



OE PROJECT CHARTER

PROJECT NAME:	Initiating Tools to Reduce Costs for Meal Plans
PREPARED BY:	Shawn LaPean
DATE (MM/DD/YYYY):	

PROJECT CHARTER VERSION HISTORY		
VERSION	DATE (MM/DD/YYYY)	COMMENTS (DRAFT, SIGNED, REVISED – CURRENT STATUS)

DOCUMENT PURPOSE

The Project Charter documents the formal conversation between the Project Sponsor and the Project Manager/Team, including the definition of success for the project.

Once approved, the Project Charter communicates the current agreement between the Project Sponsor and the Project Team throughout the lifecycle of a project. The Charter provides a high-level overview of the project including the definition of project success, and project resource (people and funds) requirements.

Requests and additions to the project scope are considered “out-of-scope” for the current project. When a scope change is required, a change request will be documented that includes an impact analysis of project cost, resources, schedule, and risk. The Project Sponsor then formally approves the scope change request.

The project manager will retain additional documents that provide detail on the management of the project, including a communications plan, an issues log, a risk log, a change management plan, a budget, and a work schedule.

REVIEW & APPROVAL		
<i>(The Project Sponsor signature indicates approval of the Project Charter, and authorizes the Project Manager/Team to use identified resources to proceed with the detailed planning and execution of the project; using this charter as guide.)</i>		
PROJECT SPONSOR(S) NAME	SIGNATURE	DATE
Associate Vice Chancellor LeNorman Strong, RSSP		

CASE FOR CHANGE
<i>(What is the Current Situation?)</i>
Housing and dining costs, a significant component of the overall cost of student attendance, has been rising and is becoming a more critical factor in the competition to attract the best students. This project seeks to mitigate room and board price increases for residential students through selected investments to improve dining operations efficiency.



OE PROJECT CHARTER

PURPOSE

(What problem will be solved by the project? What value does this project add to the organization? How does this project align with the strategic priorities of the organization? What benefits are expected once the project is completed?)

The objective of this project is to reduce annual spending on food and beverage by approximately \$500,000.

Housing and dining costs, as one component of the overall cost of student attendance, has been rising and is becoming a more critical factor in the competition to attract the best students. Cal Dining, a unit of the Division of Student Affairs, Residential and Student Service Programs, has been successful in delivering high quality, convenient, and affordable dining services to Cal Students and the campus community. For the entering freshman class in particular, the combination of dining, housing and student services designed around their needs help to integrate them into campus life and contribute to an overall positive student experience at Berkeley.

The project will deliver on 3 key areas, outlined below, to improve dining operations efficiency and help to contain future increases in the housing and dining component of the cost of student attendance at Berkeley:

1. Create a new position within Cal Dining responsible for food and beverage procurement;
2. Acquire and implement an integrated food service information system; and
3. Acquire and implement a food waste management system.

FOOD & BEVERAGE PROCUREMENT MANAGER

Dining will create a single Procurement Manager position to centralize and standardize Dining's purchasing strategy in order to realize efficiencies and economies of scale. Under the auspices of this project, a dedicated food and beverage Procurement Manager will be recruited and hired to centralize responsibilities related to Dining's annual food and beverage purchase.

The Food & Beverage Procurement Manager will:

- Create a more effective and efficient procurement best practice that reduces costs associated with a \$12.2M food buy
- Reduce the total expense cost of the Cal Dining operational cost of goods sold resulting in lower residential board costs for resident students
- Create new revenue or cost savings means by management's ability to focus on operational effectiveness and efficiency

The Procurement Manager will achieve this by:

- Leveraging economies of scale to secure best prices and vendor rebates;
- Establishing best practice approaches for food & beverage procurement; and
- Allowing current dining assistant directors to focus on operational issues

INTEGRATED FOOD SERVICE INFORMATION SYSTEM

The project will implement an integrated food service information system to manage all aspects of dining operations and provide timely, actionable data and reports to support management decision making. Specifically, this system will help anticipate and meet student dining needs through improved menu design and inventory management, optimized staffing levels and targeted hours of operations. The ability to provide feedback based on timely data and analysis will inform and support new dining items as student food tastes change over time.

FOOD WASTE MANAGEMENT SYSTEM

Food waste management and prevention techniques provide a simple means to control food costs while maintaining food quality.



OE PROJECT CHARTER

Through this project, the University will acquire and implement a food waste management system to achieve the following goals:

- Reduce room and board expenses that may lessen the need for room/board price increases. Reduce all you can eat dining waste by 1% to 3%. Current expense is 6.8M.
- Track and identify problematic areas such as source of waste to allow unit managers to develop measures and solutions to reduce waste and subsequently reduce food costs.
- Create accountability tools for operational unit managers and their represented food production staff to proactively reduce post-consumer waste, such as reviewing production and handling practices as well as better portion control.
- Reduce refuse and recycling by at least 1-2%.
- Collect and monitor necessary data to effectively measure and manage waste in all you can eat dining facilities.

RESULTS

(What does success look like? How do we know that the problem described above is resolved? This typically involves clarifying metrics for operations once the project is completed.)

#	SUCCESS MEASURE
1	Food services annual spending on food and beverage is reduced by approximately \$500,000.
2	Reduce all you can eat dining waste by 1% to 3%.
3	Reduce refuse and recycling by at least 1 to 2%.
4	Reduce cost per meal by \$.08 per meal.

SCOPE

(The scope defines the boundaries in terms of where the project begins and ends. The scope describes what will be delivered - where, when, and how. It describes the services, functions, systems, solutions, or tangible products for which the sponsor will take delivery.)

This project is to be planned and delivered through UC Berkeley’s Residential and Student Services Program, Housing and Dining Operations, Cal Dining. The scope consists of the following three components:

FOOD & BEVERAGE PROCUREMENT MANAGER

In financial times like these a cohesive purchasing strategy under a single Procurement Manager is an important way Dining can reduce expenditures to pay for other costly aspects of managing a great dining program.

Currently, the procurement process for Cal Dining resides with two operations management personnel. Under the project, in order to realize efficiencies and economies of scale, Cal Dining will centralize and standardize its annual food product purchasing strategy and process under the leadership of a single Procurement Manager. This approach allows Dining, through the coordination of the Procurement Manager, to create volume rebate and other monetary incentive programs with manufacturers and distributors and to manage our business relationships, while retaining the individual character of campus dining units.

Creation of a Procurement Manager position allows Dining to establish a restaurant style of on going menu engineering the effectively brings into alignment cost of goods sold with a food sourcing strategy that optimizes financial results and customer satisfaction. This approach allows Dining to maintain high quality food procurement. Prime vendor relationships have become the norm while sole sourcing is almost non-existent in today’s food services. As such, the Procurement Manager will change our “sole” source distributor to a “prime” source distributor for the majority of our food products. Using a prime vendor relationship allows



OE PROJECT CHARTER

Dining to buy most of our daily food items at the same cost as a sole source would provide while allowing procurement of a range of other food products that meet the needs of our customer. For instance, the Bay area has a wide range of ethnic food distributors that would allow Dining to create menu items that have a more authentic ethnic cuisine flavor profile.

The Procurement Manager will oversee monitoring of the food products Dining purchases to ensure that quantity, quality, pricing, rebates and service are at their utmost. This manager will pursue a procurement practice that takes into account market research, management knowledge and trends all to create Dining's purchasing approach to serving the needs of campus's various dining establishments and of our customer.

Managing the many aspects of the business relationship with the vendors is critical to the success of the food service program. The Procurement Manager will manage each aspect of these relationships: contractual, distribution, product quality and promotional programs. The dedicated manager is responsible for tracking purchases and monitoring invoice related situations, which is enormously important to maintain the integrity of the program. Within Dining purchases of over 12.2 million dollars a year, the strategy must ensure product quantity and quality standards are met daily. During this process, the project team will also explore the centralization of invoice entry for both FoodPro and accounts payable.

Product movement of what is bought and sold will be constantly monitored through a system to ensure that Dining measures its effectiveness in regards to procurement and cost relief. Rebates, GPO and other incentives are available and though a single Procurement Manager, the University will benefit as this individual works to secure such monetary incentives. While the task might seem easy, it takes continual meetings, partnering and relationship building with vendors.

A large portion of a Procurement Manager's role is to perform contract management in conjunction with the RSSP buyer. The Procurement Manager will manage all dining contracts to ensure compliance in an auditable fashion. Such focus will serve to maximize the effects of Dining's relationships with the vendor community. For instance, with regard to the University's relationship with Coke, currently, there is no one in dining is an expert on most aspects of the contract with the responsibility to monitor the overall effectiveness of the relationship, and to discuss opportunities with management.

This Procurement Manager will:

- Measure buying and selling power
 - Understand the new food service supply chain environment
 - Change buying and selling processes, Ensure commitment to contract change management
 - Develop an integrated supply chain
 - Apply best practices from other NACUFS schools
 - Create successful partnerships
- Maintain business contract practices, University, RSSP and state of CA.
 - Conduct oversight of planning
 - Ensure contract opportunity evaluation and risk management
 - Verify contract visibility management and status
 - Support timely corrective actions

Dining's Procurement Manager also will create a "buyers circle" where management, students and other customers may review



OE PROJECT CHARTER

products that dining is considering. This could be a part of an overall dining committee or a sub-committee.

IMPLEMENT AN INTEGRATED FOOD SERVICE INFORMATION SYSTEM

The implementation an integrated food service information system will create the opportunity to:

- Reduce costs associated with dining operations that will eventually lead to lower dining expenses translating into reduced annual price adjustments to room/board,
- Increase dining effectiveness and efficiency related to operational management time spent on tasks versus customer service and the enhancement of our living/learning environments in the dining halls and retail operations, and
- Provide high level report functions that will provide dining management timely and actionable data to decrease the time from knowledge of a possible budget shortfall and mitigates that shortfall.

The scope of the implementation of the food service menu management and POS system includes the following functions:

Desired Enhancements

A. ***On-line Ordering***. Currently Cal Dining staff forecast their menus and the system then generates an order list based on anticipated inventory levels. Staff members then call their order in or go to the vendor's website and manually enter the desired quantity for the appropriate product items. In the ideal world, staff members would identify the items they wish to order from each vendor and this would electronically be sent from the food production / inventory system to the vendor.

B. ***Scanning of receivables***. Currently receivables are manually counted at the loading dock, after which another person enters the information into a menu management system when they receive the approved delivery slip. In the ideal situation, inventory items would be scanned and uploaded into the menu management system eliminating the need for data entry.

C. ***Profit margin analysis***. This feature should be available if all the information has been entered into the menu management system correctly.

D. ***Training area within system***. Having a designated "training" location within the system would be helpful for the training process to ensure that any information that is entered does not affect actual records / analysis.

E. ***Recipe tagging system*** to identify ethnic, allergens, organic. Most systems now have this feature.

F. ***Variance / shrinkage report***. These reports are available on most systems; however, if the system does not forecast inventory items for consumption, then it is difficult to ascertain if items were purchased or stolen. Integrating point of sale devices with the food production inventory system would track these non-forecasted items and help identify potential problems.

G. ***24 hour support***. This is probably compounded by the fact that Food Pro's, our current the menu management system headquarters are on the East coast, creating a three hour time difference. Many of the systems on the market, including Food Pro, are moving to a "help" feature that is html based, similar to what is available with Microsoft Office products.

H. ***Electronic invoice upload and payment***. This would be a time saver for the Cal Dining staff. Activities – control and insight into your activity booking

I. ***Integrated labeling system*** that can be printed with pricing if so desired. This would especially be helpful at service points, where customers want to read and know key ingredients, potentially nutritional information, as well as the price of the item.

J. ***Ability to print bar codes for Grab 'n Go products***. As self check-out becomes more main



OE PROJECT CHARTER

stream or as campuses use more scanners at check-out stations, the ability to print a bar code to adhere to grab 'n go product made on campus will facilitate speed of service and identify the item and price at the point of sale register.

K. **A Windows based system** would be more intuitive and probably more accepted by the younger work force.

- Analytics – consolidate and leverage information to identify trends that will help increase
- Invoice and Document Management – scan , index, archive, store and retrieve online documents and images while seamlessly integrating with existing applications
- Inventory & Procurement – provides real-time inventory information to help make good economic decisions by purchasing of all departments and all locations
- Point-of-Sale (POS) – flexible to match our vision of how you want to operate, reliable enough to never get in the way of serving our customers and scalable enough to accommodate future growth
- Self-Service – increases efficiency, speed service and ultimately provides customers a better experience
- Guest activity monitor – helps manage the front and customer information
- Labor Management – improves the efficiency and productivity of their workforce

IMPLEMENT A FOOD WASTE MANAGEMENT SYSTEM

Dining's implementation of a food waste tracking systems will enable reduction of food waste from food procurement, storage, trimmings, preparation, service, waste/spoilage and expiration. The ability to track and quantify food waste will not only help keep meals affordable for students and support sustainable energy practices but it will also represent a significant opportunity to enhance efficiency and save resources.

The scope of work will focus on the following areas:

- Reducing costs associated with dining operations that lead to lower dining expenses, which will translate into reduced annual price adjustments to room/board;
- Increasing and providing and more effective operational management of the behaviors of represented production staff which drive dining productivity and productiveness;
- Increasing accountability measures for the management staff to hold unit manager, chef and represented staff responsible for their food expenses;
- Provisioning of high level reports to provide dining management timely and actionable data with the goal of decreasing time from knowledge of a possible budget shortfall to implementation of mitigation steps that address such shortfalls.



OE PROJECT CHARTER

PROJECT MILESTONES & DELIVERABLES

(List the major milestones and deliverables of the project.)

PROJECT CONSTRAINTS & ASSUMPTIONS

(List the known and anticipated constraints, and the initial assumptions for the project.)

#	NAME
1	Food and Beverage Procurement Manager <ul style="list-style-type: none"> No constraints anticipated. Approved in the 2011-12 RSSP budget
2	Integrated Food Service Information System <ul style="list-style-type: none"> Hiring freeze SAIT's willingness to support a Business system analyst that works for dining with strong dotted line to SAIT Capital costs approaching \$500k
3	Food Waste Management System <ul style="list-style-type: none"> IT's acceptance of selected technology Capital costs approaching \$75,000 Possible union push back on new work rules and accountability measures



OE PROJECT CHARTER

MILESTONE	DELIVERABLES	DATE
FOOD & BEVERAGE PROCUREMENT MANAGER		
Job Description	Job description	Complete
Hiring request acceptance	Approval to recruit and hire a procurement specialist/buyer	March, 2011
Recruitment		April-May, 2011
Hire	Transition from 2 operation management personnel to new position	July 1, 2011
Train	Training of new position- UC procurement policies, procedures and current food costing and buying tools	July, 2011
Review current buy		July, 2011
Create strategy documents for savings	Document savings metrics	August, 2011
INTEGRATED FOOD SERVICE INFORMATION SYSTEM		
Project plan created	Project plan	May, 2011
Recruit, hire and train new IT FTE	New IT FTE on board	May-August, 2011
RFP for review of existing systems, developing a solution strategy and implementing that strategy	RFP issued	June, 2011
Vendor chosen and notified	Selected vendor	December, 2011
Solution is set up to extent possible to run with concurrent system.	Initiative solution installation	January, 2012
All bugs are mitigated, tested and results identified	Ensure that reporting needs are met through new system and that standards are maintained through unit accountability measures	March, 2012
Complete transition to new solution	Live operations with improvements to existing systems or replacement of existing systems with new systems	June, 2012
FOOD WASTE MANAGEMENT SYSTEM		
Project plan created	Project plan	March 2011
Negotiations with AFSCME begin		April 2011
RFP for new waste management system	RFP issued	May 2011
New system chosen and vendor notified	Selected vendor	June 2011
System set up and working	Go live with new system; Management tools to focus on behavioral changes in represented production staff	July 2011
Continual adjustment and review	Lower COGS; Ongoing refinements and operational improvements	Ongoing



OE PROJECT CHARTER

IMPACT STATEMENT <i>(List the impact this project may have on existing systems and populations.)</i>		
POTENTIAL IMPACT	WHAT AND WHO IS IMPACTED	RATING (1-5) 1:Low 3: Med 5: High
FOOD & BEVERAGE PROCUREMENT MANAGER		
Will decrease the number of process steps to complete food ordering	Dining Operations Management, Dining Executive Chef, Procurement Manager, Food and Beverage buyers	4
Will increase accuracy of vendor invoice payments	Accounts Payable	2
May increase cash discount and rebate/incentive funds	Procurement Manager	2
Creates an opportunity to audit vendors more easily	Procurement Manager, Audit and Control	4
INTEGRATED FOOD SERVICE INFORMATION SYSTEM		
Eliminates manual and time consuming processes associated with dining's current systems	Dining Operations Management, Dining Executive Chef, Unit Operation management	4
FOOD WASTE MANAGEMENT SYSTEM		
Puts in place a system to track and calculate the food waste (rather than human calculation). New work rules for represented production staff could result.	Dining Operations Management, Dining Executive Chef, Unit Operation management	4

FINANCE DESCRIPTION <i>(Provide a high level narrative overview on the estimated investment requirements, the savings targets, and the ongoing funding model.)</i>
<p>RSSP will fund the above investments/expenditures described below. The savings described below will accrue to RSSP; as an auxiliary, the savings are not centrally captureable.</p> <p>FOOD & BEVERAGE PROCUREMENT MANAGER</p> <ul style="list-style-type: none"> • Costs <ul style="list-style-type: none"> ○ The yearly salary and benefit costs for the Procurement Manager are expected to be \$91,000. • Savings <ul style="list-style-type: none"> ○ Yearly savings through lower COGS are expected to be \$243,180. <p>INTEGRATED FOOD SERVICE INFORMATION SYSTEM</p> <ul style="list-style-type: none"> • Costs



OE PROJECT CHARTER

- The yearly salary and benefit costs for an IT specialist are expected to be \$120,000
- One-time software licenses is expected to be \$50,000
- On going maintenance expenses of \$10,000
- One-time hardware purchase / equipment refresh is expected to be \$500,000.
- Savings
 - Yearly savings through cost avoidance and lower COGS are expected to be \$336,000.

FOOD WASTE MANAGEMENT SYSTEM

- Costs
 - There are no expected incremental costs for implementing the food waste management system.
- Savings
 - Yearly savings through cost avoidance and lower COGS are expected to be \$137,760.

RISKS <i>(Identify the high-level project risks and the strategies to mitigate them.)</i>	
RISK	MITIGATION STRATEGY
The Food Waste Management System creates the opportunity implement accountability tools for operational unit managers and their represented food production staff. We anticipate possible union push back on new work rules and accountability measures.	It will be important to introduce the tools in a way that makes clear (in word and deed) that the goal is to reduce waste, and is not being used to evaluate employee performance. Thoughtful, careful messaging will be important.
Both the Integrated Food Service Information System and the Food Waste Management System will require careful coordination between Dining IT and SAIT. Unclear lines of responsibility between Dining IT and SAIT will cause confusion and missteps.	Early on enlist SAIT's participation and management involvement.

COMMUNICATION <i>(Highlight the communication requirements between the Sponsor, the Key Stakeholders and the Project Team, including the frequency of check-ins, project reviews, and status reports (in person and written).)</i>
Sponsor / Project Team meetings <ul style="list-style-type: none"> • The Project Sponsor will meet with the Project Team on monthly basis. Project Sponsor / Project Team /SA IT Coordination Meetings: <ul style="list-style-type: none"> • The Project Manager will initiate coordinate with SAIT on as needed basis. Project Reviews: <ul style="list-style-type: none"> • Each project will be reviewed 12 times during the implementation period. Status Reports:



OE PROJECT CHARTER

- Monthly P&L's , Monthly one on one meetings



OE PROJECT CHARTER

APPENDIX A - PROJECT ROLES & RESPONSIBILITIES

Name the members of the project team.

PROJECT SPONSOR: Provides overall direction, guidance, and funding for the project.	
RESPONSIBILITIES include setting the vision and strategic direction, approving the project charter and plan; securing resources for the project; confirming the project’s goals and objectives; keeping abreast of major project activities; making decisions on escalated issues; and assisting in the resolution of roadblocks.	
NAME	Associate Vice Chancellor LeNorman Strong, RSSP
NAME	

FUNCTIONAL OWNER: Manages the impact of the project in their functional area.	
RESPONSIBILITIES include ensuring agreed-upon project tasks and deliverables are completed, incorporating the views of their customers, providing functional expertise in a particular area, articulating requirements, and working to ensure that business needs are met.	
NAME	Shawn LaPean
NAME	
NAME	

PROJECT MANAGER: Leads the team in planning and implementing the project from initiation to closure.	
RESPONSIBILITIES include scope and change management, keeping the project plan current (deliverables, schedule, and resources), issue and risk management, maintaining project documents, reporting project status, and facilitating conflict resolutions within the project and between cross-functional teams..	
NAME	Shawn LaPean
NAME	

The PROJECT STEERING COMMITTEE includes key stakeholders and subject matter experts.	
RESPONSIBILITIES include providing guidance on key issues.	
NAME	Shawn LaPean
NAME	Chuck Davies
NAME	Lucky Vazquez
NAME	Ida Shen
NAME	
NAME	

A SUBJECT MATTER EXPERT (SME) provides expertise on project elements including business process and current or new technical solutions.	
RESPONSIBILITIES include maintaining up-to-date experience and knowledge on the subject matter, validating recommendations, and providing advice on what is critical to the performance of a project task.	



OE PROJECT CHARTER

NAME	Shawn LaPean
NAME	
NAME	

Describe the roles and responsibilities of the project participants.

PROJECT TEAM MEMBERS			
RESPONSIBILITIES include			
<ul style="list-style-type: none"> understanding the work to be completed, completing the research, data gathering, analysis, and documentation, informing the project manager and team members of issues, scope changes, risks, and quality concerns, and proactively communicate status and manage expectations. 			
NAME	Shawn LaPean	ROLE	Manages dining
NAME	Steve McCabe	ROLE	IT
NAME	Florence Fung	ROLE	Dining Business systems
NAME	Sunil Chacko	ROLE	Dining procurement manager
NAME	Lucky Vasquez	ROLE	Operations
NAME	Chuck Davies	ROLE	Operations
NAME	Ida Shen	ROLE	Menu, recipes

APPENDIX B - KEY TERMS & DEFINITIONS FOR THIS PROJECT CHARTER

Define key terms unique to this Project Charter.

<ul style="list-style-type: none"> None noted
