

BPA Procedure 460-3-2

Capital Project Reporting and Monitoring

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1. Introduction

1.1 Purpose

This procedure establishes Bonneville Power Administration (BPA) guidelines for periodic reporting and monitoring of the status of capital projects during execution.

1.2 Point of Contact

Capital Investment Management is responsible for overseeing the capital project reporting process. For additional information please contact Capital Investment Management.

1.3 Applicability

This procedure defines the reporting and monitoring requirements and process for all business cases authorized under BPA Policy 460-3. This procedure focuses on the reporting and monitoring of capital projects authorized by the Agency Capital Project Review Team and Finance Committee. However, the performance of all capital projects must be monitored by the authorizing entity.

1.4 Terms, Definitions and Acronyms

Reference BPA Policy 460-3.

1.5 Procedure Exceptions

None.

1.6 Roles and Responsibilities

- A. **Business Case Preparers** – The business case preparer is responsible for completing the business case to clearly describe the expected cost, schedule and scope as well as included contingency amounts.
- B. **Project Sponsors/Project Managers** – Project sponsors or managers are responsible for proposing cost, schedule and scope parameters in business cases. Project managers or asset category designees are responsible for providing quarterly project performance data.
- C. **Asset Category Authorizing Entities** – The executive or entity that authorizes capital projects is responsible for ensuring the performance of those projects is monitored. If cost variances cause the project to exceed the entity’s authorization limit, notification must be made to the next senior authorizing entity.
- D. **Capital Investment Management (FAC)** – The FAC group is responsible for managing the capital project reporting process. FAC itself compiles the report for projects that meet the ACPRT level for authorization, including preparing the publication packages for the Finance Committee and publishing both internal and external versions.
- E. **Agency Capital Project Review Team (ACPRT)** – Reviews the cost, schedule and scope parameters proposed in business cases, considers the appropriateness of contingency amounts and clearly documents them in the ACPRT decision document.

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- F. **Finance Committee (FC)** – Reviews the quarterly report and determines what, if any, action is to be taken.

2. Procedure

2.1 Prerequisites

Authorization of a capital project triggers the reporting and monitoring requirements that remain in place until the project is reported complete.

2.2 Output and Organizational Impacts

Reporting and monitoring occurs at two levels:

- A. **ACPRT Level Quarterly Report** – Two versions of the quarterly report are produced:

1. **Internal** This report package is prepared for the FC and includes all projects that meet the ACPRT threshold for authorization. In addition, the report includes a programmatic summary for Transmission and Federal Hydro, as well as information on reauthorizations, post investment reviews and other pertinent project information.
2. **External** An external version of the report is provided for customer information. It is limited to projects at or above the lowest FC authorization level and is accompanied with project synopses that describe the included projects.

- B. **Asset Category Reporting** – In addition to providing project performance reporting to FAC for ACPRT level projects, asset categories must reasonably monitor the performance of projects that fall below the ACPRT threshold. The form of this reporting is not specified in this procedure, but it should embrace the principles of what this procedure requires for ACPRT level projects and it must be available for FAC review.

2.3 Procedure Steps

- A. ACPRT Level Reporting

1. FAC initiates the quarterly project reporting process with an e-mail notice sent within two working days of quarter end.
2. Asset category reporting designees are given the first 15 days of the month following quarter end to complete their project reports and submit them to FAC. The reports must be prepared in a manner consistent with the standards in Section 4.1.A of this procedure.
3. FAC reviews the submitted reports and may ask for clarifications or changes during the remainder of the month.
4. FAC compiles the asset category reports into a comprehensive reporting package that includes:
 - i. A summary overview of key changes;

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- ii. A programmatic overview for Transmission and Federal Hydro;
 - iii. Individual project results for cost, schedule and scope;
 - iv. A limited external version of the report;
 - v. Status of and links to post investment reviews; and
 - vi. Notification of reauthorizations and projects that were authorized below the ACPRT level, but are now forecast to exceed that level.
5. FAC arranges for the report to be presented at the FC meeting in the second month following quarter close.
 6. The FC reviews the report and specifies any follow-up requirements, including the request for reauthorization of a project.
 7. After FC review, the final reports are posted as noted in Section 2.4.

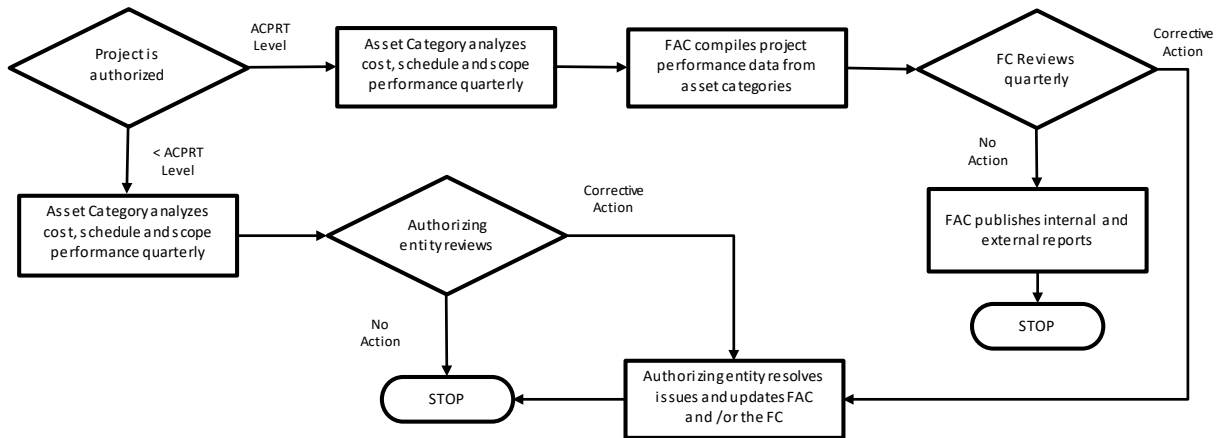
B. Below ACPRT level of reporting

1. Spot check of business case quality and reporting may be performed. Spot check process and review templates can be found at the following SharePoint [site](#).

2.4 Information Governance

Capital Investment Management will publish internal major capital project reports on this SharePoint [site](#) and external reports on this [site](#).

3. Process Map



4. References

4.1 Standards

- A. Reporting Standards – These standards describe the requirements for ACPRT level project reporting. Reporting for projects below that level should reflect these expectations, but appropriately scaled.

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1. Each quarter, project sponsors/managers are required to forecast project cost, schedule and scope performance and compare it to the authorization parameters.
2. When a project forecast results in a cost, schedule or scope variance, project sponsors/managers must provide a thorough explanation for the variance. The explanation must describe the specific drivers for the variance(s) and quantify the impact of each driver. The variance explanation must also detail the actions taken, or to be taken, to mitigate the variance or explain why corrective actions are unavailable.
3. Variance explanations should be commensurate with the magnitude of the variance.
4. The report will flag variances for:
 - i. Cost – when the variance is the lesser of 25% or \$10 million.
 - ii. Schedule – when the variance exceeds 12 months.
 - iii. Scope – scope alone will not trigger a flag as a significant scope variance is likely to involve a cost variance.
5. The flag indicator will remain on the report unless the appropriate authorizing entity reauthorizes the project per BPA Procedure 460-3-1 and establishes new parameters for cost, schedule or scope.

4.2 Guidelines

Not applicable.

4.3 Forms, Templates and Checklists

Specific forms or formats are not prescribed for reporting. If the reporting material is prepared in a manner consistent with the standards in Section 4.1, it will be sufficient.

4.4 Training

Capital Investment Management offers Business Case 101 and 201 training on at least a semi-annual basis. That training will provide a solid foundation in business case fundamentals, including contingency estimation and project reporting.

5. Review

5.1 Procedure Evaluation

Capital Investment Management will monitor compliance with this procedure. The Finance Committee will be notified quarterly of any compliance issues.

5.2 Review Timeline

This procedure will be reviewed each time BPA Policy 460-3 is reviewed. The Chief Financial Officer, in consultation with the Asset Management Council, is authorized to modify and reissue this procedure as necessary.

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6. Revision History

This chart contains a history of the revisions and reviews made to this document.

Version Number	Issue Date	Brief Description of Change or Review
1.1	3/20/2020	Document number changed from 240-3-2 to 460-3-2. This is a minor revision. Effective date not changed.
1.2	12/12/2024	Update Training and location for Spot Check process and material.

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