

**F&W Contract Management Manual
Quick Summary and Implementation Schedule (11/7/03)**

Warning: This summary is no substitute for reading the Manual. In case of conflict or ambiguity, the Manual governs.

Manual Reference	Summary of Policy	Implementation Schedule
Scope Page 3	<p>The scope of the Manual is the development and administration of contracts. It does not include the regional processes to solicit, review or fund proposals.</p> <p>The Manual does not supersede the provisions of individual contracts or the Bonneville Purchasing Instructions (BPI). (page 3)</p> <p>CO's and COTR's may not waive any requirements of the Manual without the approval of their manager and the Vice President of EF&W (delegated to Scott Hampton by Therese Lamb) (page 3)</p>	<p>Manual is effective on November 7, 2003, but individual policies will be phased in. See remaining sections, below.</p> <p>A "waiver template" is available to simplify the waiver process for COTRs. (Appendix B). This is an internal BPA process and requires no action by Contractors.</p>
Section 3.2 Timely Contract Execution Page 4	<p>BPA is taking actions to reduce contract lead times during 2004. (3.2, C, 2, a)</p> <p>Contractors should submit their proposed SOW, budget, and Work Schedule at least 90 days in advance of contract renewal date. (3.2, C, 2, b) (But see implementation schedule in right column)</p> <p>COs and COTRs should allow time for <u>both</u> parties to sign contract renewals before the contract expiration date. (3.2, C, 2, b)</p> <p>COs and COTRs shall jointly review and negotiate the Statement of Work/budget with the contractor. (3.2, C, 2, c)</p>	<p>This policy will be implemented in 2005. Until then, BPA will work with contractors to transition to the policy, particularly with regard to the lead time needed for the contractor to complete their internal signing process. (3.2, C, b)</p> <p>We intend to reduce lead times by encouraging better collaboration, streamlining the process, and creating standard templates for Statements of Work, budgets, etc.</p>

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<p>Section 3.2</p> <p>Unauthorized Work</p> <p>Page 5</p>	<p>Contractors shall not work without a contract signed by BPA. (3.2, C, 3, a)</p> <p>COTR's must get a waiver from Scott Hampton if they extend a contract to allow time to renew the contract before it expires. CO's must similarly comply. (3.2, C, 3, b)</p> <p>Even if an exception is approved, the contractor will not be paid until the contract is Fully Executed. (3.2, C, 3, c)</p>	<p>This policy is effective immediately.</p>
<p>Section 3.4</p> <p>Work Schedules</p> <p>Page 6</p>	<p>Contractors must submit a draft Work Schedule when the proposed SOW and budget are submitted. It must be a stand-alone document and not incorporated into the contract. (3.4, C, 1)</p> <p>The key elements of the Work Schedule are(3.4, C, 1):</p> <ul style="list-style-type: none"> • List of Objectives/tasks • Start/end dates by task • Budget by task <p>The format of the Work Schedule is flexible. Two sample templates are provided. (3.4, C, 3) They are available on the website in Excel format.</p> <p>COTR and Contractor should review the Work Schedule on a regular basis. (3.4, C, 2)</p> <p>Revisions to the Work Schedule must be made in writing by the Contractor. (3.4, C, 2)</p>	<p>This policy is effective immediately.</p> <p>However, the Work Schedule will evolve as we develop templates for Statements of Work, budgets, etc. The Template Team intends to refine the approach to the Work Schedule in the next few months. (3.4, D)</p> <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>

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<p>Section 3.5</p> <p>Spending Caps</p> <p>Page 10</p>	<p>For <u>most</u> contracts (contracts whose annual fiscal year budget doesn't change by more than 5% and the seasonal costs do not change between contract years), 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). (3.5, B, 1) See Simple Case #1 for an illustration of this policy.</p> <p>For the minority of contracts that do not meet the above criteria, the Spending Cap will be set based on the best estimate of the amount needed to accomplish the work within the fiscal year within the limits set by the Council and BPA. (3.5, B, 2) See Simple Case #2 for an illustration of this policy.</p> <p>Contractors and COTRs must monitor planned vs. actual spending to ensure the Spending Cap is not exceeded for the 10/1-9/30 period. (3.5, B, 3)</p>	<p>This policy is effective immediately. However, the policies will be refined during 2004. Contractors may find it helpful (but are not required) to prepare monthly spending plans to track total spending by month. (3.5, C)</p> <p>Contracts renewed or executed after November 7 should include the revised Spending Cap clauses.</p> <p>Contracts that already include Spending Cap clauses (approximately 68) will be modified to include the revised Spending Cap clauses when they are renewed.</p>

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<p>Section 6.1</p> <p>Allowable and Unallowable Costs</p> <p>Page 15</p>	<p>See Section 6.1 C for a list of allowable/unallowable costs. Following are highlights:</p> <p>BPA expects contractors to hire specialists already qualified and able to perform the tasks outlined in the approved project proposal and Statement of Work. For this reason, BPA will not pay for General Professional Development. Meeting attendance, training, conference attendance, memberships, and publications that do not meet the exceptions below are considered “General Professional Development” and are not allowable. (6.1, C, 8)</p> <p>BPA will pay for participation in meetings, technical training, conferences, memberships and publications ONLY under limited circumstances:</p> <ul style="list-style-type: none"> • Costs for memberships and publications are not allowed unless they directly support a specific contract requirement and are included in the SOW and budget. (6.1, C, 4) • Meeting attendance is allowable if it directly benefits a BPA contract or directly supports BPA administrative activities (e.g., contractor workshops, Project Status Meetings, etc.). (6.1, C, 5) • Conference attendance is allowable only if <ol style="list-style-type: none"> 1. the contract is primarily for research, studies, or evaluation projects and information transfer is a primary objective of the contract AND 2. conference attendance is included in the approved SOW and budget. (6.1, C, 6) • Training to obtain or maintain certifications and licenses as well as safety training is allowable if it is necessary to perform the technical aspects of the Statement of Work. (6.1, C, 7) 	<p>This section of the Manual will be phased in as new contracts or contract renewals are executed. For example, if we have historically paid for a membership or subscription that is not allowed under the Manual, the COTR should continue to do so through the end of the current approved budget. (6.1, D)</p> <p>Contractors, COs, and COTRs should note that in some cases, the Manual's policies expect the contractor to anticipate the need to incur certain costs and must ensure they are included in the budget and SOW (such as memberships, publications, and conference attendance). In other cases, we do not expect contractors to always anticipate the need for such costs and will allow such costs without specifically including them in the SOW and budget as long as they meet other criteria for allowability (such as meeting participation, safety training, and training for certifications and licences).</p>

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<p>Section 6.2</p> <p>Proper Invoices and Minimum Documentation</p> <p>Pages 18, 20, & 21</p>	<p>Invoices will be rejected and returned to the contractor without payment unless they include the information required by the new contract payment clause. This includes:</p> <ol style="list-style-type: none"> 1. a unique invoice number (not used on any other BPA contracts by the contractor). (6.2, C, 1 and payment clause (a) 5) 2. invoice performance period (range of dates the work was performed). <ul style="list-style-type: none"> • Invoices may NOT span more than one contract period or BPA fiscal year. (6.2, C, 1 and payment clause (a) 6) • Note that section (b) of the new payment clause states that invoices not received within 90 days of performance of the work are not subject to the Payment Terms (Net 30, Net 15). However, invoices should not be rejected only because they include work that was performed 90 days prior to the invoice period. See the remedies in section (b) of the payment clause for details. 3. Minimum backup documentation required by paragraph (c) of the payment clause. (6.2, C, 1 and payment clause paragraph (c)) More documentation may be required under limited circumstances (see the footnote at the end of the clause and Section 6.3, C, 3. Salaries require the following documentation (payment clause, paragraph (c)): <ol style="list-style-type: none"> a. Backup documentation for direct labor must include the hours worked and hourly rate. (The hourly rate should be determined for salaried employees based on the contractor's normal accounting practices.) b. Only position titles are required (not names of employees), but the COTR may request individual names as often as quarterly. c. Position titles should be consistent with those shown in the budget. 	<p>All contracts will be unilaterally modified in November 2003 to add the new Payment clause. However, BPA will begin enforcing the new requirements for invoices received after February 1, 2004. (6.2, D, 2)</p>

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<p>Section 6.2 Prompt Invoice Submittal Pages 18 & 20</p>	<p>Invoices must be submitted within 90 days after the work is performed unless the CO allows an exception in advance. Exceptions may be allowed if the contractor normally bills BPA less often than monthly OR the nature of the work makes it clearly impractical to submit invoices within 90 days. Failure to comply may result in delayed payment by BPA or jeopardize future funding. (6.2, C, 3 and Payment Clause paragraph (b))</p> <p>CO's shall forward any approved exceptions to Scott Hampton for information (6.2, C, 3)</p>	<p>All contracts will be unilaterally modified in November to add the new Payment clause, including provisions regarding the 90-day limit. However, the limit will not be enforced until February 1, 2004. (6.2, D, 2)</p> <p>Federal agencies are also subject to this requirement, although BPA will work with them to bring them into compliance. (6.2, C, 3)</p>
<p>Section 6.2 Maximum Invoice Frequency Page 19</p>	<p>BPA will continue to accept invoices more frequently than monthly for contracts if the contractor has done so in the past. Invoices must be submitted monthly for new contracts. (6.2, C, 4)</p> <p>BPA will eventually transition all contracts to limit invoice frequency to once a month. (6.2, B) No timetable has been set.</p>	<p>All contracts will be unilaterally modified in November to add the new Payment clause, including a provision that establishes the allowable frequency of invoices. New contracts executed after November 7 are subject to the new policy, but it will not be enforced until February 1, 2004. (6.2, D, 2)</p>
<p>Section 6.2 Payment Terms (Net 30, Net 15, Net 10, etc.) Page 19</p>	<p>For existing contracts with renewal dates on or after February 1, 2004, payment terms less than "Net 15" will be converted to "Net 15." (6.2, C, 5)</p> <p>For new contracts executed on or after February 1, 2004 <i>that are under new projects</i>, payment terms shall be "Net 30." (6.2, C, 5) Scott Hampton must approve exceptions.</p>	<p>New contracts and contracts with renewal dates on or after February 1, 2004 are subject to these requirements. (6.2, C, 5 and 6.2, D, 1)</p>
<p>Section 6.2 Electronic Funds Transfer Page 19</p>	<p>Payments will be made by Electronic Funds Transfer (EFT). There may be no more than one EFT account number per contractor name and location. (6.2, C, 12 and EFT clause)</p>	<p>All contracts will be unilaterally modified in November to add the Electronic Funds Transfer clause. However, BPA will begin enforcement of this requirement for invoices received after February 1, 2004.</p>

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<p>Section 6.3</p> <p>Invoice Review and Approval</p> <p>Page 25</p>	<p>COTRs should use the “reasonable person rule” in reviewing invoices. (6.3, B1-4 and C4). In general, this means considering what a reasonable person would decide under similar circumstances based on:</p> <ul style="list-style-type: none"> • the contract requirements, • applicable laws and regulations (BPI, OMB circulars, the F&W Contract Management Manual, etc.), • policy guidance by the F&W management team, and • reasonable business judgment. <p>COTRs shall not require more detailed documentation than that described in the payment clause unless approved by the COTRs manager and Scott Hampton. (6.3, C3 and Appendix B)</p> <p>COTRs should review invoices within 7 working days of receipt of the invoice by KEWB. (6.3, B, 8)</p>	<p>Effective immediately.</p>
<p>Appendix B</p> <p>Waiver Process</p> <p>Page 29</p>	<p>Appendix B provides a sample email template to enable COTRs to more quickly obtain waivers of the following Manual requirements:</p> <ul style="list-style-type: none"> • Temporary time extensions to allow time for a Fully Executed Contract to be negotiated • Payment of work performed without a temporary extension • Revision to the Spending Cap • Approval of costs not allowed by the Manual • Approval of payment terms (e.g., Net 10) more favorable than that allowed by the Manual • Additional invoice documentation. 	<p>Effective immediately.</p>