

**F&W Contract Management Manual**  
**Summary of Comments and Major Changes**  
**(10/21/03)**

	<b>Source of Comments</b> (see last page for complete list)	<b>Summary of External Comments</b>	<b>Changes from Draft Policy</b>
<b>Scope</b>	BPC, UCUT	<p>Is scope limited to contract policies or does it apply to all F&amp;W policies?</p> <p>Does scope include all regional F&amp;W processes or only BPA policies and processes?</p>	<p>Title changed to “F&amp;W Contract Management Manual” to better reflect the scope of the Manual.</p> <p>Table of Contents and Scope have been revised to clarify that scope is limited to BPA policies related to the development and administration of contracts after funding decisions have been made.</p>
<b>Chapter 1</b> <b>Multiyear contracting</b>	BPC, Montana DFW&P, NWPCC, Nature Conservancy, Nez Perce, PSMFC, UCUT, Umatilla, Yakama	<p>NWPCC supports multi-year contracting program, but the draft plan to implement it in 2004 is problematic. NWPCC will not have 3-year recommendations in force to support it until the new Regional project selection process (sub-basin planning) is developed, probably in 2005.</p> <p>Contractors support multi-year contracting, but some expressed significant concern when BPA clarified that such contracts would still be subject to Spending Caps and that contract amendments would still be required if the work and budget cannot be clearly defined up-front.</p> <p>Multi-year contracting should apply to both capital and expense contracts and should not be limited to 36 months.</p>	<p>BPA stated in the draft Manual that a final multi-year contracting policy will not be issued without additional opportunities for comment. For that reason, this chapter is not included in this edition of the Manual. Policies regarding Spending Caps and joint CO/COTR negotiations have been moved to other chapters.</p> <p>Based on the comments received to date, BPA plans to work closely with NWPCC and CBFWA to develop the multi year contracting program in conjunction with the sub-basin planning process. BPA will explore the idea of executing multiyear contracts greater than 36 months.</p> <p>Additional comments are welcome.</p>

<p><b>Chapter 3.2</b></p> <p><b>Timely Contract Execution and Unauthorized Work</b></p>	<p>Clatsop County, Nature Conservancy, Kootenai, Montana DFW&amp;P, NOAA/NFSC, NWPPC, Nez Perce, PSMFC, UCUT, Umatilla, Yakama</p>	<p>Contractors support initiatives to ensure that COTR and CO work concurrently to negotiate with the contractor and to ensure that contracts are signed on timely basis.</p> <p>BPA should establish deadlines for submission of documents to ensure contracts are executed before work is scheduled to begin.</p>	<p>The Manual has been modified to:</p> <ol style="list-style-type: none"> <li>1. encourage contractors to submit their Statement of Work, budget, Work Schedule, and supporting information 90 days before the contract expiration date.</li> <li>2. set a goal to reduce the 90 day lead time during 2004.</li> <li>3. emphasize the importance of allowing adequate time for <u>both</u> parties to sign contract renewals before the contract expiration date.</li> <li>4. add a requirement that prohibits work without a fully executed contract unless approved by both the CO and a senior BPA F&amp;W manager.</li> </ol>
<p><b>Chapter 3.4</b></p> <p><b>Work Schedules</b></p>	<p>Kootenai, Montana DFW&amp;P, Nature Conservancy, Nez Perce, PSMFC, UCUT, Umatilla, Yakama</p>	<p>Work Schedules create more administrative work.</p> <p>COTR's may "micromanage" the contractor through the Work Schedules and will require frequent changes and updates, creating additional administrative burden.</p> <p>The Work Schedule in the draft Manual requires the contractor to break out the budget by both fiscal year and contract year, creating additional workload.</p>	<p>Work Schedules will still be required, but the administrative processes have been simplified as follows:</p> <ol style="list-style-type: none"> <li>1. Eliminate the requirement that the Work Schedule track costs by the fiscal year for each task (the Work Schedule will continue to track costs by contract budget year).</li> <li>2. Allow more flexibility regarding the frequency of COTR/contractor joint review of the Work Schedule during the project.</li> <li>3. Eliminate the contract clause that requires that the Work Schedule be updated whenever milestones change.</li> </ol> <p>BPA plans to use Work Schedules in conjunction with a separate BPA-generated report in order to track the progress of the project and related expenses throughout the year.</p>

<p><b>Chapter 3.5 Spending Caps:</b></p>	<p>BPC, Kootenai, Montana DFW&amp;P, NWPPC, Nature Conservancy, Nez Perce, Oregon DEQ, PSMFC, Umatilla, UCUT, Yakama</p>	<p>Spending Caps impose an unreasonable administrative burden.</p> <p>The lack of a BPA funding commitment for the entire contract year creates significant risk and uncertainty.</p> <p>Rescheduling process is not discussed in the draft.</p> <p>The Spending Cap clauses are unclear.</p> <p>Add guidance for COTR's to ensure they understand when and how to work with the Council-sponsored quarterly status reviews</p>	<p>The Manual has been modified to reduce the administrative burden of managing Spending Caps.</p> <p>The Manual has also been modified to reduce the funding uncertainty by authorizing the entire budget amount at the time of contract renewal.</p> <p>For <u>most</u> contracts, the annual fiscal year budget set by the Council and BPA will also become the Spending Cap for the fiscal year (October 1-September 30). This change will eliminate the need to calculate the Spending Cap for the period between the renewal date of the contract and the following September 30. It will also eliminate the need for BPA to add the remaining budget for the contract year shortly before September 30.</p> <p>Guidance regarding Rescheduling will be added to the Manual. In the interim, guidance for contractors will be posted on the F&amp;W website under "Information for F&amp;W Contractors"</p>
<p><b>Chapter 6.1 Allowable and Unallowable Costs</b></p>	<p>BPC, Kootenai, Montana DFW&amp;P, NWPPC, Nature Conservancy, PSMFC, UCUT, Umatilla, Yakama</p>	<p>BPA should fund conference attendance and other training.</p>	<p>BPA will pay for participation in meetings, technical training and conferences under limited circumstances. In general, BPA will not pay for general professional development, memberships, or publications.</p> <p>BPA will phase-in the enforcement of the allowable cost policies as contract renewals are executed.</p>
<p><b>Chapter 6.2 Submittal of Proper and Timely Invoices</b></p>	<p>BPC, Kootenai, NOAA/NFSC, NWPPC, Nature Conservancy, PSMFC, UCUT</p>	<p><b>Regarding prompt invoice submittal:</b> Some Federal agencies stated that their national accounting systems make it very difficult to bill BPA within 90 days after work is performed.</p> <p>Other contractors object to allowing any exceptions for Federal agencies</p>	<p>All contractors, including Federal agencies, are subject to the 90 day invoice submittal requirement. They shall take action to fully comply and in the interim shall provide BPA with a close approximation of the costs incurred. Future funding may be adversely affected for contractors who continue to submit late invoices.</p>

<b>Chapter 6.2</b> <b>Submittal of Proper and Timely Invoices</b>	NOAA/NFSC, Nature Conservancy, Nez Perce, PSMFC, Soil & Water Conservation Districts	<b>Regarding maximum invoice frequency:</b> Some contractors state that they do not have adequate cash flow if they are restricted to only one invoice per month.	BPA will continue to allow invoicing by contractors who currently invoice more frequently than monthly.  BPA plans to transition all contractors to monthly invoicing, but will postpone the conversion until we can ensure equitable treatment among contractors.
<b>Chapter 6.2</b> <b>Submittal of Proper and Timely Invoices</b>	Kootenai, Nez Perce, Soil and Water Conservation Districts, UCUT	<b>Regarding Net 30 Payment terms:</b> Several commenters state that they do not have other sources of funds to enable them to wait 30 day for payment.	For existing contracts with renewal dates on or after February 1, 2004, payment terms less than “Net 15” will be converted to “Net 15.”  For new contracts executed on or after February 1, 2004 that are under new projects, payment terms shall be “Net 30.”
<b>Chapter 6.2</b> <b>Submittal of Proper and Timely Invoices</b>	BPT, Kootenai, NOAA/NFSC, Nature Conservancy, PSMFC, Umatilla, UCUT	<b>Regarding backup documentation for invoices:</b>  Backup documentation requirements, especially for labor costs, are unreasonable.	BPA has retained the requirement of backup documentation for invoices. The Manual has been revised to clarify some ambiguous documentation requirements.  BPA believes this level of documentation is appropriate to ensure financial accountability. The documentation requirements are similar to those required by BPA for cost reimbursement contracts with commercial firms.

<b>Comments were received from the following:</b>	Montana DFW&P: Montana Department of Fish, Wildlife, and Parks	PSMFC: Pacific States Marine Fisheries Commission
BPC: Business Practices Committee	NOAA/NFSC: National Oceanic Atmospheric Administration/NW Fish Science Center	Soil and Water Conservation Districts
BPT: Burns Paiute Tribe	NWPC: Northwest Power Conservation Council	UCUT: Upper Columbia United Tribes
Clatsop County	Nature Conservancy	Umatilla: Umatilla Tribe
Kootenai: Kootenai Tribe	Nez Perce: Nez Perce Tribe	Yakama: Yakama Nations