildlife resources
  - Unforeseen project actions needed to avoid the imminent loss of a previous project investment

The steps sponsors and the COR will take for creating and tracking an emergency budget change request include:

- The sponsor must contact the appropriate BPA Contracting Officer Representative (COR) to communicate the need; phone calls should be followed up with an email that summarizes the conversation.
- The COR will coordinate with their area leads/managers, the BPA Budget Team, BPA Contracting Officer (CO), in order to:
  - Secure authorization to conduct “billable work” related to emergency response and its related scope
  - Confirm budget change is *required* to address issue (i.e., no flexibility in the project’s existing budget)
- The COR will work with BPA’s F&W Council liaison to inform the “Project Adjustment Review Group” and the BPA’s Fish & Wildlife Executive Director and the Council’s Fish & Wildlife Director F&W Division Directors.
- The sponsor and COR will use CBFish to create and submit a ‘[Change Request](#)’ for the project in need, and will work together to ensure the appropriateness, timeliness, and accuracy of the request as it is drafted.
- The sponsor must first submit the draft request to the BPA PM/COR, then the PM/COR is the one to route the finalized request through CBFish.
- Requests should be routed in CBFish as quickly as possible so they can be reviewed at the next scheduled meeting.
- The project sponsors and associated BPA CORs must attend the meeting that reviews the request. If the project sponsor cannot participate for a valid reason, the request review will be deferred to the next regularly scheduled meeting.
- Requests can be reviewed and tracked in the ‘[Change Request](#)’ section of CBFish.

- Requests can be withdrawn or canceled at any time in the process where warranted, even after they have been reviewed.

Note: Change requests associated with catastrophic type events (e.g., wildfires) will be reviewed on a case-by-case basis, as these are not necessarily a Bonneville fish and wildlife mitigation responsibility. These types of requests need to be coordinated with claims through the relevant land management agencies, insurance companies, and/or the Federal Emergency Management Agency (FEMA). Proof of this coordination will be expected at the time the Project Adjustment Review Group request is reviewed, so that a ‘fully informed’ Project Adjustment Review Group can make recommendations that complement existing claims and anticipated remediation efforts. Remediation efforts will need to be presented in context to the associated stewardship agreements (where applicable) or land management plan, and the goals and objectives of the associated Project as it was reviewed, recommended and implemented. Lastly, Project Adjustment Review Group requests should not include funding for assets that are otherwise covered in the associated claims.

## Scope and Intent Change Request Process

If project sponsors wish to change the scope or intent of their project(s), relative to the most recent science review(s) and Council recommendation(s), they need to contact their BPA Project Manager and associated CORs to discuss options. These requests must be budget neutral or reductions; this process cannot be used to request additional funding related to scope or intent changes.

- Examples of scope or intent change include:
  - Projects that propose to merge or split for efficiencies
  - Projects that wish to change the geographic location of work, and/or species of interest, outside the footprint reviewed by the ISRP
  - Projects that wish to change their artificial production program

The steps sponsors and the COR will take for creating and tracking scope/intent change requests include:

- The sponsor must contact the appropriate BPA Contracting Officer Representative (COR) to communicate the change desired.
- The COR will coordinate with their area leads/managers, the BPA Budget Team, BPA Contracting Officer (CO).
- The sponsor and COR will use CBFish to create and submit a ‘[Change Request](#)’ for the project in need, and will work together to ensure the appropriateness, timeliness, and accuracy of the request as it is drafted.
- The sponsor must first submit the draft request to the BPA PM/COR, then the PM/COR is the one to route the finalized request through CBFish.
- Requests should be routed in CBFish as quickly as possible so they can be reviewed at the next scheduled meeting.

- The project sponsors and associated BPA CORs must attend the meeting that reviews the request. If the project sponsor(s) cannot participate for a valid reason, the request review will be deferred to the next regularly scheduled meeting.
  - If the Project Adjustment Review Group determines the proposed scope/intent change **does not** warrant ISRP review, it will defer back to BPA for a decision on the next steps in the process.
  - ⊖ If the Project Adjustment Review Group determines the proposed scope/intent change **does** require ISRP review, the project sponsor will be asked to submit a proposal for ISRP review, and associated Council recommendation.
- Requests can be reviewed and tracked in the '[Change Request](#)' section of CBFish.
- Requests can be withdrawn or canceled at any time in the process where warranted, even after they have been reviewed.

## New Projects

Sponsors should coordinate any 'new' project proposals through a BPA representative so that a BPA Project Manager and COR(s) can be assigned to it, then help shepherd it through the science review and Council recommendation processes. New projects should submit a proposal to the Management Group so that it can be reviewed by ISRP and recommended by Council as quickly as feasible. *[Note: Though this draft process document references 'new projects,' BPA and Council staffs are continuing discussions around them, and how those may or may not be considered by this group.]*

# Revisions Proposed for Budget Oversight Group process

Fish and Wildlife Committee

July 2021



## **Budget Oversight Group (BOG)**

- Initiated 18 years ago - late Fiscal Year 2004
  - to conduct a budget tracking process
- Formed by Council, Bonneville, and Columbia Basin Fish and Wildlife Authority
- Track budget adjustments and modification requests through the fiscal year
- Principle role was to track changes between solicitations - validate whether requests were reschedules or within year requests (i.e., Scope and/or Budget Changes, Reschedules, and New Requests)
- Placeholder established to fund approved requests

## History of Process

- FY05 - Updated Proposed Action (UPA) and the need to prioritization criteria
- FY06 - 07 Quarterly Review and New Starts were incorporated into process
- FY08 - Incorporation of the Threshold category
- FY11 - General updating and refinement (e.g. Bonneville's on-line database came online)
- FY13 – BOG was paused, due to Cost Recovery Adjustment Clause
- FY16 – Simplified to reflect only the three categories (i.e. emergency, threshold and quarterly)
- FY17 Through to current – no revisions other than minor editorial. Primarily used for emergency/urgent type requests, with occasional scope change discussions.

## **Successes to date**

- Forum has provided value
  - Uses a defined process
  - Uses an established common set of rules and criteria used to categorize and route requests
  - Provides additional transparency and record for all mid-contract (or between categorical review) requests
- Allows for flexibility in program implementation
- Provides opportunity for stakeholder engagement during request reviews
- Promotes communication and information sharing

## **Revisions** - a collaborative approach

- New name (Project Adjustment Review Group) – reflects current purpose
- Revised process to reflect current use and clarity for all stakeholders
- Placeholder amount stays the same for FY22 set at \$750,000 (no change from FY21)
- Under discussion are three categories:
  - Emergencies
  - Scope and Intent Change
  - New Projects
- Revisions to the associated guidance document continue – the most recent draft version is attached to the packet memo for perusal
- This will be a ‘living’ Working document for FY 2022 and can be updated as necessary

# Questions