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MANUAL
FOR EPA
PROJECT XL TEAMS

Preface

Developing an XL project is a complex undertaking. This complexity comes in two forms; technical complexity and organizational complexity. XL projects are susceptible to delay because of their complex nature. In order to ensure that projects stay on track, we need to manage both types of complexity by establishing clear processes and procedures. Moreover, we must pay special attention to managing the involvement of so many players.

In order to consider and develop XL projects in a coordinated fashion within EPA, we establish cross-Agency teams. Coalescing and maintaining a team that can move toward a common goal requires a common understanding of processes, procedures, roles and responsibilities. (For example, team members will be more comfortable raising substantive issues if there is a clear process for resolving issues.)

This manual was designed for use by EPA's cross-Agency XL Project Teams. It consists of two parts: 1) "Ground Rules for EPA XL Teams," which outlines the ground rules that we have found to be essential for XL project teams to perform effectively; and 2) "The XL Process Steps for EPA's XL Teams," which provides a step-by-step breakdown of the processes and delineates responsibilities for each step.

A companion document, "Tools for EPA XL Teams," is referenced frequently in this manual. "Tools" provides templates or examples of each of the steps taken in forming an XL team and instituting the XL process. The material in the "Tools" document will continually be updated as we utilize and improve tools. It is appropriate to periodically check "Tools" for recent updates to materials. This document will be distributed at EPA team kick-off meetings and is also available on the Project XL web page (http://www.epa.gov/ProjectXL/).

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PART 1

Ground Rules for EPA XL Teams

I. Introduction

The consideration and development of an XL project within EPA involves at least five different organizations (the relevant Region, the relevant Program office, the Office of Reinvention, the Office of Enforcement and Compliance Assurance, and the Office of General Counsel), and often more. Within each of those organizations, there are often several staff members, middle managers, and senior managers involved. Each individual and organization brings its own values and program imperatives. Yet in XL, the Agency is expected to be able to act quickly and decisively, and to speak with one voice. To accomplish this, XL forms cross-Agency teams for each project.

Most teams face common pitfalls that hamper effectiveness. The effect of these pitfalls is exacerbated in XL because, for example, team members are "borrowed" from various organizations and the projects are complex. The team ground rules and explanation of roles in this section have been put in place to avoid these pitfalls and help XL project teams perform at a high level. Ultimately, teams that take time early in the process to agree upon ground rules, roles and responsibilities are more efficient, responsive, and require less of their members' time.

II. Getting the Team Up and Running

There are a number of steps to take as part of kicking off a review of an XL proposal. These steps will lay the groundwork for the team's future success. Some of these early steps involve preparatory work and initiatives by the Office of Reinvention (OR) and Regional Co-leads for the project:

✓   Identify potential team members; disseminate proposal to XL coordinators.

✓   Prepare a preliminary time-line with the decision points and decision-makers.

✓   Prepare an early description of the proposal (see Model Fact Sheet in "Tools").

When the team initially forms, it should take the steps listed below to establish its structure, schedule, and responsibilities:

✓   Determine the appropriate representatives from each EPA organization participating on the team, depending on the type of project (see Section III).

✓   Determine a (single) primary representative for each EPA organization (see Letter to Reinvention Action Council (RAC) Confirming Participation in "Tools").

✓   Determine the appropriate ultimate decision-maker for each EPA organization, whether RAC member (generally the Deputy Assistant/Associate or Regional Administrator) or delegated decision-maker (see Letter to RAC Confirming Participation in "Tools").

✓   Agree on schedules/time-lines for major milestones (see Model Schedule in "Tools").

✓   Agree on roles and responsibilities of each team member (see Section IV) using the Responsibilities Chart (see Model Responsibilities Chart in "Tools").

✓   Agree on a coordination process (meeting schedule, information dissemination, communication plan) (see "Tools" for helpful materials).

✓   Anticipate and characterize any issues associated with the proposal.

A. The Team "Kick-off Meeting"

The Office of Reinvention (OR) has developed a team "kick-off" meeting format that has improved the effectiveness of EPA's project teams (see model Kick-Off Meeting Format in "Tools"). It is important that the primary representatives from each relevant office or Region be present, in person, at the kick-off meeting or its value is diminished considerably.

At the kick-off meeting the team will:

✓   Be briefed on the XL program goals, criteria and process.

✓   Complete what remains to be done of the team formation steps listed above.

✓   Raise and develop a strategy for addressing key project issues.

✓   Develop an EPA negotiation strategy.

The OR Co-lead is responsible for initiating and arranging the kick-off meeting. The kick-off meeting should be held as early as possible in the process, and once there is enough information about the project to begin, assess whether the project will meet key XL criteria (e.g., a draft proposal). However, each case will be different, so the OR Co-lead will consult with the regional and program offices to determine the appropriate time for the meeting.

B. Letter Confirming RAC Support for Project Development

Shortly before or after the kick-off meeting, the Deputy Associate Administrator for OR will send a letter (see "Tools") to all the relevant RAC members. The purpose of this letter is to confirm management support for their team member's participation in the XL project and to the project schedule.

III. General Ground Rules for Effective Teams

Decision-making Authority

A.   **There must be clear delineation of decision-making authority within offices and regions.** There can only be one team member that speaks for each office or region. That representative is responsible for coordinating internal review and decision-making to ensure a single, clear position on behalf of their organization.

EPA XL team members must have access to their office's XL RAC members. In each project there are at least three key decision points at which the RAC members must be consulted: 1) initial appointment of team representatives; 2) selection of the project for FPA negotiation; and 3) concurrence on the FPA (and rule if necessary). However, at the beginning of each project, the team member and their RAC members should review the project's scope and schedule to determine which other intermediate decisions require consultation. If the RAC member delegates decision-making authority for a project, the Team Co-leads must be informed.

Commitments

B.   <u>**Team members must make a commitment to the team and project schedule.**</u> The project schedule is an important tool for producing results. Having a schedule is fully compatible with the Agency's need to make informed, considered decisions about project issues. All projects will have schedules and each office and region participating in a project is responsible for meeting the project schedule.

The Team Co-leads are responsible for ensuring that their project has an up-to-date schedule. All team members should participate in project schedule development. The team should then use the schedule as a basis for assessing project progress and determining the effect of any delays in completing the project in a timely manner.

Team members are responsible for keeping their RAC members apprized of the project schedule. The RAC members will be called upon regularly to help keep projects on schedule as well as to resolve issues.

Team members need to be able to meet the commitments they have made to the team. It is each team member's responsibility to obtain approval within their organization for participation in the XL project. However, to facilitate this, the DAA for OR will send a letter to the RAC member to confirm management support for their team members' participation in the XL project.

(In considering time commitments, team members should keep in mind that shorter, more intensive schedules are efficient and require less time in the long run. Based on the project schedule and past experience, OR should be able to provide an estimate of time actually required for team members to participate on XL projects.)

Issues Management

C.   <u>**Issues must be managed effectively:**</u>
   1.   Identify issues as early as possible.

   2.   Be clear about the issue's importance to your organization. An issue can be a "stopper" (one that must be resolved or your organization would not consent to the project), important but negotiable, or simply a suggestion that would improve the project. RAC members should be consulted to confirm whether issues are stoppers.

   3.   Articulate issues in writing. This invariably facilitates resolution, and is essential for elevating issues to the RAC level (see Decision Making Protocol in "Tools"). It also ensures that your issue will not be overlooked.

4.   Utilize the RAC structure effectively. The RAC was established, in part, to expedite XL projects. Raising issues to RAC members for guidance or resolution is an essential and appropriate part of the decision-making process.

Clearly, issue resolution is an iterative process. However, receiving clear direction from the decision-makers can effectively focus the discussion and reduce the number of iterations required. The XL program places a high value on expedited decision-making. When issues do not reach expeditious resolution among the team members (for example, if they cannot be resolved in two meetings/calls or two drafts) they should be raised to the RAC members. The OR Co-lead is responsible for initiating steps to elevate decision-making to the RAC level. He/she will utilize the decision-making "protocol," outlined in the "Tools" companion document, to ensure that team members come to a common understanding of the issues before they are elevated to the RAC members.

Team Consensus

D.   **At project selection and final concurrence on the FPA, team consensus is preferred, but not essential.** At the team level, the ultimate goal is to form an Agency consensus on all aspects of proposals and FPAs. However, at these decision points the Agency must consider the project as a whole. The team's responsibility is to clearly articulate an overall recommendation, highlight the areas of disagreement, and present the package to the RAC members for final decision (See Decision Making Protocol in "Tools").

IV. Roles of XL Project Team Members

A. Team Co-leads

The Team Co-leads are responsible for: 1) managing the team processes; 2) managing issues; and 3) ensuring that proposal and project development are on schedule. "Managing the team process," simply means that the team is functioning effectively. Using the approaches and tools provided in this manual will form the basis for effective team management. "Managing issues" means ensuring that issues are clearly articulated and resolved quickly — utilizing the RAC if necessary — and that issue status and resolution is tracked and recorded. It does not mean that the team Co-leads can make decisions unilaterally.

Unless other arrangements are agreed upon by the project team, the Team Lead responsibilities are shared between the Regional and the OR Leads. In each project, the respective responsibilities of the Co-leads should be agreed upon by the team. However, the OR lead has typically taken a more prominent role in the proposal development and selection phases (where the focus is more on establishing a team and getting an Agency decision), while the Regional lead has been more prominent during the FPA negotiation.

The Team Co-leads perform the most central role in the development of XL proposals and projects and should have skills commensurate to the task. Team Co-leads should have the technical expertise to be effective in the project development. More importantly, Team Co-leads should possess the experience, skills, and professional stature to conduct extensive intra-Agency negotiations, facilitate the resolution of complex issues, and represent the Agency to external parties.

B. Regional Co-lead

Regions have significant leadership responsibilities for XL projects. Throughout the development of an XL project, the Regional Co-lead serves as the primary point of contact for the sponsor and represents the Agency in all meetings with the sponsor, stakeholders, States, and other regulators. Regions also have leadership responsibilities as Co-leads and are responsible for projects during the implementation phase.

As the primary point of contact with sponsors, States and others, the Regional Co-lead has the responsibility to ensure he or she is representing the Agency's position, especially in written communications. To do this, the Regional Co-lead must utilize the XL process to communicate with affected offices and Regions to resolve any internal issues.

C. The Office of Reinvention (OR) Co-lead

The Office of Reinvention (OR) is the National Program Manager for Project XL. However, ownership and accountability are shared among all affected programs and offices. This means that most often decisions are made among the affected offices while OR facilitates the coordination of issues and information to ensure that the Programs' substantive and procedural goals are being met.

The OR Co-lead is accountable to his/her management to ensure the following:

- The Agency assesses proposals to ensure that selected projects are viable experiments.

- Each project establishes an efficient mechanism for conducting and learning from the proposed experiment.

- The Agency is using the XL process and tools to its best advantage.

- The Agency moves projects forward according to schedule.

- The XL project teams identify and raise issues to the appropriate decision-making level in a coordinated and timely fashion.

D. National Program Offices Representative

The Program Offices at EPA have a particular stake in XL projects, as the lessons to be learned from the project are intended to propose and test changes to the programs themselves. In particular, Program Offices expertise is valuable in determining the nature of the tests proposed in XL projects, the presumptions that go into establishing the tests, and the limits that may be advisable. XL Project Teams should turn to Program Offices for this type of input. Although Program Offices are not running the XL process, they should be proactive and engaged in the process to develop quality XL projects that provide useful tests for the program. As project issues or questions arise, Programs need to coordinate analysis and decision-making internally so that the Program representative quickly conveys one clear message to the Project Team.

E. The Office of General Counsel (OGC)

The Office of General Counsel, in consultation with the Regional Counsel's office, provides advice to the Project Team on the legal risk associated with various aspects of the proposed XL project. As the "client," the Project Team should consider policy decisions in light of the risk as explained by representatives of OGC and the Office

of Regional Counsel (ORC). If the Decision-makers or RAC members determine that a level of risk for a particular option is unacceptable, OGC may propose or work with the team to develop alternative approaches that would achieve the same or similar desired results at less risk. Furthermore, if OGC determines a high risk or a high vulnerability in a project, the RAC level managers should be informed as soon as it is identified.

V.   Role of RAC Members

Reinvention Action Council (RAC)

The Reinvention Action Council (RAC) has been established to ensure that each Region and Program has a senior decision-maker who is responsible to the Deputy Administrator for the efficient implementation of reinvention activities (including Project XL). That RAC member is also charged with arbitrating conflicts and making policy decisions within his/her organization as it pertains to XL projects. If the RAC chooses to delegate decision-making authority on a particular project, that delegation should be made clear to the other RAC members and the project team. That decision-maker would then fulfill all of the roles described below for RAC members.

- RAC members should send the following clear message to the staff assigned to XL and to the relevant managers in their organizations: XL is an integral part of their job, and that they will be accountable for their performance on XL projects. Furthermore, once a decision to select a project has been made, the task is to complete the project according to schedule.

RAC members should ensure that their XL project team members have been allotted the time to meet team commitments.

- RAC members should be regularly apprized of the status of the projects by their XL team representatives. This will ensure faster resolution of issues when they are raised to the RAC level decision-makers. Moreover, regular contact with their RAC member will improve the effectiveness of the team member in team deliberations.

- RAC members should be clear to their team members that they are readily available to help resolve issues within their organization, or between their organization and other EPA offices. Projects lose time if staff do not raise issues that they ultimately cannot resolve.
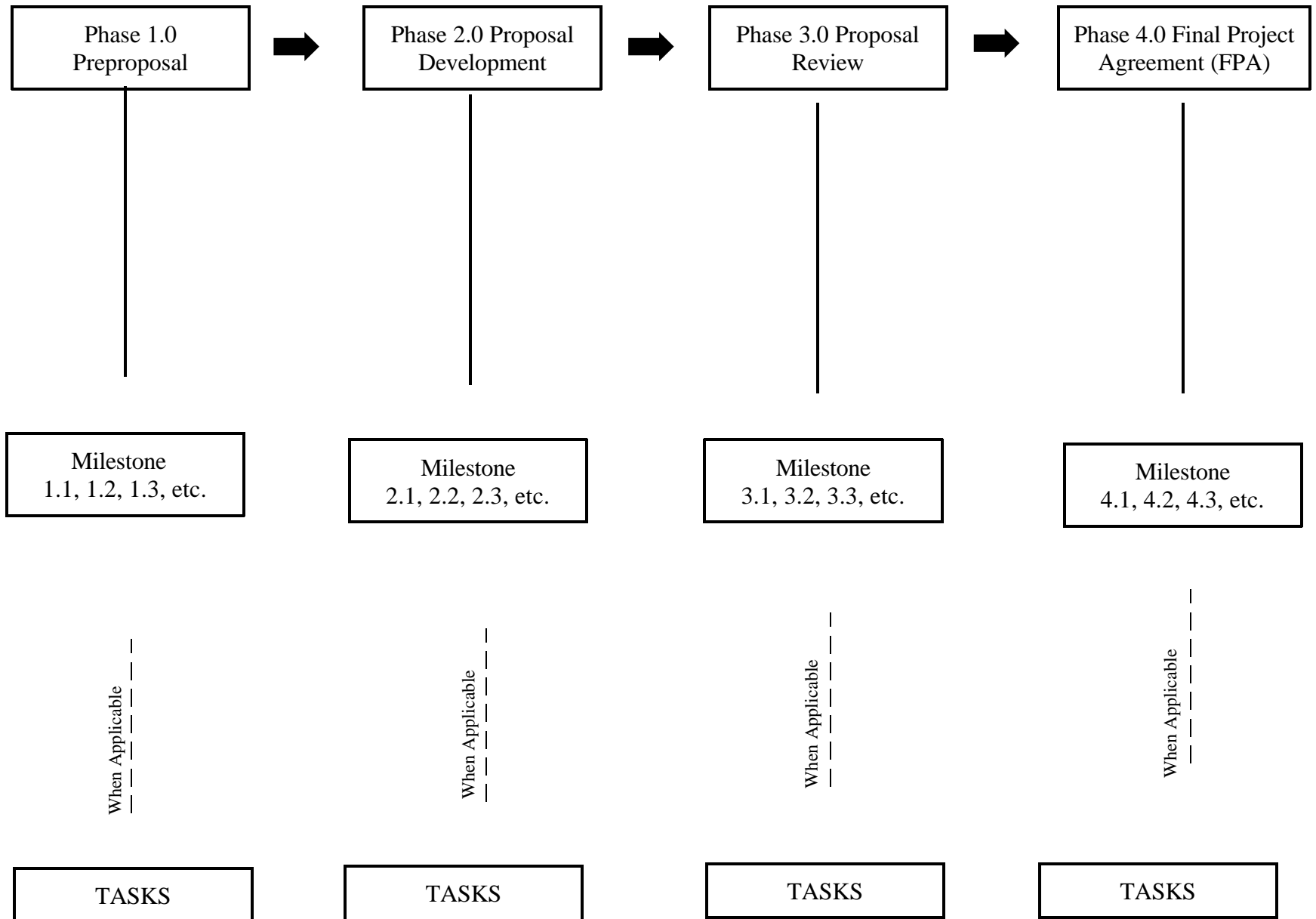
Part 2

The XL Process Steps for EPA's XL Teams

The XL process has three layers. 1)Project Phases: 2)Project Milestones; and 3)EPA Tasks (See Project XL Process Steps). The first layer, Project Phases, is the broad overview of the four basic process divisions: pre-proposal, proposal development, proposal review, and final project agreement development. Phases are denoted as 1.0, 2.0, 3.0, 4.0 in this document.

The second layer identifies major milestones for each phase. These milestones are points in the process that involve or are of significance to all project participants (i.e. EPA, the sponsor, the state, and the stakeholders). Project schedules will track these milestones. Milestones are denoted as 1.1, 1.2, 2.1, 2.2, etc.

The third layer is very detailed. It is intended to specify each task that the EPA project team will take in meeting the milestones. Any step numbered with three digits is an EPA Task.

Project XL Process Steps

| Phase 1.0 Preproposal | → | Phase 2.0 Proposal Development | → | Phase 3.0 Proposal Review | → | Phase 4.0 Final Project Agreement (FPA) |

| Milestone 1.1, 1.2, 1.3, etc. | | Milestone 2.1, 2.2, 2.3, etc. | | Milestone 3.1, 3.2, 3.3, etc. | | Milestone 4.1, 4.2, 4.3, etc. |

When Applicable

When Applicable

When Applicable

When Applicable

| TASKS | | TASKS | | TASKS | | TASKS |

1.0   Pre-Proposal [Time frame: 30-45days]

1.1   Sponsor/EPA informal dialogue (the purpose of this very limited phase is to indicate to sponsors that they have the ability to make initial informal inquiries of EPA without the need for extensive preparatory work or other outreach).

    1.1.1   EPA provides sponsor with an XL process package, including all guidebooks.

    1.1.2   Sponsor develops outlines/concepts using guidebooks. Proceed to next phase (2.0)

2.0   **Proposal Development** [Time frame: 40-60 days]

2.1   Sponsor contacts State.

    2.1.1   EPA Region provides sponsor with appropriate XL contacts in State.

2.2   Sponsor submits initial concept (e.g. concept paper, draft proposal, etc.).

2.3   Sponsor should initiate stakeholder contact, when appropriate, as indicated by the Stakeholder Involvement Guide.

2.4   EPA team established.

    2.4.1   Orient EPA XL Team members to the XL process (these steps should be taken as part of a kick-off meeting).

        a.   Determine the appropriate representatives from each EPA organization.

        b.   Determine a (single) primary representative for each EPA organization.

        c.   Determine the appropriate decision-maker for each EPA organization, whether a RAC member or delegated decision-maker.

        d.   Agree on schedules/time-lines for major milestones.

        e.   Agree on roles and responsibilities of each team member, including team leaders, using the Responsibilities Chart (see "Tools").

        f.   Agree on a coordination process (meeting schedule, information dissemination, and internal communication plan).

        g.   Anticipate and characterize any issues.

        h.   Develop an EPA negotiation strategy.

2.5   EPA meets with sponsor, State, and stakeholder representatives as appropriate.

2.6   EPA Team guides the sponsor in developing a complete proposal package.

3.0   **EPA & State Proposal Review** [Time frame: 40-60 days]

3.1   Sponsor submits formal XL proposal to EPA.

3.2   Sponsor submits formal XL proposal to State XL contact.

3.3   EPA initiates Enforcement Screen *(Concurrent with steps 3.4, and 3.5)*

   3.3.1   EPA evaluates Enforcement Screen results.

   a.   If no issues, proceed with proposal review 3.4.

   If issues remain, then

   a.   EPA notifies sponsor of issues.

   b.   Enforcement issues resolved, proceed to 3.4.

   c.   If enforcement issues cannot be resolved, then the process stops.

3.4   EPA Team reviews XL proposal *(Concurrent with steps 3.3, and 3.5)*

   3.4.1   EPA OR sends out review package to all EPA offices.

   3.4.2   EPA Team reviews proposal (eight criteria/SEP, etc.).

   3.4.3   EPA determines if proposal is complete. (See "XL Best Practices Guide").

   ***If not complete, then*:**

   a.   EPA provides guidance to sponsor & stakeholder on proposal needs.

   If complete:

   b.   Summarize EPA issues, then send to sponsor, State, and stakeholders.

   c.   EPA Team develops a common understanding of proposal.

   d.   EPA Team identifies and resolves issues.

   e.   EPA consults with State. Does State support the project?

3.5   EPA checks to ensure sponsor has taken appropriate stakeholder involvement steps *(Concurrent with steps 3.3, and 3.4).*

3.6   Relevant EPA RAC members decide whether project should proceed to FPA development (Phase 4).

3.6.1   EPA Team makes recommendation to relevant RAC members to proceed to FPA development.

3.6.2   RAC members individually briefed/consulted by their XL Team members.

RAC-level decision on the project?

If yes, proceed to 3.7
If no, proceed to activity 3.6.3

3.6.3   Deputy Administrator decision briefing.

3.6.4   DA selection decision.

If decision is yes, proceed to 3.7
If questions remain then refer back to RAC/Team

3.7   Letter from RA sent to sponsor/stakeholders conveying EPA's decision whether or not project should proceed to FPA development. If selection is made, proceed to FPA development, 4.1.

4.0   FPA Development [Time frame: 90-180 days]

4.1   FPA start-up meeting with all participants.

   4.1.1   EPA provides contractor for neutral facilitation/process support for start-up meeting with all stakeholders if requested by sponsor or stakeholders.

   4.1.2   Opportunity for all participants to examine project. Establish whether there have been any significant changes in project scope, circumstance, or stakeholder participation that require attention.

   4.1.3   Review components of stakeholder involvement process (e.g., time frame, ground rules, direct participants, etc.).

4.2   All participants develop FPA and flexibility mechanisms (e.g., waiver, permit, site-specific rule) according to the process & schedule agreed upon in 4.1.2.

   4.2.1   Internal EPA Team supports EPA's representative to the stakeholder process.

      a.   EPA speaks with one voice through single representative.

      b.   EPA is responsive in reviewing drafts and making decisions on issues.

4.3   Drafts of FPA and implementing mechanism are circulated for review according to schedule and the Teams's internal communication plan.

4.4   Relevant RAC members concurrences on final FPA *(concurrent with 4.5)*.

4.5   Planning for FPA signing ceremony *(concurrent with 4.4)*.

   4.5.1   Coordinate with EPA-OR Communications staff to develop a communication plan for external and internal audiences.

   4.5.2   Coordinate calendars of signatories.

4.6   Publication of FR notice containing proposed FPA and flexibility mechanism.

4.7   EPA responds to public comments in consultation with all participants.

4.8   FPA (final) and implementing mechanism issued in FR *(concurrent with 4.9)*.

   4.8.1   Implement communications plan.

4.9   Signing ceremony *(Concurrent with 4.8)*.

XL project/FPA development phase completed.

Tools for EPA Teams
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Note: All these documents will be available on the Project XL website (www.epa.gov/project) in April except where indicated otherwise. Hard copies are also available from Darlene Byrd (202)260-8613.

Listed In Order of Process Steps:

I.   Sample Letter to Reinvention Action Council

II.   Model Schedule
         A. Sample Schedule

III.   Format for Model EPA Team Kickoff Meeting
         A. Sample Kickoff Meeting Package

IV.   Model Responsibilities Chart

V.   Assistance with Stakeholder Involvement
         A. Contractor Assistance for Starting up Stakeholder Meetings
         B. Technical Assistance Materials from the Institute for Conservation Leadership

VI.   Sample Selection and Non-selection Letter

VII.   Final Project Agreement
         A. Draft Model FPA
               -Sample FPA
         B. Draft Monitoring/Reporting Guidance

VIII.   Decision Protocol

IX.   Model Communications Plan
         A. Sample Communications Plan

X.   Sample Project Fact Sheet

XI.   Sample Withdrawal Letter