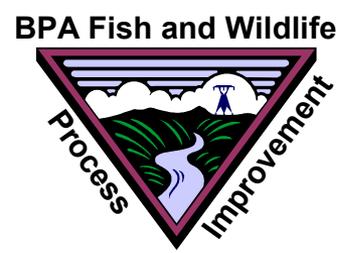




BPA Division of Fish and Wildlife Process Improvement Initiative

Contractor Introduction

May 2004



The Purpose of This Communication

To increase your understanding and involvement.

- This document is intended to provide you with more information about BPA's Fish and Wildlife Division's Process Improvement Initiative.
- The purpose of the initiative is to improve the tools we use in project implementation, such as contracting, budgeting, communication, and project management. The goal of the initiative is to better serve both our external contractors and internal project managers.
- Included in this communication are:
 - An outline of Process Improvement's goals and scope.
 - Presentation of our philosophies and approach.
 - High-level information about the effort's timelines.
- Contractor participation is critical to the success of this effort because we aim to design a system that works well for you and for BPA.
- We value your input and welcome it at any time.

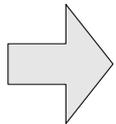




BPA's Process Improvement Initiative

Our project has begun.

- BPA has already undertaken an effort to provide greater clarity and consistency in our contracting policies and procedures. We learned that in order to deliver significant benefit, we had to look beyond our contracting practices, and apply a more comprehensive approach to improving our operations.
- Our focus has been broadened to include how BPA:
 - ✓ Performs its project management including the definition of work, budgets, timeline and tracking the status of deliverables
 - ✓ Reports work against biological goals and metrics
 - ✓ Executes contracts in a timely fashion
 - ✓ Interacts with the program budgeting and selection process
 - ✓ Clarifies the role and responsibility of each party in project implementation activities
 - ✓ Organizes and directs internal project managers to best serve project implementation
- More information about each of these areas is provided later in this document.



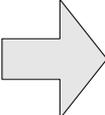
Only by taking a comprehensive view of project management will we be able to deliver the desired level of improvement.



Why Pursue Process Improvement?

You have told us that BPA's processes need to improve.

- Through workshops, formal comments, and informal observations you have communicated that there is room for improvement in BPA's project management and contracting business practices.
- Both BPA and our partners desire greater transparency in F&W operations and tracking of successfully completed deliverables.
- BPA's Executive Management wishes to better demonstrate what the program has achieved.
- We aim to institute business practices that benefit fish and wildlife and are more sustainable for everyone involved.
- We believe that better business practices will improve our relationships.

 Our goal is to deliver initial improvements before October 1, 2004 - within the current Federal fiscal year.



A Simple Approach

We need to do this together.

- The charter of the Process Improvement team is to **improve F&W project implementation** in a way that serves both our external contractors and internal project managers.
- We are pursuing this project in a **collaborative fashion** because we recognize that implementing F&W projects is a **partnership** between BPA and its contractors.
- This effort's success will be measured in part by the **perspective of those who execute our projects** – our contractors and internal project managers.
- We are encouraged that the **suggestions we've received** from our contractors on how to improve our practices **match the goals and findings** of the Process Improvement effort.
- In order to be successful, we **need your participation**.



Process Improvement's Principles

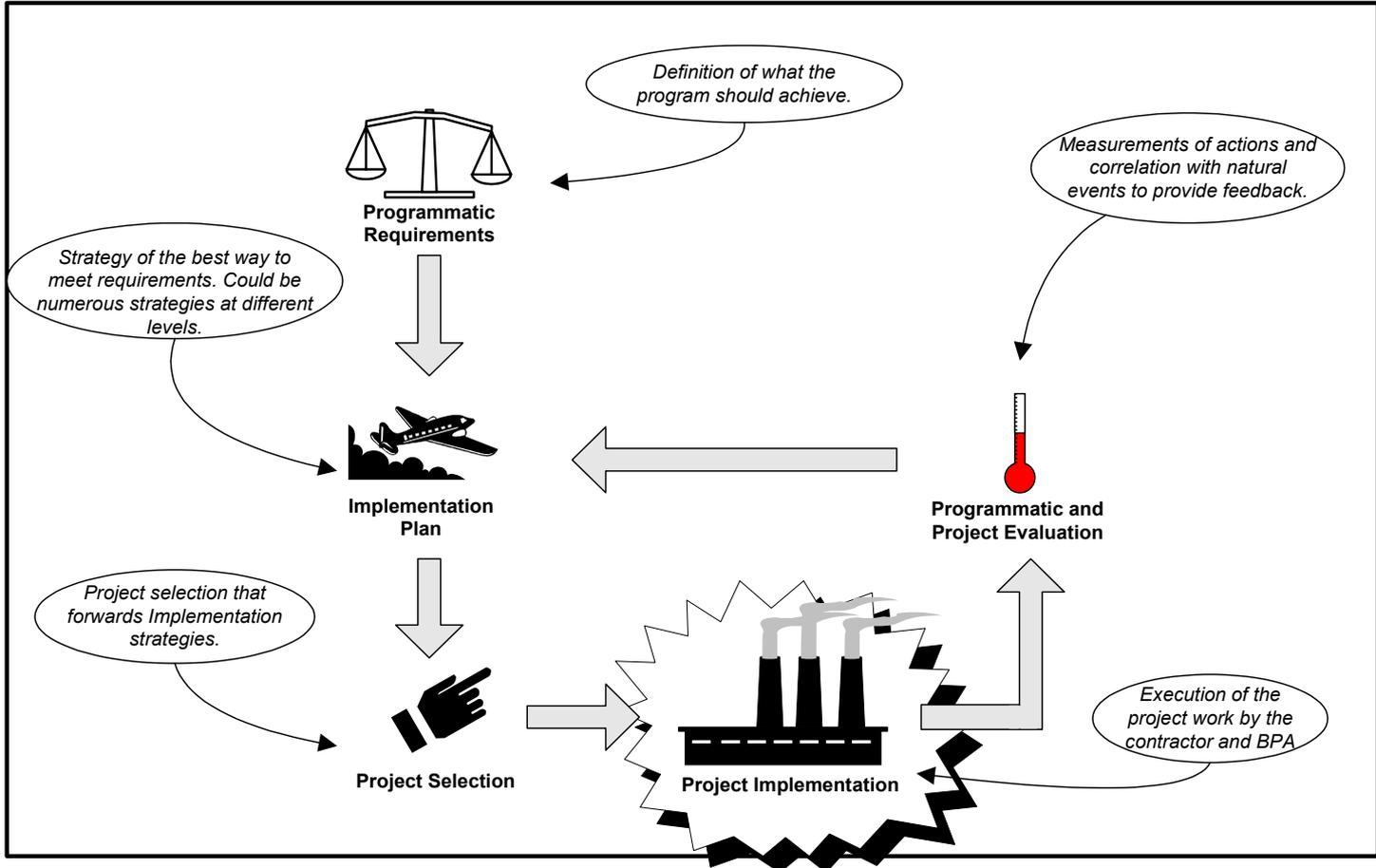
Below are the principles at the foundation of our approach.

- We believe F&W project implementation is a partnership between BPA and its contractors. Successful implementation of the F&W program relies on the cooperation of all parties involved.
- We see a great opportunity for improving BPA's project management and contracting practices.
- We believe the purpose of F&W project implementation is to benefit fish and wildlife, advance recovery and mitigate for the Federal Columbia River Power System (FCRPS).
- We see the Process Improvement effort as one that belongs to both BPA project managers and contractors, because we are attempting to aid their work.
- We will be open and forthcoming in everything we do. The Process Improvement team will conduct its effort in a transparent manner and will look for solutions that support a more transparent program.



Program Picture

Below is a simplified representation of the F&W program.



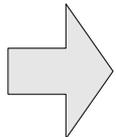
➔ Process Improvement is focusing on the Project Implementation area first.



Improving BPA's Project Management

Project management improvements will include:

- Capturing all of the information relevant to a project such as the SOW, budget, work schedule, milestones and deliverables.
- Delivering a streamlined approach for reporting project status and progress against the project scope, schedule and budget.
- Providing guidance on what level of BPA involvement is appropriate for tracking the work without micro-management.
- Defining how we can connect projects with implementation strategies and program metrics for ESA, NWPA, and Wildlife obligations reporting.
- Making all project information and status reporting accessible on-line.



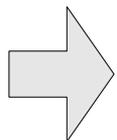
Our goal is to improve how BPA-funded work is defined through clear guidance, standardized project structures, and acknowledgement of our partnership.



Improving BPA's Contracting

Contracting improvements will include:

- Enabling contracts to be created in an efficient and timely fashion. We seek to limit the number of iterations it takes to arrive at an agreement in order to reduce the impact on project execution, as much as possible.
- Drawing upon different contracting agreement types, such as fixed-price, to find the best fit for each type of project. We will not force all contracts into a cost-reimbursement (or any other) contract model.
- Signing contracts and provide stable funding for a period that makes the most sense, in some cases longer than a fiscal year.
- Allowing contracting activities to benefit from improved BPA project management. We will focus on those processes that have the greatest impact on how smoothly contracting occurs. For example, if we have standard tasks and deliverables based on project type, Statements of Work can be adopted more quickly, resulting in less time between a BPA funding decision and a contract start date.



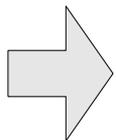
Our goal is to enable BPA's contracting process to be a timely, simple, and transparent activity.



Clarifying Our Project Roles

Roles and responsibilities improvements will include:

- Delivering clarity on BPA's expectations of how all partners take part in project management activities, such as review of the SOW, etc.
- Strengthening the communication channels the BPA project manager relies upon to resolve issues beyond their responsibility, such as with BPA management and/or the Council.
- Monitoring implementation to make sure that we all act in accordance with our appropriate roles and treat our business partners consistently.
- Providing for open and honest feedback that can help resolve issues before they become significant hurdles.



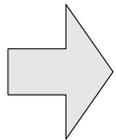
Our goal is to improve our project management work through better defined relationships and a lower level of frustration for those operating the program.



Funding Should Support the Work

Financial process improvements will include:

- Identifying what model of financial support works best for project implementation.
- Redesigning existing financial processes to make them best support project work. Pursue ideas such as multi-year funding and allowing funding to follow work as easily as possible when it moves to the next fiscal year.
- Providing clear guidance and transparency such that BPA's need for financial documentation is well understood, and information is easily collected.
- Making the right financial information readily available in an IT system, reducing the extra effort required by the contractor or BPA Project Manager to collect information each time a party requests it.



Our goal is to better support projects through our financial management and make required information more readily accessible.

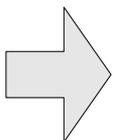


BPA's Organization

Organizational improvements will include:

- Redesigning the organization of BPA's internal project managers. Structure them to best serve:
 - ✓ Cross project and sub basin coordination
 - ✓ Application of technical knowledge
 - ✓ Consistency and simplified points for contractor interaction
 - ✓ Greater mentorship and management of new staff
- Providing BPA project managers with clear guidance and greater empowerment. to better enable them project oversight.
- Improving the consistency and transparency with which BPA operates through standard project approaches and clear guidance.
- Developing criteria to guide how projects are assigned to BPA project managers.

Our goal is to structure the organization around the core purpose of BPA's F&W Division – fish and wildlife project implementation.

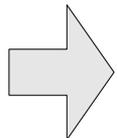




How Are We Going To Do This?

A task this large requires a disciplined approach.

- Perform the **right amount of analysis and design** to come up with a project management approach that better supports our contractors and BPA project managers.
- Rollout changes with **proper notice, explanation, and easy to follow guidance** through documentation and workshops.
- **Apply a software system** that can simplify some processes and make all of the program's project management information accessible to the region.
- **Strengthen our relationships** by working more closely to organize projects and review each other's performance along the way. Hold all parties accountable for operating in a transparent and fair manner.



BPA recognizes we need to improve. With your help, we want to make our role in project implementation the best it can be.



Your Involvement

Contractor participation will be critical to the project's success.

Process Improvement is going to be based on the needs of contractors and BPA project managers.

There are a few different ways for you to be involved:

- ✓ Volunteer to participate on the Core Contractor Team. We are looking to identify a smaller group who can dedicate 1-2 hours a week to read material, participate in conference calls, and network with other contractors. This team will work closely with BPA to represent contractor needs.
- ✓ Take part in a survey to be published on-line soon. Completely anonymous, we are interested in how you think the BPA's project management should improve.
- ✓ Read documents periodically published by Process Improvement, and on which we will seek feedback.
- ✓ Schedule a special meeting with the Process Improvement team at any time.
- ✓ Attend workshops that will provide specific instructions as part of our implementation.



Setting The Stage For Feedback

It is important you understand how your feedback will be used.

- We are interested in your ideas because we appreciate your role in our mutual success. Process Improvement needs to deliver a solution that works well for you.
- We will ask you how we can design our business practices to best enable our collective work.
- There will be some things that are outside of your control, and sometimes the control of Process Improvement. We are obligated to support some business processes mandated by BPA and other federal regulations.
- However, with your input we can make mandatory processes the best they can be – well-understood, easy to conduct, and considerate of contractor needs.
- Because there are so many partners in the program and different points of view, we know there will be some process improvements not everyone will like.



What's Next

We want to hear from you.

- We would like your feedback on this presentation. We consider it **draft** at this time – and are only sharing it with a small group of contractors to start.
- You can send comments to: Molly Moreland at mrmoreland@bpa.gov. Please let us know if there is something you either don't understand or don't like about the material. We'd like for Process Improvement to start off on the right foot, and need your help identifying issues from a perspective we may not be aware of.
- Let us know if you are interested in joining the Core Contractor Team. Expect to spend 1-2 hours a week reading documents and participating in calls. We are not expecting that everyone would be able to make every call, but would like to achieve some degree of continuity.
- Respond to our anonymous survey, to be published over the next few weeks.
- Spend time reviewing additional documents, to be published soon.
- Discuss the project with your peers and counterparts, including your COTR.