

Baseline Prioritization: A Progress Report

**Discussion with the Customer Review Panel
Keith Hinman, SPU**

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Seattle
 Public
Utilities

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
 - Consistent with Focus Areas and Strategic Objectives
 - 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
 - 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

Projects/Programs	E-Team Ranking	Panel Ranking
Top 3 water O&M activities	Water distribution system O&M Water transmission system O&M Treatment/Regulatory Compliance	Same
Top 3 Water capital projects	Tolt Slide Improvements Reservoir covering – seismic Water System Plan	Water System Plan Tolt Slide Improvements Reservoir Covering – Seismic
Top 3 Solid Waste capital projects	North Transfer Station South Transfer Station, Ph 2 Heavy Equipment Purchase	North Transfer Station Heavy Equipment Purchase South Transfer Station, Ph2
Bottom three DWW O&M activities	Outreach & Education Monitoring DWW Management	Same

Example Value Rankings:

Results that differ between Panel/E-Team

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

Next Steps in Baseline Prioritization

