

Subject: Task Budgeting and Billing, Fish and Wildlife Projects
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To: Doug Marker, NWPPC Staff (820-2336)
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From our discussion Thursday, March 11, I understand that next Tuesday's Fish4 meeting will address BPA's non-discretionary projects, and in particular budgeting and billing practices as they relate to accountability. I understand an associated issue is consistency of Council handling BPA's non-discretionary projects and the handling of NMFS' PATH and CBFWA's "coordination" projects.

Issues of Interest:

1. **Identification of certifying authority.** The certifying authority has the sole authority to certify that the products satisfy a statutory, regulatory, or other requirement. This entity may differ from the project sponsor.

Non-discretionary projects for which BPA is the certifying authority include those that deal with contractual commitments made prior to implementation of the MOA, that improve access to environmental information, and that preserve the government's ability to make free and informed decisions.

Non-discretionary projects for which BPA is not the certifying authority would include the PATH-related projects for which NMFS may be considered the certifying authority since PATH is a derivative of NMFS' 1995 Biological Opinion on FCRPS operation. [Work performed in addition to the consensus PATH work could be construed as contributing to improving of the government's ability to make effective decisions. The certifying authority could be construed as being just BPA or NMFS, or both.]

2. **Definition of work by task and budget.**

The proposal stage estimates budgets at the objective, not task, level. The proposal budget is required to be expressed in traditional billing categories (total labor hours, benefits, equipment, etc.) without breakdown by task. Application of task budgeting awaits the implementing contract and associated project management plan.

BPA's non-discretionary project contracts associate tasks with effort (labor hours) and dollar value. Implementation of budgeting and billing through management plans that include costed resources is still in its infant stage.

One issue is the aging of objectives and tasks in PATH and similar research and developmental projects. In such projects, the objectives and tasks are likely to be changed under direction of the IT, by consensus of the group, or from research findings. These changes occur after award of the contract and need to be anticipated in the scoping and budgeting of the project.

3. **Task implementation, tracking, and billing.**

Project tracking traditionally has relied upon the combined use of narrative reports describing progress in achieving objectives and tasks and upon billing status (typically percentage of total funds expended). This is not unusual, even in industries that rely heavily upon project management systems.

Individual or professional service contracts typically provide time and task accounting that clearly identify the product or task and associated labor hours or other expenditures. This reflects the "ease" of tracking one individual's time commitments to a given task and the "ease" of formatting the invoice on a task basis.

General service contracts billing invoices do not generally reflect a task accounting structure but simply bill for total labor hours, etc. Some bills are even submitted years after the project has been completed. These characteristics reflect the traditional practices of larger billing organizations—typically a state, tribal, or federal organization – which have been tailored to meet general needs as defined decades ago.

For consistent billing of all projects on a task basis, there will need to be major changes in institutional accounting and billing infrastructure. Some systems may in fact include the unused capability of budgeting and billing by task. Others may not.

Alternatively, functional cost-loaded project management systems can be used to plan and track each project and generate up-to-date invoices to the task level. Such development is only in its infant stage.

4. Certification of completed tasks.

At present, the BPA COTR and project manager close a contract with a review and certification that project deliverables have been met, equipment disposed of, etc. This is a certification based upon the requirements in the scope of work.

Certification that the work performed met other criteria (e.g. requirements of a Biological Opinion) is not presently part of the project closeout process. Only in 1996 did BPA ask for and receive written certification from NMFS that BPA actions during 1996 satisfied requirements of the 1995 Biological Opinion.