



**King County**

# Capital Projects Prioritization Process Update

Presented to the MWPAAC  
Engineering and Planning Subcommittee  
January 4, 2018

# Today's Presentation

- Project Portfolio Management Recap
- Recent Accomplishments
  - Project prioritization
  - Decision making structure
- Implementation Schedule

# Project Portfolio Management

WTD is adopting Project Portfolio Management tools to:

- Improve existing infrastructure **project prioritization**
- Allocate resources to the **Right Projects** at the **Right Time**
- Prioritize/balance/sequence investments through an objective process
- Ensure transparent decision making
- Provide tools to document and communicate the investment decisions

# Portfolio Management Benefits

- Create “buckets” of similar type projects
- Prioritize projects based on each bucket’s unique criteria
- Buckets aligned with County’s and WTD’s strategies
- Reassess project priority at each gate

# Sub-Portfolios - “Buckets”

- **Six** sub-portfolios identified
- Each sub-portfolio is aligned to different WTD strategies
- Funds will be allocated to each sub-portfolio by the Director and Senior Management



Asset  
Management



Regulatory



Resources &  
Energy



Operational  
Enhancements



Capacity  
Improvement



Resiliency

**WTD Capital Sub-Portfolios**

# Accomplishments

- Developed prioritization criteria for each sub-portfolio
  - Objective/measurable
- Applied criteria to prioritize within each sub-portfolio
- Developed an interim decision making board
  - Capital Definition Board

# Prioritization

- Started with 224 projects
- Categorize projects into sub-portfolios
- Subject Matter Experts applied prioritization criteria to each project





Asset  
Management

86 Projects



Regulatory

22 Projects



Resources &  
Energy

23 Projects



Operational  
Enhancements

11 Projects



Capacity  
Improvement

56 Projects



Resiliency

26 Projects

**WTD Capital Sub-Portfolios**

# Capital Definition Board

## Board Responsibilities:

- High level strategy for capital program
- Clear allocation of capital to priorities
- Clear communication of Division Management prioritization
- Consistent Division Management messaging
- Ultimately responsible/accountable for delivery of strategic results
- Annual validation of sub-portfolios to ensure alignment with strategic priorities

# Capital Definition Board

- Membership:
  - Division Director
  - Assistant Division Director
  - Finance Section Manager
  - PP&D Section Manager
  - Operations Section Manager
  - Chief Officer of Sustainability and Strategy

# Planned Implementation

## Phased Approach:

- Interim: short-term processes for 2019/2020 budget
  - Fall 2017 through February 2018
- Long-term: full buildout and integration of processes and procedures into structured program
  - March 2018 through September 2018

# Upcoming Interim/short-term processes

January – February 2018

- Set initial capital expenditure to be included in the rate recommendation
- Review and revise based on various rate scenarios
- Set sub-portfolio allocations
- Balance sub-portfolios

# Long-Term Buildout

September 2018 – March 2019

- Implement Portfolio Management work plan

March 2019

- Achieve full implementation of Portfolio Management processes

March 2019 – Beyond

- Continuous improvement



# Questions?

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