

SCFP SUBCOMMITTEE ON TWIN CITIES FACILITIES AND SUPPORT
SERVICES (STCFSS)
MINUTES OF MEETING
OCTOBER 19, 2004

[In these minutes: Approval of 9/21/04 Minutes, Fleet Services Automatic Door Opening Update, Response from VP O¹Brien to Letter from Professors Alexander and Campbell, Board of Regents¹ Sustainability and Energy Efficiency Policy, Capital Planning and Project Management (CPPM) Update]

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Assembly; none of the comments, conclusions or actions reported in these minutes represent the views of, nor are they binding on, the Senate or Assembly, the Administration or the Board of Regents.]

PRESENT: Calvin Alexander, chair, Carrie Meyer, Richard Straumann, Dan Allen, Steve Fitzgerald, Peggy Johnson, Laurie Scheich, Steve Spehn, Lorelee Wederstrom, Gary A. Davis, Gordon Girtz, Brian Horgan, Gary Jahn, George Wilcox, Jennifer Hannaford

REGRETS: John Adams, Patrice Morrow

GUESTS: Vice President of University Services Kathleen O¹Brien and Associate Vice President for Capital Planning and Project Management Michael Perkins

I). Professor Alexander called the meeting to order.

II). Members unanimously approved the September 21, 2004 minutes.

III). Laurie Scheich reported that the Fleet Services automatic door-opening problem raised at last month¹s meeting has been corrected. Following last month¹s STCFSS meeting, Central Security was contacted to explain why Fleet Services should not be on the University¹s automatic door opening system, and within a day or two the problem was corrected.

IV). Professor Alexander distributed a letter from Vice President O¹Brien, responding to a letter from Professor Alexander and Professor Campbell, chair of SCFP. The letter from Professor Alexander and Professor Campbell supported Mr. Girtz¹'s continued participation on STCFSS and requested that VP O¹Brien intervene to curb the influences being put on Mr. Girtz to resign from the Subcommittee. Professor Alexander was pleased with the response from Vice President O¹Brien.

Professor Alexander also reported that he and Professor Campbell recently met with Vice President O¹Brien to discuss various issues. From Professor Alexander¹'s perspective the meeting was somewhat frustrating. Vice President O¹Brien continues to express bemusement concerning the pressures that are supposedly being put on Mr. Girtz to resign from STCFSS. He added that Vice President O¹Brien continued to emphasize that STCFSS is a valued part of the governance structure and that the Subcommittee should continue its good work.

V). New Business:

A member reported that as of July 2004 there was a new Board of Regents¹ Sustainability and Energy Efficiency policy (http://www1.umn.edu/regents/policies/administrative/Sustain_Efficient_Energy.html). Professor Alexander noted that while the concept of sustainability is difficult to disagree with, oftentimes it means different things to different people. He would like the Subcommittee to be involved in crafting a definition of sustainability that everyone at the University could agree with.

Members briefly discussed the issue of sustainability and the ever-increasing role it is playing at the University. It was noted that while sustainability is usually viewed positively, it does not come without its problems from an operational perspective e.g. green roof space.

VI). Professor Alexander welcomed Associate Vice President for Capital Planning and Project Management Michael Perkins and Vice President of University Services Kathleen O¹Brien.

AVP Perkins provided the Subcommittee with an overview of a presentation he recently gave to the Board of Regents. In this presentation he shared Capital Planning and Project Management¹'s (CPPM) accomplishments for fiscal year 2004. AVP Perkins highlighted the following:

- CPPM accomplished a great deal in FY 2004. This can be attributed to changes in human resource staffing; particularly as it relates to managing projects and the fact that CPPM is taking accountability for what it does and does not do.
- CPPM performance measures include:
 - Meeting project scope expectations
 - Delivering projects on budget
 - Delivering projects on schedule
 - Delivering expected quality (to be measured in terms of how much call-back work needs to be done during the one year warranty period)
 - Improving process productivity
 - Limiting/eliminating legal liabilities
- CPPM has three different delivery systems at the University, large capital projects, in-house construction capital projects, and work orders. The goal is to consolidate these three delivery systems into one.
- An overview of projects being handled by CPPM broken down by functional categories e.g. major projects, new construction, mechanical/electrical/plumbing, etc. was shared with members.
- An example of the new format used by CPPM to track its projects - Project Summary Report
- CPPM¹'s performance experience from FY 1999 through 2004 was shared. In comparing FY 1999 - 2003 with FY 2004, the volume of work was significantly higher from 1999 - 2003 as compared to 2004. However, in terms of delivering projects within budget and on time CPPM¹'s performance was much better in 2004 than the period from 1999 - 2003.
- CPPM¹'s project change analysis was highlighted and compared FY 99 - 03 with FY 04. AVP Perkins noted that change orders are very costly to a project. Due to the length of time it takes a capital project to work its way through the legislative process, this leaves a lot of time for individuals to think about a project and request changes to that project. It is critical that the University have the discipline to stay

its course with regard to a project once final monetary requests have been made to the Board of Regents and the legislature. The University cannot afford to go back to these two bodies and ask for more money.

- Six of CPPM¹'s current projects include:
 - Southeast Steam Plant
 - Landscape Arboretum
 - Translational Research Facility
 - Jones Hall
 - Nicholson Hall
 - Bede Hall - Crookston campus student union

Questions/comments from members:

- Under which delivery system does the rebuilding of the wall in the Riverbends parking garage fall? According to AVP Perkins this would be a combination of two delivery systems, capital projects and in-house construction capital projects. This project has an OR (owner¹'s rep) from capital projects assigned to it but the University¹'s in-house construction group is physically doing the work. This project represents a duplication of process, which CPPM is trying to eliminate.
- Based on the Project Summary Report, what will be done with the \$6.6 million projected surplus? AVP stated he expects to either return this money to CPPM customers in cases where CPPM did not spend the full allocation they were given or reallocate this money to other projects. AVP Perkins reminded members that the \$6.6 million represents money from many different spend categories.
- A member suggested CPPM consult with building residents prior to issuing a cost estimate for a project. AVP Perkins agreed that thorough and accurate planning by everyone involved in a project, including those that will occupy the building, is absolutely necessary. He again stressed the need for restraint and discipline in terms of change orders once a capital project is working its way through the legislative process. Vice President O¹ Brien added that it is extremely important for academic and service units involved in a capital project to fully understand their space and functional needs when design discussions are underway. Difficulties arise when there are multiple academic units planning a building or situations where an academic program is less experienced at planning its needs.

- AVP Perkins noted that traditionally the University used the CEdesign/bid/build¹ approach for its capital projects. Under this approach, it was not uncommon for projects to go over budget. As a result, the University explored its legislative mandate and found out that it can use a process called CConstruction manager at risk¹. Under this model, an architect hired through the State Designer Selection Board and a general contractor/construction manager (CM) work together to design a building, which is within the University¹s budget. The CM does all of the costing for the architect as they work their way through the schematic design, design development and contract documents.
- How is the architect selected? On projects that exceed \$100,000, according to AVP Perkins, the University must use the State Designer Selection Board. The University delivers to the Board a set of requirements for the project, which the Board sends out to the design, construction and engineering community. Then, the State screens the responses and provides the University with their top two choices. It is then up to the University to choose, which firm they want to use. This is a performance/capabilities-based selection process, it is not a bid process. The University is required to follow this process for all State funded projects.
- What was the process for selecting an architect for the Minneapolis Public Library? VP O¹Brien noted that a RFP/RFQ process was used to select an architect for this project. The City of Minneapolis is not governed by the State Designer Selection Board. AVP Perkins noted that it is typically the University, MNSCU and all State agencies that are subject to the State Designer Selection Board process. He also noted another methodology, which is sometimes used called CEdesign/build¹. Under CEdesign/build¹ an architect and a contractor team up to present their ideas for a project. CEdesign/build¹ was used to deliver the Coffman Memorial Union and Riverbend Commons projects, both of which had a fair amount of controversy associated with them. The State, as a result, has mandated that the CEdesign/build¹ delivery method not be used without special permission. AVP Perkins added that there is a legislative initiative underway led by professional organizations that deal with design and construction to retain the CEdesign/build¹

- methodology in the State process. The goal of this legislation is ultimately to control how State entities conduct their business.
- It was noted that CPPM¹'s level of improvement is understated in the slide that addressed CPPM¹'s project delivery experience for FY 1999 - 2004. In reality, CPPM performed better than what was displayed.
 - When it comes to the CPPM performance measure that addresses the issue of quality, it seems that a timeframe of much more than a year is needed. Oftentimes problems are not evident in the first year. AVP Perkins noted that typically a one-year timeframe is stipulated in the contractual agreements between the University and its contractor, subcontractors and architect.
 - In terms of the performance measure that deals with improving process productivity, does this include inspections? Yes, stated AVP Perkins. Audits were conducted by the University Audit Department and the Office of the General Counsel, both of which recommended outside inspections of buildings that go beyond the architect, contractor, etc. They also recommended that financial and process audits be conducted for all projects. To this end, audit and inspection procedures have been put in place, which CPPM intends to follow.

With only a few minutes remaining, AVP Perkins distributed information on CPPM¹'s Small Project Delivery System, which is in the process of being re-evaluated. The goal is to have this process become as much of a checklist as a process list. AVP Perkins noted that CPPM will be able to provide STCFSS with an update on this project in roughly 4 to 6 months.

VII). Hearing no further business, Professor Alexander adjourned the meeting.

Renee Dempsey
University Senate