

Dated: October 2008

Overview

Over the next six years, the university is facing an unprecedented amount of construction on campus. At a two day meeting held on May 8-9, 2008, over 55 members of key university areas presented their current capital plans for the next six years. A number of critical plan elements, impacts, potential conflicts and possible synergies were identified and are currently being analyzed further for presentation to senior university leadership and the Board of Trustees for direction. Once these issues and synergies have been resolved, the baseline plan will be established. Any endeavor as large and complex as the six-year construction the university has planned will need to change over time. Proposed changes to the plan will come from a variety of sources and diverse motivations, and some may ultimately benefit the university, but all will have impacts, which must be evaluated in a broad context. Thus, an essential component of the alignment of all capital plans into one university plan is a change management plan.

This change management plan and process provides a means to recognize potential changes that may occur, and creates an established process for analyzing the impact of those changes. This plan provides the framework for decision making and for mitigating impacts when a change or a risk event is predicted, proposed or occurs. This change management plan includes the following elements:

- A. Change Proposal Form
- B. Committee Change Processing Form
- C. Change resolution process

The University Project & Capital Planning Team (UPCPT) has been formed to manage the aligned and approved capital plan. Part of this team's responsibility will be to administer the change management process, including identifying potential changes and developing response strategies for the most likely ones, reviewing proposals for modifications to the approved baseline plan, and making recommendations to senior leadership about which changes should be approved. A list of team members is attached.

A. Change Proposal Form

The purpose of the *Change Proposal Form* is to record all proposed changes and provide preliminary data on the changes for the UPCPT to use in assessing the impacts and recommending approval or not. This form should be completed for all changes to the aligned, approved six-year capital plan, regardless of how small or insignificant the changes appear to be. Changes which truly have minimal impact will be recognized by the UPCPT and can be approved quickly and without much delay. Since small changes over time can quickly add up to a major impact, it is important to record information about the change, and the rationale for UPCPT's approval of the change. In this manner the UPCPT will have a more complete picture of the cumulative impact of all changes. It is anticipated that this team will meet at least monthly and any emergencies can be handled by the chair through email or conference call discussion with the team.

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To be considered for a change to the plan, the request must support one of the university's priority initiatives which are:

- Infrastructure and Deferred Maintenance
- Medical Center Expansion
- Student Housing
- Sustaining the University's Credit Rating
- Energy and Sustainability

Information about the change to be provided by the requestor on this form should include:

- Contact information for the requestor
- Name and number of the project(s) for which the change is proposed
- Description of the change including scope, size or order of magnitude of the change
- Justification for the change
- Description of how the change supports one of the university's priority initiatives listed above
- Benefits of the proposed change

In order for the proposed change to be considered, this form must be endorsed by an official member of the University's Senior Leadership Team or their official designee, and must be submitted to the Office of Planning and Real Estate, to the attention of Glen Funk.

B. Committee Change Processing Form

The *Committee Change Processing Form (Part B)* is to be used by the UPCPT after receiving a *Change Proposal Form (Part A)* to review and analyze the impacts of the proposed change and to make a recommendation to university leadership. Impacts may vary, but in general will fall into one of five categories:

- **Financial impacts** may include additional costs, potential savings, or revenue increases or decreases. In the case of additional costs, a funding source will need to be identified to cover these costs. In some cases, funding the change may require another project to be delayed or reduced in scope. This in turn, may impact additional projects that depend on the one whose funding is being redirected. The loss or gain of revenue will need to be evaluated against other costs or savings.
- **Infrastructure impacts** may include the need for additional capacity which has not been planned for or funded or may shift the priority of projects that have been planned and funded. If additional capacity is required, additional funding may be required or existing funding redirected and other projects may be delayed, resulting in further impacts.
- **Resource impacts** (other than financial) may include the need for additional staff or for outsourced service to manage additional work or review project deliverables. Other resources which can be impacted include construction materials and labor as well as consultant services.

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An excessive draw on any of these resources at a local or regional level may result in delays and added costs.

- **Schedule impacts** include delaying or accelerating a project or phase of a project. Delaying a project could impact other projects dependent on the one being delayed and could also result in increased costs due to escalation. Accelerating a project may reduce costs for that project, but may be logistically difficult if predecessor projects are required or if funding sources are not available to meet the accelerated schedule
- **Physical/logistical impacts** refer to constraints that make implementing a change particularly challenging. It may be physically impossible to accomplish additional work in the same area at the same time, there may be inadequate land area for staging additional projects in close proximity to ones that are planned or adding a project in an already congested area may result in a total disruption of access and activities in the immediate vicinity.

Information about and analysis of the impact of the change to be provided by the UPCPT on this form includes:

- Estimated cost or savings potential of the change
- Validation of the cost or savings
- Identified or recommended funding source
- Listing of impacts in the categories outlined above
- Estimated cost of each potential impact
- Listing of additional resources required by the change
- Recommendation of UPCPT, along with a reason for the recommendation

Once a recommendation has been made, the Change Proposal Form (Part A) will be attached to the Change Processing Form (Part B) and returned to the requestor. If university leadership approval is required due to the cumulative financial impact thresholds, both forms and any supplemental information will be forwarded by the UPCPT to the appropriate level of leadership.

C. Change Resolution Process

The change resolution process establishes a set of procedures which provide a response strategy to potential or proposed changes. The key steps in the change resolution process are:

1. Identify the change
2. Assess the impacts of the change
3. Develop an Action Plan to address the impacts of the change
4. Gain acceptance of the action plan
5. Revise the six-year capital plan, if applicable

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1. Identify the Change

The first step in the process is to identify the proposed change. The *Change Proposal Form* is designed to assist in this process, and should be completed by any entity requesting a change, regardless of the apparent lack of significance of the change. It is extremely important that the requestor provide as much detail as possible.

Once this form is completed and endorsed by an official member of the University’s Senior Leadership Team or their official designee, it is submitted to the UPCPT through the Office of Planning and Real Estate.

2. Assess Impacts of Change

Once the nature and source of the change is identified, the UPCPT will perform a thorough assessment of the potential impacts of the change. The *Committee Change Processing Form* is designed to assist with this step in the process. Known, anticipated and potential impacts should be entered on this form, with the assistance of and in consultation with the change requestor. The UPCPT will be responsible for validating that all impacts have been identified, and will perform an analysis of the identified impacts, including developing an estimated cost for each impact.

Once the impacts of the change have been identified and analyzed, the UPCPT will make one of two recommendations:

- A. Recommend/approve the change
- B. Recommend additional analysis of change impacts

The *Committee Change Processing Form* also provides an area to document the team’s rationale for its recommendation. This will be particularly important to document for use in presentations to university leadership as well as for future analysis of additional, related or similar changes.

3. Develop Action Plan

If additional analysis of the impacts of the change is recommended or required, an action plan with timelines must be developed to complete this analysis. This process may involve identifying or evaluating alternatives, performing a high level cost benefit analysis of the change, selecting the best solution, and gaining agreement of all parties involved.

The *Committee Change Processing Form* includes an area for the UPCPT to record a list of action steps, including responsibility for completion, and a deadline for each item. Action items might include researching order of magnitude of impact, performing a more detailed cost/benefit analysis, or developing detailed cost estimates. The “recommend additional analysis” option may also be used if the team cannot agree or develop a clear recommendation for or against the change within 30 days, in which case one of the action items may be to bring in a third party to assist in resolution or an agreement to escalate the proposed change.

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4. Gain Acceptance

Once a recommendation for or against the change has been made, the change must be approved or disapproved by the UPCPT or university leadership. The thresholds for approving changes at various impact levels follow the 2007 Board of Trustees policy for approval of capital projects and planning studies and are as follows:

- The UPCPT may approve changes with a total, cumulative impact cost below \$1,000,000.
- Approval of the Senior Vice President of Business and Finance is required for changes with a total, cumulative impact cost between \$1,000,000 and \$4,000,000.
- Approval of the Board of Trustees is required for changes with a total, cumulative impact cost over \$4,000,000

It is important to note that the approval thresholds are based on the total, cumulative cost impacts of the proposed change, not the value of the change itself or the project cost.

5. Revise the Six-Year Plan

The final step in the change management process will be to modify the six-year capital plan. The *Change Proposal Form* and the *Committee Change Processing Form* provide important documentation of the change and its approval, but it will be important to update other documents as well. This should be the responsibility of the UPCPT and should take the form of an amendment to the approved, aligned capital plan. All graphic web-based and communication tools that have been developed to supplement the plan should also be updated to reflect approved changes.