

From: Mazaika,Rosemary - KEWL-4 [mailto:rxmazaika@bpa.gov]

Sent: Monday, May 16, 2011 9:28 AM

To: Jann Eckman; Tom Iverson

Cc: Hauser,Tracy L - KEWL-4; Read,Christine L - KEWB-4; Maslen,Bill - KEW-4; 'Fritsch, Mark'; 'Grover, Tony'; 'kweist@nwcouncil.org'; Lofy,Peter T - KEWU-4; Krueger,Paul Q - KEWM-4; Byrnes,David M - KEWM-4

Subject: Additional Reschedule Info

Tom

Thank you for the additional information your forwarded regarding the CBFWA request to reschedule \$75,000 of unspent funds from FY10 to FY11. I want to respond to your comments by providing additional BPA rationale for this decision. I met with Tracy Hauser and Chris Read yesterday to review the detail which was the basis for BPA's decision.

We took the additional information you provided into consideration, only in so far as it provided background as to what was included in your FY10 program of work and why you would be requesting a reschedule. However, responding from the standpoint of project management and contract administration, I would like you to consider BPAs administrative process and the rationale for our decision.

Below is a reference to the "changes clause" in the CBFWA master agreement to confirm that you always have the ability to request a line item transfer of BPA funds during the period of the contract based on the following:

Clause 4-26 BUDGET CHANGES AND LINE ITEM TRANSFERS (BPI 4.10) (Sep 04)

If unanticipated project needs arise, the recipient is authorized to make budget line item transfers not exceeding ten per cent of the total approved budget (or Financial Assistance Officer (FAO) may change this to "current year's budget" as appropriate to the transaction). Reallocation of funds exceeding this amount must have the prior written approval of the FAO. The recipient shall send a written request for such budget changes to the FAO through the Project Technical Representative. The FAO will respond to the request within 30 days. Recipients or subrecipients shall obtain prior approval whenever any of the following changes are anticipated:

- (a) Changes in the scope or the objective of the project or program that will require a budget revision.
- (b) The need for additional funding.

I'd like to point out as well that your contract is a payment in arrears (i.e. BPA pays for service after the service is provided) and cost reimbursement (i.e., BPA pays for best effort) contract. I don't think I need to explain this and suffice it to say that as such the contract is subject to the refund of unexpended funds to BPA for work that is not completed. This language follows:

Clause 4-15 COST REIMBURSEMENT BASIS (BFAI 4.10)(Sep 04)

This award is funded on a cost reimbursement basis without fee or profit, not to exceed the amount awarded as indicated on the face page and is subject to a refund of unexpended funds to BPA.

My purpose in highlighting these details is to move to the issue of process management and project oversight. After reviewing prior years spending it is clear that there has been chronic underspending on this contract. Although the details of invoicing do not allow for more adequate understanding of the reasons for underspending as they might relate to task specific expenditures included in the statement of work; suffice it to say in the past several years the contract has been underspent.

A second matter we gave some consideration regards "priority of task" and whether the work, which was not completed and was used as the basis for the requested reschedule was a priority? If so, as a priority workload, BPA would have expected an attempt to complete this work during the period of the contract. In the case that planned work (which would be defined in terms of hours necessary to complete the task as well as deliverables) could not be accomplished, the staff time and expected cost for completion could have been used as the basis to request a line item transfer.

Your request is confounded further by the notes you reference below which include an action recommendation to "put through a BOG reschedule request for \$100K (or whatever amount of unspent funds remain out of FY 2010) to cover the SPT and USFWS funding requests, and to cover any additional requests for the coming year (i.e., money directly linked to tasks that did not get done)." It was a bit disconcerting to read this particularly given the aforementioned. This aside and in the interest of moving forward from this point I would offer that as the project manager at the time it was determined the work would not be completed you could have requested a line item transfer of funds to cover for the anticipated need.

During my discussion with Tracy and Chris, Tracy pointed out that BPA initiated your current statement of work in April and that your current contract will end in March next year. Taken at face value there is a bit of a timing issue regarding your request. Again in the interest of moving forward I will offer that if we anticipate a shortage of funding as we approach the close of the current contract at that time we can take action to get the additional work to be completed funded. Based on invoicing for the work performed we will be able to determine what is necessary to cover for any shortfall. Beyond that, rescheduling the FY10 funds appears as "double-funding" for staff time which presumably should be covered by the current years contract.

I apologize for the lengthy message but wanted to provide you with more background and detail on what informed BPAs management decision. We are happy to discuss these details with you further if need be.

Thanks

Rosy Mazaika

From: Tom Iverson [<mailto:tom.iverson@cbfwa.org>]

Sent: Thursday, May 12, 2011 10:04 AM

To: Hauser, Tracy L - KEWL-4

Cc: Mazaika, Rosemary - KEWL-4; jann.eckman@cbfwa.org; tom.iverson@cbfwa.org

Subject: Additional reschedule info

Hi Tracy,

I was thinking about our conversation yesterday, and discussed it with Jann, and we wanted to make a personal plea for how we could approach the Members' funding portion of the CBFWA contract for FY11. We understand that the CBFWA contract has been routinely underspent, for legitimate reasons. However, because of the construct of our arrangements with our subcontractors (our Members), we cannot move funding from the staff side of our budget over to our Members side of the budget (no line item transfers). This request is strictly for our Member's portion. We know that one or two of our Members may underspend in FY11; however, at this time we have contacted each of them and they all believe that they will fully expend their funds. Therefore, we need some additional planning budget room to address the increase in activity due to the shift of work from FY10 to FY11 (hence, reschedule request). I believe that \$40-50k would be adequate to address most of our Members additional needs. We would keep the funding in a placeholder and allocate only if the Member's existing funds in their subcontract are fully expended. We have one immediate need where that will apply and one pending that will apply approximately mid-summer for a total of \$18,000 (see MAG notes for April 19, 2011 - http://www.cbfwa.org/Committees/MAG/meetings/2011_0419/MAGActionNotes2011_0419_Draft.pdf). We fully anticipate additional needs as the year progresses, and that is why additional funding now would help prevent repeated requests for reschedules throughout the year. Please take this into consideration in your response to my appeal for reconsideration of the CBFWA Members' reschedule request.

Call us with questions.

Thanks for your attention in this matter,

Tom Iverson

Jann Eckman

503-229-0191