

WTD Capital Project Prioritization Process

Metropolitan Water Pollution Abatement Advisory
Committee

Engineering & Planning and Rates & Finance
Subcommittees

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Presentation Overview

- Goals for Prioritization Process
- Prioritization Fundamentals
- Prioritization Process

Goals for WTD's Prioritization Process

- Provide an objective decision making process
- Allocate limited resources to the most needed projects
- Assign priorities based on organizational goals and objectives

Prioritization Fundamentals

- Capital projects are grouped into categories so that only like projects are scored against each other
 - Major Capital – projects that provide new or additional capacity
 - Asset Management – projects that rehabilitate or improve existing facilities or processes

Prioritization Fundamentals

- All active projects are prioritized every year until they reach the Implementation Phase, at which point they receive the maximum prioritization score
 - The Implementation Phase typically begins when a construction contract is signed
- Projects are ranked based on a number of criteria (e.g. risk of failure of asset, need for capacity, etc.)

Prioritization Fundamentals:

Criteria Groupings by Project Type

Major Capital

- Public Health, Safety, and Property
- Regulatory or Contractual Requirements
- Cost Savings
- Regional Capacity Needs
- Environmental Impact

Asset Management

- Public Health, Safety, and Property
- Regulatory or Contractual Requirements
- Cost Savings
- Service Disruption and Impacts from Asset Failure
- Remaining Equipment Life/Asset Damage

Step 1: New Project Requests are created

- Planning or Operating Sections through their on-going comprehensive planning or Asset program identify new projects
- They provide a planning level scope, schedule, budget for the proposed new project
- This information is handed off to the Project Management Unit

Step 2: PMs Complete Project Evaluations

- During the annual budget process, project managers within the Project Management Unit complete a project evaluation
 - Enter general project information
 - Select the criteria that apply, score the criteria, and provide justifications
 - A Project Information Sheet is generated for each project

Step 3: Scoring Panels Evaluate Projects Annually

- One team of staff for each project category:
 - Major CIP
 - Asset Management
- Managers of these sections nominate 6 staff from across WTD to score the projects.
- Staff represent wide cross section of the Division.
- Panel members review the PMs information sheet. Then individually score the projects using the criteria for each group. A group score is determined.

Step 4: Generate Project Rankings

- After each scoring session is held, a project control engineer enters the scores into the Project Management System
- The System calculates a score for each project
- One report is developed for each project category
 - ❑ Major CIP
 - ❑ Asset Management
 - ❑ Reports lists projects by the ranking score
 - ❑ In case of emergency projects, Management team can direct the project to proceed.

Step 4: WTD Management Team Reviews Prioritization Results as Part of Budget Process

- Management Team uses the project rankings as one tool in developing the 6-year capital budget.
- They also consider programmatic cash flow, rate impacts, schedules, system risk, and other factors.
- WTD's recommended 6-year CIP is included in the budget and rate proposals that are reviewed and approved by the Dept. of Natural Resources and Parks and then the Executive's office.
- King County Council approves the biennial budget and the sewer rate.

Questions?

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