

BPA Procedure 460-3-3

Post Investment Review

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1. Introduction

1.1 Purpose

This procedure establishes Bonneville Power Administration (BPA) guidelines for preparation and delivery of post investment reviews of capital projects. Post investment reviews serve to ensure operational excellence by leveraging project execution experience and verifying that investments deliver the value represented in the business case.

1.2 Point of Contact

Capital Investment Management is responsible for the post investment review process. For additional information please contact Capital Investment Management.

1.3 Applicability

This procedure applies to asset categories that submit capital projects for review by the Agency Capital Project Review Team (ACPRT), subject to the selection criteria specified in the procedure.

1.4 Terms, Definitions and Acronyms

Reference BPA Policy 460-3.

1.5 Procedure Exceptions

None.

1.6 Roles and Responsibilities

- A. **Category Asset Manager (CAM)**– The CAM has overall responsibility for ensuring the completion and delivery of post investment reviews for their asset category. In the case of IT projects that involve another asset category, the responsibility is shared between both CAMs, but the IT CAM will have the lead to coordinate the review.
- B. **Business Case Preparers** – The business case preparer is responsible for establishing and documenting the metrics and baselines for measuring whether a project has been successful in delivering the benefits anticipated, as well as the standard project execution parameters for cost, schedule and scope.
- C. **Project Sponsors/Project Managers** – Project sponsors or managers are responsible for completing the post investment review evaluation and documentation.
- D. **Asset Category Executive** – Executive review and sign off is required to complete the post investment review.
- E. **Capital Investment Management** – The Capital Investment Management group is responsible for managing the post investment review process including maintaining and issuing the review templates, maintaining a review log and reporting to the Finance Committee.

2. Procedure

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2.1 Prerequisites

Two conditions must be met to trigger a post investment review:

- A. A capital project with direct capital costs \geq \$10 million is authorized by the ACPRT or Finance Committee per BPA Policy 460-3. The ACPRT or Finance Committee may also designate a project for post investment review, regardless of cost.
- B. The capital project is reported complete on the quarterly major capital projects report per BPA Procedure 460-3-2.

2.2 Output and Organizational Impacts

The output is a completed post investment review template (see section 4.3).

2.3 Procedure Steps

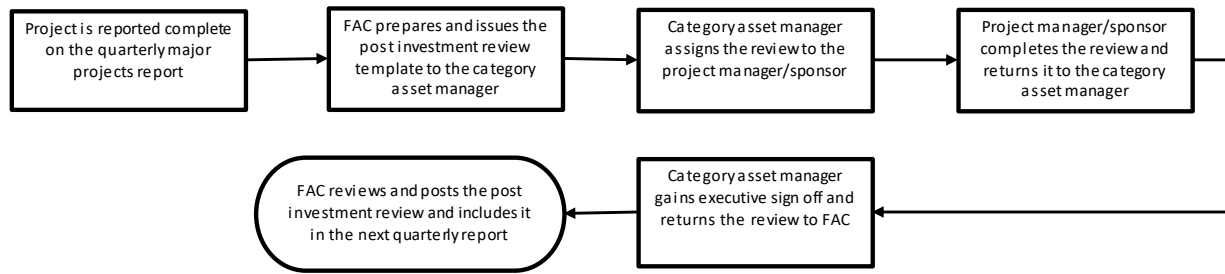
- A. Within two weeks following the presentation of the quarterly report to the Finance Committee in which an eligible project is reported complete, Capital Investment Management will issue a pre-populated post investment review template to the appropriate CAM. In the case of IT reviews that involve another asset category, the template will be sent to both CAMs, with the expectation that the IT CAM will coordinate the review.
- B. The post investment review will be due one year from the issue date.
- C. The Category Asset Manager, upon receipt of the post investment review template, will assign the review to the appropriate individuals for completion.
- D. The template must be completed by responding to all the prompts included in the template and returned to the Category Asset Manager.
- E. The Category Asset Manager will ensure the template is complete, gain the appropriate Business Unit Executive review/sign off and return the template to Capital Investment Management.
- F. Capital Investment Management will review the completed template, request clarifications, post the completed review, update the review log and report the status of post investment reviews to the Finance Committee in the next quarterly major projects report.

2.4 Information Governance

Capital Investment Management will maintain all post investment review materials – issued templates, complete reviews and a status log of all reviews on this SharePoint [site](#).

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3. Process Map



4. References

4.1 Standards

- A. **Cost, Schedule and Scope Variances** Significant variances (over 10% for cost and schedule) should be explained in a reasonable amount of detail, including root causes if necessary.
- B. **Project Execution Lessons Learned** The lessons learned section should describe significant issues, positive or negative, encountered during project execution. The business case should be reviewed to determine if any risks that materialized were adequately identified in the business case. A plan for leveraging the learnings should be documented and implemented.
- C. **Investment Objectives** This section is a higher level evaluation of whether or not the objectives stated in the business case were achieved. The following sections will explore the expected benefits in detail.
- D. **Investment Benefits and Metrics for Measuring Success** This section is intended to provide a reasonably detailed evaluation of whether or not the benefits represented in the business case were (or will be) delivered.
 - a. During project closeout, the information in the *Investment Performance Metrics* section of the business case should be reviewed for completeness and bolstered where necessary. If the business case had no *Investment Performance Metrics* section, that information must be developed and documented at project closeout. The information required includes the metrics, baselines for the metrics and a description of the methodology to be used to measure metric performance.
 - b. In some cases, the measurement of benefits may need to be completed at a future date. In those cases, an initial review will still be required on the normal timeline and that document should establish a target date for completing the benefits evaluation.
 - c. If the benefits evaluation determines that the benefits were not delivered or are not being delivered as expected, an action plan to maximize the benefits must be included in the post investment review. That plan may include a requirement for ongoing monitoring of benefits delivery.
 - d. While all post investment reviews require an assessment of whether the benefits projected were delivered, the depth of that evaluation may vary

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considerably between business cases. For example, a routine replacement in-kind or line/load project may have metrics that simply verify that the equipment is installed and energized and the customer request satisfied. More extensive benefits like labor savings and other efficiencies will require more time and specific methodologies to measure.

- E. **Business Unit Executive Review** The executive who reviewed the post investment review must be noted with the date of the review (a PDF signature is not required). This review is intended to ensure that the review is properly vetted and complete.

4.2 Guidelines

Not applicable.

4.3 Forms, Templates and Checklists

The post investment templates are available on this SharePoint [site](#). Post investment review preparers should ensure that they begin with the pre-populated template issued by Capital Investment Management.

4.4 Training

No specific training for post investment reviews is provided. 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 which will be important in completing a post investment review.

5. Review

5.1 Procedure Evaluation

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

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 240-3-3 to 460-3-3. This is a minor revision. Effective date not changed.		
2.1	12/12/2024	Revised training section.		
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