Restructuring Objective

To restructure Capital Planning & Project Management functionally and financially enabling it to sustainably meet the needs of the University community system-wide for a period of 3-5 years assuming the realities of the current economic environment.
Plan Goals

• Restructuring Objectives
  – Cost control
  – Healthy partnerships
  – Leadership consistency
  – High performance teams
  – Continuous improvement

• Service
  – Understand the academic/physical plant enterprise
  – Strengthen our knowledge or our customers and their needs
  – Continue delivering cost efficient development services
Plan Goals (con’t)

• Accountability
  – Deliver the approved product, on time and within budget
• Stewardship
  – Sustain and preserve the University’s building and infrastructure assets
  – Assume the long term viability of the University is both a personal and CPPM responsibility
• Partnership
  – Build a strong network of internal and external partners
  – Continue building and nurturing partnership initiatives with innovative leading edge organizations that effectively model best practices
Why Restructure

The economic reality is that CPPM – like the rest of the University of Minnesota needs to be smaller.

Drivers

• Project volume is down significantly
• Project values are smaller
• FM Construction is now functional
• Our project backlog is maturing
• Although we received HEAPR/Stimulus funding most of those projects are already assigned
• The new rate model revenue impact is uncertain
What do we want to accomplish?

The restructuring of CPPM will make for a stronger organization over the long term.

- **Accountability** – we will create a structure that will hold everyone accountable for their individual actions and for the success of the organization
- **Stability** – We will create a structure that will be stable over the next three to five years
- **Focus** – We will create a structure that will help us focus our efforts, our resources and our vision for the coming years
Timeline

- Announcement to CPPM Employees May 17th and 18th, 2010
- Effective Dates
  - Civil Service – Wednesday, June 30, 2010
  - P&A – Wednesday, August 18, 2010
What Does This Mean For Us

• Change the way we do business
• Carefully evaluate what we do and what we don’t do
  – Stop doing some things
  – Do less of some things
  – Do some things differently
• Need to work smarter and harder
  – Everybody needs to be more hands on
  – Do more with less
What Does This Mean For Us
Con’t

• Need to be more practical and more nimble
• Plan carefully before we act
• Search for efficiencies
• Learn from our mistakes
• Partner creatively
What Does This Mean For You

• Our services will not change, but we need to:
  – Become more efficient
  – Become more planful and less reactive
• We will need to charge for all of our time
• Overall project management costs could be reduced
• There will be a learning curve that we need to work through
• The plan has minimal project management impact
• We will need to partner more effectively
# Reduction Summary

<table>
<thead>
<tr>
<th>Reduction Type</th>
<th>Leadership Team</th>
<th>Architecture &amp; Planning</th>
<th>Project Delivery</th>
<th>Business Services</th>
<th>CPPM Overall</th>
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</thead>
<tbody>
<tr>
<td>Staff FTE’s</td>
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<td>1</td>
<td>9</td>
<td>3</td>
<td>16</td>
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<tr>
<td>Staff Reduction %</td>
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<td>20%</td>
<td>41%</td>
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<tr>
<td>Cost Reduction %</td>
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<td>18%</td>
<td>38%</td>
<td>41%</td>
<td>40%</td>
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</tbody>
</table>
Positions Subject to Future Evaluation

- Eight additional positions
- During FY2011
- Positions
  - Administrative Lead PMIS/Unifier
  - Program Manager – Continuous Improvement/Best Value
  - Program Assistant – Best Value
  - Program Manager – Contracting, Sustainability, TGB
  - Capital Planner
  - Senior Architect
  - Project Managers (2)
- Evaluate For:
  - Position Need
  - Combination/Efficiency
  - Possible enhancement
Proposed CPPM Org

University Services Vice President

Associate Vice President - CPPM

Assistant to AVP

Biomedical Discovery District Executive Committee

Biomedical Facilities Program Development Director

Academic Health Center Team

System Administrator

Program Manager - PIPS/Best Value

Program Manager - Contracting, Documentation, Sustainability, and TGB

Administrative Lead, PARS/Unifier

Chief Financial Officer, University Services

Director of Finance, Administration, and Unifier

Provost Team

Sr. Project Mgr

Project Manager II

Project Coordinator

Director of Architecture and Planning

Assistant to Director

Sr. Project Mgr

Project Manager II

Project Coordinator

Capital Planner

Capital Planner

Senior Architect

President/Administration Athletics/Student Services Team

Sr. Project Mgr

Project Manager II

Project Manager I

Project Coordinator

Project Coordinator

Project Manager I

Project Manager I

Project Coordinator
QUESTIONS?