



# United States Department of the Interior



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In Reply Refer To:  
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## DECISION MEMORANDUM

**DATE:** March 21, 2013

**TO:** Southern Nevada Public Land Management Act (SNPLMA) Executive Committee

**FROM:** Karla Norris, Assistant District Manager (ADM), SNPLMA Division

**SUBJECT:** Projects of Concern (POC) List

### **Background:**

Prior to the June of 2011 meeting, the Executive Committee (EC) asked the SNPLMA Division to identify projects that demonstrated only minimal progress towards completion, reported expenditures in excess of the level of accomplishment reported, or were anticipated to require a scope change or additional funds in order to continue work on the project. The report focused primarily on projects from Round 6 or earlier.

Many of the projects on the list were projects that were granted time extensions under the "New Day" time extension Decision Memorandum dated September 3, 2010. However, additional projects not on the original POC list have received multiple time extensions, scope changes, or other project modifications that has often resulted in a protracted time period for project completion. In July of 2012, the EC determined that maintaining a POC List was appropriate.

### **Purpose of POC List:**

- Ensures that SNPLMA projects, as much as is possible, close on time, within scope, and within budget to alleviate the concerns of the Department of the Interior Office of Policy and Analysis program review that was performed in 2011.
- Ensures that our partners are aware that there are projects needing special attention.
- Gives the SNPLMA Division Program Managers (PMs) access to a resource/tool that assists them in tracking projects that are not making sufficient progress. The Division can then interact with the partners and resolve issues/concerns to get projects back on track.

- To allow the Partner's Working Group (PWG) and EC to use the list in making future funding decisions, assist them in making decisions on project modification requests, or to use as a tool to decide if projects should be considered for termination.

**Analysis:**

In June of 2011, partners projected that they would close 240 projects in FY2012. The FY2012 Annual Report to Congress will document that only 146 projects actually closed, with 8 projects being terminated (64% of projected closures were achieved). There were 174 requests for an extension of time in FY2012.

It is projected that 227 projects will close in FY2013 based on current project end dates in the database. However, if the FY2012 trend of percentage of project closures anticipated versus actually closed continues into 2013, the SNPLMA Program will continue to fall short of its goals and its commitment to the EC and to the Office of Policy and Analysis. As of February 5, 2013, only 22% of projects anticipated to close in FY2013 had closed, despite being 33% through the fiscal year.

The PWG was tasked to work with the SNPLMA Division to develop revised criteria for a POC list. As a result, an issue paper was submitted, through the PWG to the EC on February 5, 2013. The EC supported the recommendations contained in the Issue Paper and noted the following:

1. The list needs to be transparent and available to all partners or the public upon request.
2. The parameters of the list need to be applied consistently. However, there should also be flexibility in application based upon the sound judgment of the SNPLMA staff.
3. In order to ensure that the SNPLMA program is successful and that we demonstrate sound management of public funding, the program must demonstrate success, which is only achieved when projects are completed and closed out.
4. All managers, be they federal, state, or local, need to ensure accountability by holding project managers and agency heads accountable for project completion.
5. Failure to complete projects may affect the receipt of funding, or even the eligibility of partners to nominate projects in the future.
6. Projects on the POC list may not be eligible for future project modifications. Recommendations from the SNPLMA staff would be implemented through the normal Decision Memo process.
7. If partners continue to make little to no progress on POC projects, consequences will escalate.

**Projects to Receive Permanent Inclusion on the POC List:**

1. Any Round 6 or prior project that received a New Day (blanket) Time Extension and that also received a subsequent time extension (a) beyond December 31, 2012 for projects already on the POC list and (b) beyond December 31, 2014 for all other projects. (Note: This is consistent with the guidance provided by the EC as part of the New Day

extensions that POC projects were to be completed by December 31, 2012 and non-POC projects were to be completed by December 31, 2014.)

2. Any project not completed that was on the original POC list.
3. Any project that received a “conditional approval” time extension.
4. Any projects prior to Round 12 that have had more than a two year time extension (or time extensions totaling more than 2 years).
5. Any Round 12 or later project that had time extensions that would exceed the standard project timeframes (or other timeframe approved in the project nomination). Standard timeframes are:
  - a. Land Acquisitions-2 years
  - b. Parks, Trails, and Natural Areas-5 years
  - c. Capital Improvements-5 years
  - d. Multi Species Habitat Conservation Plan-5 years
  - e. Conservation Initiatives-5 years
  - f. Eastern Nevada Landscape Restoration Project-4 years
  - g. Hazardous Fuels-6 years
6. Any project receiving a waiver of the business rules, regardless of the reason.
7. All Pre-Proposal Planning projects.
8. All expired projects, if the project completion package is not submitted within 90 days.
9. Modifications to time, scope, or funding (including requests for Special Account Reserve funding) that have, in the opinion of the PM, compromised the completion of the project as approved by the Secretary of the Department of the Interior. Projects proposed for this reason would go through the standard Decision Memo process and would need approval by the EC before being included on the POC list.

#### **Projects to Receive Temporary Inclusion on the POC List**

1. Projects that fail to report on a quarterly basis or reporting is insufficient to determine project progress towards scheduled completion. Factors that may be analyzed include, but are not limited to:
  - a. Any project that is not meeting its “amortized” completion rate (within a 5% variance) or a project where the total time approved (including time extensions) does not sync with the completion rate. For example, a PTNA project that should be complete in 5 years should have between 15% and 25% of the project completed each year. This should be based on project milestones established by the partner in the workplan submitted to SNPLMA. Once a project meets or exceeds its amortized completion rate, or when the completion rate and time approved again sync, it will be removed from the POC.
  - b. Partner does not expend 95% of transferred or drawn down funds within the quarter provided consistent with the Implementation Agreement. The “95% Rule” was put in place to ensure that funds transferred will be obligated or expended within the quarter provided.

- c. A percentage of funding expended and/or obligated that exceeds the level of completion. For example, 75% of the funds have been expended, but the project is only 50% complete. Once a project's funding and completion again sync, the project will be removed from the POC list.

**Recommendation:**

1. The POC list will be compiled by the PM for the category and reviewed each quarter by the ADM, SNPLMA. The list will be sent to each partner for review and comment.
2. Report status of all POCs, on a semi-annual basis, to both the PWG and EC.
3. If a project is on the POC List, additional justification and/or documentation may be required from the partner in order for the SNPLMA Division to process and develop a recommendation for modifications to time, scope, or funding.
4. Program Managers (PM) may request more than quarterly reporting from partners on projects that are on the POC list through an informal email process. PMs may carry out more frequent project file reviews and site visits, particularly before considering project modification requests.
5. PMs, after consultation with partners, will be able to add comments, notes, and information to the comment column, on the POC list to ensure a complete an understanding of the issues.
6. This process will not be incorporated into the Implementation Agreement, as the SNPLMA Division expects this list to be of a temporary nature.

**The following ranking system reflecting levels of concern will be applied:**

**GREEN** - Projects that are meeting all parameters and have NOT merited inclusion on the POC List

**YELLOW - (Low Risk)** - Projects on the list due to past performance, but issues have been corrected and project is making progress towards completion; or the project is expected, under the criteria for temporary inclusion, to be removed when the next status list is prepared; or the project has issues outside of the control of the partner, i.e., litigation and it is anticipated that a quick project closeout will take place when the issue is resolved. Should not have an effect on future funding or project modification decisions.

**ORANGE (Moderate Risk)** - Projects with issues that currently impact progress, need resolution and/or warrant elevated attention from partners and PMs. Projects with this ranking could have funding or project modification decisions affected by this status.

**RED (High Risk)** - Project with issues resulting in little or no progress or that are of such a serious nature that project termination should be considered. All PPP Projects and all expired projects that have not submitted a closeout package within 90 days will be automatically considered high risk.

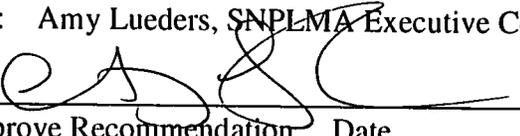
When the POC list is presented to the PWG and EC for funding decisions, it will reflect all projects on the POC list (yellow, orange, or red). However, only orange and red rated projects are considered to have an elevated risk level. For example, if a partner has 100 projects, 35 are green (no issues), 25 are yellow (low risk), 35 are orange, and 5 are red, their percentage will be reflected as 40%. Entities will be categorized by the responsible unit, for example, National Park Service projects will be sorted into those managed by Lake Mead National Recreation Area and those managed by Great Basin National Park. Entities POC "score" will be broken down by project category. Further, Interagency Projects (typically those in the Conservation Initiative category), will be included on the POC list, but due to overlapping areas of responsibility and difficulty gauging overall percentage complete for each participating agency, will not be given an orange or red status (with the exception of expired projects).

The SNPLMA Division encourages the EC to continue the POC list and apply the principles and criteria contained in this Decision Memo to the Round 14 (and future) funding recommendation.

**Action Needed:** The EC members should provide their vote via email or during conference calls or meetings to Amy Lueders, Executive Chair of the SNPLMA Executive Committee. Once all votes have been submitted or 14 days have passed, the EC recommendation will be finalized by the EC Chair.

**Executive Committee Decision:** By signature below, indicate the decision made by majority vote on the above recommendation.

BY: Amy Lueders, SNPLMA Executive Committee Chair

  
\_\_\_\_\_  
Approve Recommendation Date

April 5, 2013

\_\_\_\_\_  
Disapprove Recommendation Date  
(Refer to rationale provided below.)

If the Executive Committee disagrees with the recommendation and/or approves an alternate action, please explain below:

The Executive Committee will notify the SNPLMA Division of its decision and return the original signed document to the SNPLMA Division to be maintained in the administrative record.