Baseline Prioritization: A Progress Report

Discussion with the Customer Review Panel
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Purpose of Discussion

• Reminder of Where We’re Going
• Present Status Report -- interim results of the Baseline Prioritization Work
• Description of next steps
Reminder of Where We’re Going

Baseline Prioritization
Teams prioritize Baseline projects and programs, assess impacts of reallocating dollars to Action Plans/new investments

Benchmarking/Efficiencies
Teams assess opportunities and make recommendations for improving efficiency

Action Plans
Teams develop and prioritize Action Plans to achieve Strategic Objectives

Balancing Costs and Services into Rate Packages
Baseline Prioritization: Reminder of Purpose of This Work

Using common method and criteria, create transparent, prioritized list of all SPU’s projects and programs, to aid in identifying high-value work and potential areas for reduction
What We’ve Done To Date

• Created a common set of criteria
  o Consistent with Focus Areas and Strategic Objectives
  o Some roll-up to make prioritization work meaningful and doable

• Criteria weights based on E-Team weighting of Focus Areas & Strategic Objectives

• Assessed all capital projects and Operation & Maintenance programs, based on criteria
  o Roll-up of thousands of activities necessary to make process achievable
Results of Work To Date

- Five staff teams completed value ratings for 73 O&M groups of activities and 152 capital project categories
  - Ratings are within each line of business and corporate
  - Staff completed 1,800 ratings against selected criteria
- Have also re-examined results using Panel weightings of strategic framework
# Example Value Rankings:
Results that are similar between Panel/E-Team

<table>
<thead>
<tr>
<th>Projects/Programs</th>
<th>E-Team Ranking</th>
<th>Panel Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 3 water O&amp;M activities</td>
<td>Water distribution system O&amp;M&lt;br&gt;Water transmission system O&amp;M&lt;br&gt;Treatment/Regulatory Compliance</td>
<td>Same</td>
</tr>
<tr>
<td>Top 3 Water capital projects</td>
<td>Tolt Slide Improvements&lt;br&gt;Reservoir covering – seismic&lt;br&gt;Water System Plan</td>
<td>Water System Plan&lt;br&gt;Tolt Slide Improvements&lt;br&gt;Reservoir Covering – Seismic</td>
</tr>
<tr>
<td>Top 3 Solid Waste capital projects</td>
<td>North Transfer Station&lt;br&gt;South Transfer Station, Ph 2&lt;br&gt;Heavy Equipment Purchase</td>
<td>North Transfer Station&lt;br&gt;Heavy Equipment Purchase&lt;br&gt;South Transfer Station, Ph2</td>
</tr>
<tr>
<td>Bottom three DWW O&amp;M activities</td>
<td>Outreach &amp; Education&lt;br&gt;Monitoring&lt;br&gt;DWW Management</td>
<td>Same</td>
</tr>
</tbody>
</table>
## Example Value Rankings:
Results that differ between Panel/E-Team

<table>
<thead>
<tr>
<th>Projects/Programs</th>
<th>E-Team Ranking</th>
<th>Panel Ranking</th>
</tr>
</thead>
</table>
| Top 3 DWW O&M activities | *King County Treatment Payments*  
*Regulatory Compliance & Policy*  
System Operation & Planning | System Operation & Planning  
*Source Control*  
*System Condition/Characterization* |
| Top 3 Corporate O&M activities | Department/Branch Mgmt  
*Operations Response Center*  
*IT Management/Planning* | Department/Branch Mgmt  
*General Safety*  
*Human Resources* |
| Corporate O&M and CIP | *Service Equity (O&M) 19/35*  
*Sharepoint Upgrade (CIP) 7/37*  
*HR Mgmt System (CIP) 15/37* | *Service Equity 11/35*  
*Sharepoint Upgrade 1/37*  
*HR Mgmt System 4/37* |
Next Steps in Baseline Prioritization

1. Develop O&M & CIP Value Ratings (done)
2. Input Baseline Costs (nearly done)
3. Consider Budget Constraints and Must Do’s
   - Mandatory?
   - In Construction?
4. Identify Potential Reductions
   - Look first at low benefit-cost items
   - Consult SPU experts on impacts & alternatives
   - Assess for workforce impacts
5. Integrate with Action Plans & Efficiencies
   - Do overall rate/service packages:
     - Achieve Strategic Objectives?
     - Support areas emphasized by Panel?