



BOARD OF TRUSTEES Finance and Facilities Committee

**November 10, 2020
10:30 AM-12:00 PM**

Or upon the conclusion of the previous committee meeting

**Florida Polytechnic University
WEBEX TELECONFERENCE MEETING**

Dial in: 1-415-655-0001 | Access code: 171 522 4129

MEMBERS

Cliff Otto, Chair
Connor Coddington

Gary Wendt, Vice Chair

Beth Kigel

AGENDA

- | | | |
|-------|---|--|
| I. | Call to Order | Cliff Otto, Chair |
| II. | Roll Call | Kelly Beall |
| III. | Public Comment | Cliff Otto, Chair |
| IV. | Approval of the September 9, 2020 Minutes
Action Required | Cliff Otto, Chair |
| V. | Approval of the 2020-2022 Finance and Facilities Committee Charter
Action Required | Cliff Otto, Chair |
| VI. | 2020-2022 Finance and Facilities Committee Work Plan Review | Mark Mroczkowski,
VP and CFO |
| VII. | 2019-2020 University Annual Financial Report Review | Mark Mroczkowski |
| VIII. | 2020-2021 University First Quarter Financial Review | Mark Mroczkowski |
| IX. | Review of Contracts Over \$200,000 | Mark Mroczkowski |
| X. | Review of Contracts Over \$500,000 | Mark Mroczkowski |
| XI. | Review and Approval of Proposed P3 for Building on Campus and Related ITN
Action Required | Mark Mroczkowski |
| XII. | Applied Research Center (ARC) Update | David Calhoun, AVP of
Facilities and Safety |

Services

XIII. [Advancement Update](#)

Kathy Bowman, VP of
Advancement and CEO

XIV. [Foundation First Quarter Financial
Review](#)

Larry Locke, Director of
Finance and Development
Operations

XV. Closing Remarks and Adjournment

Cliff Otto, Chair



Finance & Facilities Committee Meeting

DRAFT MEETING MINUTES

Wednesday, September 9, 2020
11:15 AM – 12:00 PM

Florida Polytechnic University WEBEX / TELE-CONFERENCE MEETING

I. Call to Order

Committee Chair Cliff Otto called the Finance and Facilities Committee meeting to order at 12:35 p.m.

II. Roll Call

Kelly Beall called the roll: Committee Chair Cliff Otto, Committee Vice-Chair Gary Wendt, Trustee Don Wilson, and Trustee Connor Coddington were present (Quorum).

Other Board Members present: Vice Chair Mark Bostick, Trustee Frank Martin, Trustee Earl Sasser, Trustee Bob Stork, and Trustee AJ Alnaser.

Staff present: President Randy Avent, Provost Terry Parker, Mr. Mark Mroczkowski, Ms. Gina Delulio, Mr. Rick Maxey, Mrs. Kathy Bowman, Mr. David Blanton, Mr. David Calhoun, Mr. John Causey, Mr. Alexander Landback, Mr. Jake Morrow, Dr. James Mennie, Ms. Kathryn Miller, Ms. Kimberly Ables, Ms. Lydia Guzman, Ms. Maggie Mariucci, Ms. Melaine Schmiz, Ms. Sherri Pavlik, Mr. Tom Dvorske, Mrs. Kristen Wharton, Ms. Michele Rush, and Mrs. Kelly Beall.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Don Wilson made a motion to approve the Finance and Facilities Committee meeting minutes of May 20, 2020. Trustee Connor Coddington seconded the motion; a vote was taken, and the motion passed unanimously.

V. Approval of the 2020-2022 Finance and Facilities Committee Charter

Mr. Mark Mroczkowski reviewed the 2020-2022 charter.

Trustee Wilson recommended unified formatting across all committees, and Committee Vice-Chair Gary Wendt recommended condensing the content.

The committee tabled further discussion until the November 2020 Finance and Facilities Committee meeting so the charter can more accurately reflect the needs of the Board.

VI. 2020-2022 Finance and Facilities Committee Work Plan Review

Mr. Mroczkowski reviewed the 2020-2022 work plan which provides members with an outline

of upcoming meetings and the expected matters to be presented before the Committee.

VII. 2019-2020 University Year-End Financial Review

Mr. Mroczkowski reviewed the University's Summary Annual Financial Report for the year ended June 30, 2020.

The University finished the fiscal year ended June 30, 2020 with a net loss of \$4.4 million but with a positive cash flow of approximately \$1.2 million. Revenues were down 5% overall, primarily due to losses in food service revenue resulting from COVID related closures. Expenses were also down by 1.5%. Discussions were held regarding the Governor's 6% holdback of the FY 20-21 appropriations and potential further budget cuts.

Management has proactively cut spending plans and has Carryforward available to potentially help sustain further cuts to current and future appropriations. The University will participate in Performance Based Funding for the FY 21-22 which may help offset potential cuts to the base appropriation.

Committee Vice-Chair Wendt requested a separate financial statement for FIPR in the future to analyze its performance independent of the University. Mr. Mroczkowski agreed.

VIII. Approval of Carryforward and Fixed Capital Outlay Budgets

Mr. Mroczkowski reviewed the University's Carryforward Spending Plan and Fixed Capital Outlay Budget for FY 20-21.

From the fiscal year ended June 30, 2020 the University carried over \$3,721,575 and added it to the existing carryforward balance of \$7,719,765 for a new total fund balance of \$11,441,340.

The Capital Outlay Budget details the continued construction of the Applied Research Center which has a total cost of \$47.2 million. It has been partially funded from PECO in the amount of \$7.0 million, and from University Carryforward funds in the amount of \$25.3 million, leaving \$14.9 million to be funded from future PECO appropriations.

Committee Chair Otto requested a presentation format that will be easier to read in future virtual meetings. Mr. Mroczkowski agreed.

Committee Vice-Chair Wendt confirmed that the University does not have the necessary funds to complete the Applied Research Center. Committee Chair Otto recounted the Board of Trustees' decision to proceed with the project, knowing the University did not have adequate funding, because of anticipated Carryforward and Legislative funding.

Committee Vice-Chair Wendt made a motion to approve the University's Carryforward Spending Plan and Fixed Capital Outlay Budget for FY 20-21 as proposed. Trustee Wilson seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Review of Contracts Over \$200,000

Mr. Mroczkowski reviewed existing and active procurement contracts over \$200,000. There were no new contracts in excess of \$200,000 or \$500,000.

Trustee Coddington inquired about Workday Student. President Avent explained its intent to replace CAMS, though the project is on hold.

X. Review and Approval of Proposed Concept for a P3 Research Building on Campus and Process for ITN

Mr. Mroczkowski reviewed the concept to issue an Invitation to Negotiate ("ITN") to enter into a public-private partnership between the University and a private company to plan, design, fund, construct, maintain and operate an on-campus state-of-the-art research building. The Finance and Facilities Committee requests the authority to review and approve the final ITN, and further delegate to the President the authority to make any necessary changes to the ITN.

The concept is that the University will negotiate a ground lease on its main campus sufficient to construct and operate a privately funded and operated research facility. The amount of land and location of the project will be determined by the University.

Committee Vice-Chair Wendt requested a succinct summary of what the ITN will solicit from vendors. Mr. Rick Maxey explained that the ITN will solicit language detailing the relationship between the University and potential vendors. Vendors will describe their capacity and expertise to construct and operate the building, alignment with the University's mission, benefits to the University, and more.

Committee Vice-Chair Wendt made a motion to recommend approval to the Board of Trustees the concept for a proposed P3 building on campus with authorization for the Finance and Facilities Committee to give approval of the final ITN and authorization for the President to make amendments to the ITN as needed. Trustee Coddington seconded the motion; a vote was taken, and the motion passed unanimously.

XI. Applied Research Center (ARC) Update

Mr. David Calhoun provided an update on the design, schedule, construction, and budget for the Applied Research Center.

The ARC is currently 33% complete with the construction currently under contract. The current contracted work affords the University a fully enclosed building with a completed exterior shell, portions of interior framed walls, and a portion of the mechanical, electrical, and plumbing. When the work currently under contract is complete, the total project will be approximately 68% complete at a cost of \$32.3 million with an interim completion date of May 2021. The 32% work remaining to be completed after May 2021 consists primarily of finishes, landscaping, furniture, fixtures, and equipment.

Mrs. Kathy Bowman mentioned naming opportunities for the ARC in the private gift amount of \$10,000,000.

XII. 2019-2020 Foundation Year-End Financial Review

Mrs. Bowman reviewed the Foundation's Summary Annual Financial Report, yielding \$1,790,000 net production, for the year ended June 30, 2020.

Committee Vice-Chair Wendt recommended the Florida State Pension Plan as a potential alternative for TIAA-CREF. Mrs. Bowman will consider the suggestion.

XIII. Approval of University Resources Used by the Foundation FY19-20 and to be used FY20-21

Mrs. Bowman reviewed the University resources used by the Foundation in FY 19-20 in the amount of \$192,647 and proposed the University resources intended for use by the Foundation in FY 20-21 in the amount of \$225,000.

Trustee Wilson made a motion to approve the University Resources Used in FY 19-20 by the Foundation and proposed to be used in FY 20-21. Trustee Coddington seconded the motion; a vote was taken, and the motion passed unanimously.

XIV. Approval of Foundation Board Appointments

Mrs. Bowman reviewed the re-election of Phillipa Greenberg, Jack Harrell, Ford Heacock, Joshua McCoy, Ivette O'Doski, Blake Paul, and Donna Sylster, and the new nomination of Hailey Skoglund, for service to the Florida Polytechnic University Foundation, Board of Directors.

Trustee Coddington made a motion to approve the Foundation Appointments as proposed. Trustee Wilson seconded the motion; a vote was taken, and the motion passed unanimously.

XV. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 1:35 p.m.

DRAFT

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: Approval of the 2020-2022 Finance and Facilities Committee Charter

Proposed Committee Action

Perform the biannual review of the Committee's Charter and recommend approval of the Finance and Facilities Committee Charter to the Board of Trustees to read, "This committee is responsible for all issues related to budget, finance, facilities planning and construction, and oversight of the Direct Support Organizations (i.e. Foundation)."

Background Information

The Committee is required to review its Committee charter every two years.

Supporting Documentation: Finance and Facilities Committee Charter

Prepared by: Mark Mroczkowski, Vice President and CFO

Finance and Facilities Committee
CHARTER
(Staff Liaison: Mark Mroczkowski, VP & CFO)

This committee is responsible for all issues related to budget, finance, facilities planning and construction, and oversight of the Direct Support Organizations (i.e. Foundation).

Adoption of Charter: The Florida Polytechnic University Board of Trustees adopted the Audit and Compliance Committee Charter on March 10, 2016.

History: Adopted March 10, 2016; reviewed and approved without change November 10, 2020.

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: 2020-2022 Finance and Facilities Committee Work Plan Review

Proposed Committee Action

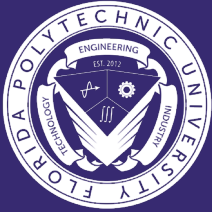
Information only – no action required.

Background Information

The Finance and Facilities Committee Work Plan provides members with an outline of upcoming meetings and the expected matters to be presented before the committee.

Supporting Documentation: 2020-2022 Finance and Facilities Committee Work Plan

Prepared by: Mark Mroczkowski, Vice President and CFO



Committee Work Plan

Finance & Facilities Committee Work Plan 2020-2022

SEPTEMBER

- Committee Charter *(review and approve)*
- 2021-2022 Legislative Budget Request *(review and approve)*
- Capital Outlay Budget *(review and approve)*
- Carryforward Budget *(review and approve)*
- University and Foundation Year-End Financial Update
- University Annual Financial Report (Unaudited)
- Contracts *(review and approve if needed)*
- Construction Update
- Foundation's Planned and Actual Uses of University Personnel and Property *(review and approve)*
- Foundation Board Appointments *(review and approve if needed)*

NOVEMBER

- University and Foundation Quarterly Financial Update
- Contracts *(review and approve if needed)*
- Construction Update
- Foundation Board Appointments *(review and approve if needed)*

FEBRUARY

- University and Foundation Quarterly Financial Update
- Contracts *(review and approve if needed)*
- Construction Update
- Foundation Board Appointments *(review and approve if needed)*

MAY

- 2021 Legislative Session Appropriations Update
- 2021-2022 University Operating Budget *(review and approve)*
- 2021-2022 Foundation Operating Budget *(review and approve)*
- Capital Improvement Plan (CIP) *(review and approve)*
- University and Foundation Quarterly Financial Update
- Contracts *(review and approve if needed)*
- Construction Update
- Foundation Board Appointments *(review and approve if needed)*

**The items listed above are standard items that occur in regular quarterly or annual cycles. However, other matters may be brought to the Committee for review and approval as required by law and regulation, as well as any other matters of interest.*

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: 2019-2020 University Annual Financial Report Review

Proposed Committee Action

Information only – no action required.

Background Information

Mark Mroczkowski, Vice President and Chief Financial Officer will provide the Committee with an update on the 2019-2020 University Annual Financial Report ("AFR") for the year ended June 30, 2020.

The AFR is presented annually to the Finance and Facilities Committee in draft, unaudited form for its review. The audit will be performed in December or January. Upon its completion, the Auditor General will issue its opinion that the Financial statements are fairly stated in accordance with Generally Accepted Accounting Principles. The University's Chief Audit Executive will then present the final report to the Audit Committee for its approval.

The University's financial position and results of operations are summarized here:

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

Condensed Statement of Net Position at June 30
(In Thousands)

	2020	2019
Assets		
Current Assets	\$ 34,282	\$ 47,990
Capital Assets, Net	150,320	145,043
Other Noncurrent Assets	28,135	19,571
Total Assets	212,737	212,604
Deferred Outflows of Resources	10,711	8,733
Liabilities		
Current Liabilities	7,936	5,269
Noncurrent Liabilities	23,751	17,989
Total Liabilities	31,687	23,258
Deferred Inflows of Resources	2,566	1,516
Net Position		
Net Investment in Capital Assets	145,424	144,362
Restricted	2,677	7,405
Unrestricted	41,094	44,796
Total Net Position	\$ 189,195	\$ 196,563

Deferred outflows increased \$2 million primarily to an increase in deferred outflows for the updated actuarial assumptions used in calculating other post-employment benefits.

Liabilities increased \$8.4 million due to construction payables, pension and other post-employment liabilities.

Deferred inflows of resources increased \$1 million as a result of changes in actuarial assumptions used in calculating other post-employment benefits.

The Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2019-20 and 2018-19 fiscal years:

**Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years**

(In Thousands)

	<u>2019-20</u>	<u>2018-19</u>
Operating Revenues	\$ 6,614	\$ 8,281
Less, Operating Expenses	<u>64,978</u>	<u>60,501</u>
Operating Loss	(58,364)	(52,220)
Net Nonoperating Revenues	<u>50,788</u>	<u>58,336</u>
Income (Loss) Before Other Revenues	(7,576)	6,116
Other Revenues	<u>208</u>	<u>(5,422)</u>
Net Increase (Decrease) In Net Position	<u>(7,368)</u>	<u>694</u>
Net Position, Beginning of Year	<u>196,563</u>	<u>195,869</u>
Net Position, End of Year	<u>\$ 189,195</u>	<u>\$ 196,563</u>

Supporting Documentation: Annual Financial Report

Prepared by: Mark Mroczkowski, Vice President and CFO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the University for the fiscal year ended June 30, 2020 and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2020, and June 30, 2019.

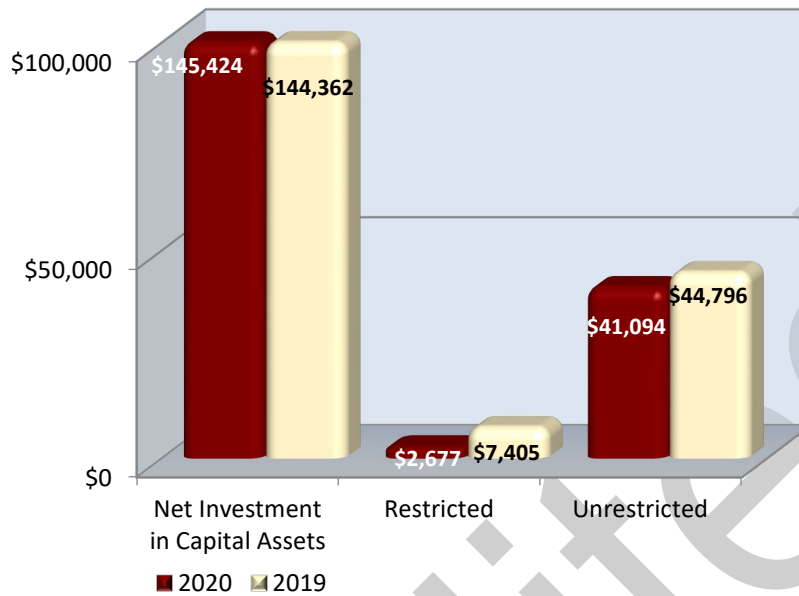
FINANCIAL HIGHLIGHTS

The University's assets and deferred outflows of resources totaled \$223.4 million at June 30, 2020. This balance reflects a \$2.1 million, or 1 percent, increase as compared to the 2018-19 fiscal year, resulting primarily from increases in construction in progress and deferred outflows of resources. Liabilities and deferred inflows of resources increased by \$9.5 million, or 38 percent, totaling \$34.3 million at June 30, 2020, resulting primarily from an increase in deferred inflows related to pensions and other postemployment benefits as well as construction contracts payable. As a result, the University's net position decreased by \$7.4 million, resulting in a year-end balance of \$189.2 million.

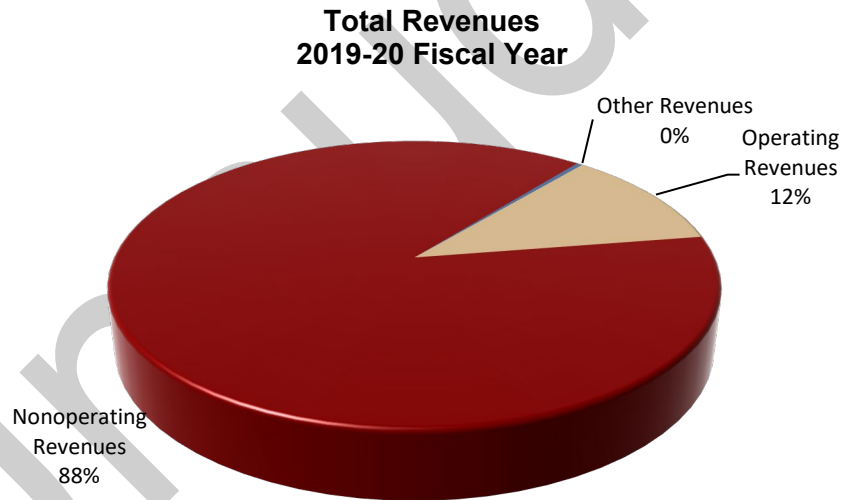
The University's operating revenues totaled \$6.6 million for the 2019-20 fiscal year, representing a 20 percent decrease compared to the 2018-19 fiscal year due mainly to a decrease in student tuition and fees, State and local grants as well as a decrease in Auxiliary Enterprises sales and services. Operating expenses totaled \$65 million for the 2019-20 fiscal year, representing an increase of 7.4 percent as compared to the 2018-19 fiscal year due mainly to the expenses associated with pension and other post-employment benefits.

Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's comparative total net position by category for the fiscal years ended June 30, 2020, and June 30, 2019, is shown in the following chart:

**Net Position
(In Thousands)**



The following chart provides a graphical presentation of University revenues by category for the 2019-20 fiscal year:



OVERVIEW OF FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the University's financial report consists of three basic financial statements: the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. The financial statements and notes thereto, encompass the University and its component unit. Based on the application of the criteria for determining component units, the Florida Polytechnic University Foundation, Inc., is included within the University reporting entity as a discretely presented component unit.

Information regarding the component units separately issued financial statements, is presented in the notes to financial statements. This MD&A focuses on the University, excluding the discretely presented component unit.

The Statement of Net Position

The statement of net position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University, using the accrual basis of accounting, and presents the financial position of the University at a specified time. Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, which is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

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(In Thousands)

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Liabilities increased \$8.4 million due to construction payables, pension and other post-employment liabilities.

Deferred inflows of resources increased \$1 million as a result of changes in actuarial assumptions used in calculating other post-employment benefits.

The Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's activity for the 2019-20 and 2018-19 fiscal years:

Condensed Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Years (In Thousands)

	2019-20	2018-19
Operating Revenues	\$ 6,614	\$ 8,281
Less, Operating Expenses	64,978	60,501
Operating Loss	(58,364)	(52,220)
Net Nonoperating Revenues	50,788	58,336
Income (Loss) Before Other Revenues	(7,576)	6,116
Other Revenues	208	(5,422)
Net Increase (Decrease) In Net Position	(7,368)	694
Net Position, Beginning of Year	196,563	195,869
Net Position, End of Year	\$ 189,195	\$ 196,563

Operating Revenues

GASB Statement No. 35 categorizes revenues as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

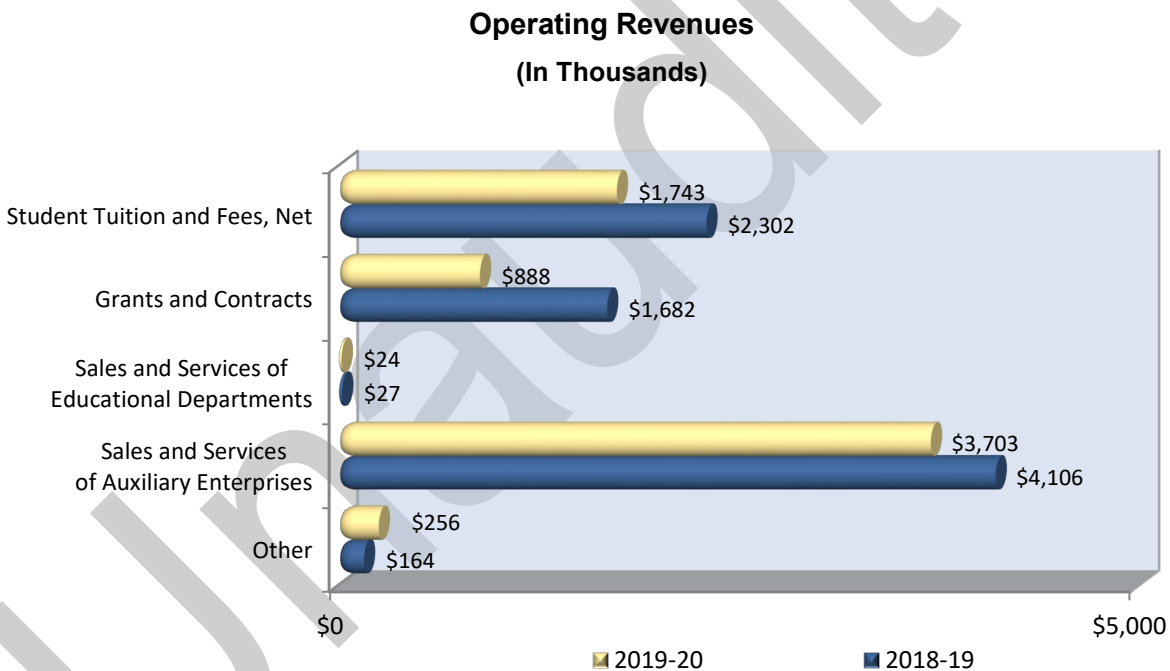
The following summarizes the operating revenues by source that were used to fund operating activities for the 2019-20 and 2018-19 fiscal years:

Operating Revenues For the Fiscal Years

(In Thousands)

	2019-20	2018-19
Student Tuition and Fees, Net	\$ 1,743	\$ 2,302
Grants and Contracts	888	1,682
Sales and Services of Educational Departments	24	27
Sales and Services of Auxiliary Enterprises	3,703	4,106
Other	256	164
Total Operating Revenues	\$ 6,614	\$ 8,281

The following chart presents the University's operating revenues for the 2019-20 and 2018-19 fiscal years:



University operating revenues decreased \$1.7 million due to a decrease in student enrollment, fewer grants being received and an overall decline in auxiliary revenue due to COVID-19.

Operating Expenses

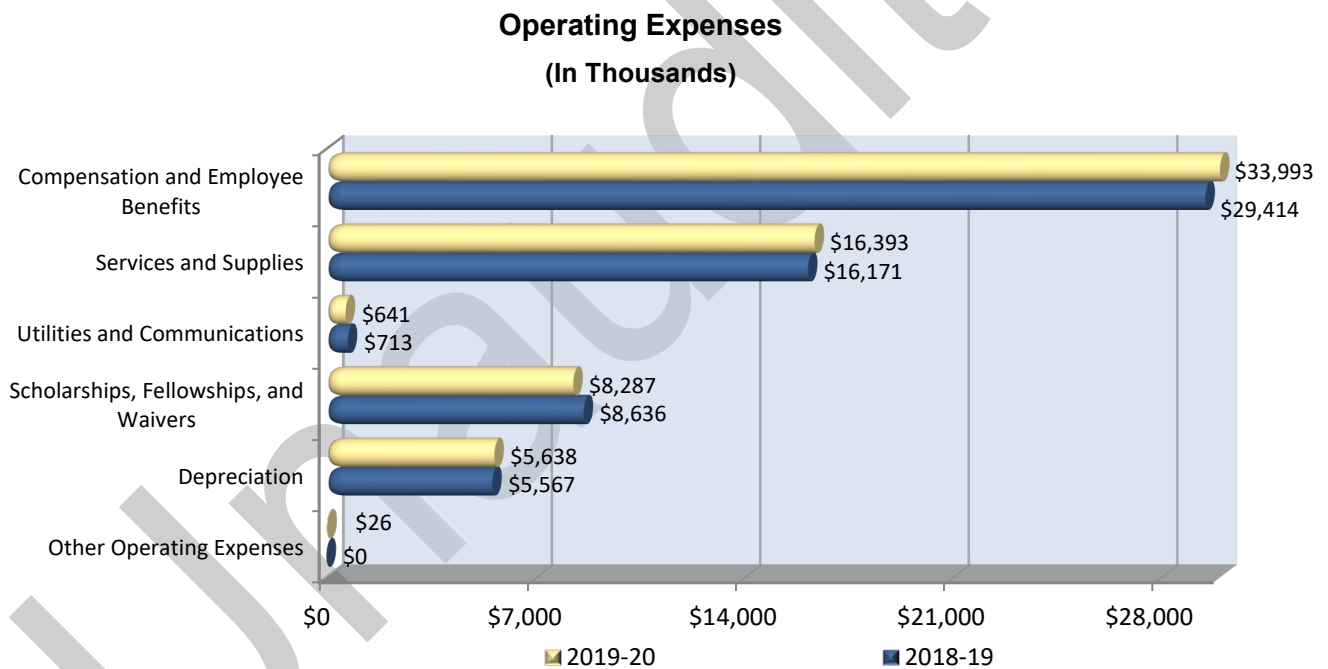
Expenses are categorized as operating or nonoperating. The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The University has chosen to report the expenses in their natural classification on the statement of revenues, expenses and changes in net position and has displayed the functional classification in the notes to financial statements.

The following summarizes operating expenses by natural classification for the 2019-20 and 2018-19 fiscal years:

**Operating Expenses
For the Fiscal Years**
(In Thousands)

	<u>2019-20</u>	<u>2018-19</u>
Compensation and Employee Benefits	\$ 33,993	\$ 29,414
Services and Supplies	16,393	16,171
Utilities and Communications	641	713
Scholarships, Fellowships, and Waivers	8,287	8,636
Depreciation	5,638	5,567
Other Operating Expenses	26	0
Total Operating Expenses	<u>\$ 64,978</u>	<u>\$ 60,501</u>

The following chart presents the University's operating expenses for the 2019-20 and 2018-19 fiscal years:



Changes in operating expenses was primarily the result of the following factor:

- Increase in compensation and benefits are mainly due to pension and other post-employment benefit expenses.

Nonoperating Revenues and Expenses

Certain revenue sources the University relies on to provide funding for operations including State noncapital appropriations, Federal and State student financial aid, certain gifts and grants, and investment income, are defined by GASB as nonoperating.

Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the University's nonoperating revenues and expenses for the 2019-20 and 2018-19 fiscal years:

	<u>2019-20</u>	<u>2018-19</u>
State Noncapital Appropriations	\$ 38,744	\$ 39,207
Federal and State Student Financial Aid	9,076	8,485
Investment Income	1,650	1,278
Unrealized Gain (Loss) on Investments	1,188	1,253
Other Nonoperating Revenues	413	8,170
Loss on Disposal of Capital Assets	(4)	-
Interest on Capital Asset-Related Debt	(19)	(38)
Other Nonoperating Expenses	(260)	(19)
Net Nonoperating Revenues	<u>\$ 50,788</u>	<u>\$ 58,336</u>

Net nonoperating revenues decreased primarily due to the following factor:

- Other nonoperating income decreased from the prior year's insurance recovery for damage to the Innovation, Science and Technology (IST) building from Hurricane Irma.

Other Revenues and Loss

This category is composed of State capital appropriations and capital grants, contracts, donations, and fees. The following summarizes the University's other revenues for the 2019-20 and 2018-19 fiscal years:

	<u>2019-20</u>	<u>2018-19</u>
State Capital Appropriations	\$ 208	\$ 157
Capital Grants, Contracts, Donations, and Fees	-	140
Special Item - Loss on Forgiveness of Scholarship Pledge	-	(5,719)
Total	<u>\$ 208</u>	<u>\$ (5,422)</u>

Other revenues and loss increased because of the loss related to the forgiveness of scholarship pledge recognized in the 2018-19 fiscal year.

The Statement of Cash Flows

The statement of cash flows provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the University's ability to generate net cash flows, its ability to meet financial obligations as they come due and the need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the University. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments and earning income on those investments. Cash flows from noncapital financing activities include those activities not covered in other sections.

The following summarizes cash flows for the 2019-20 and 2018-19 fiscal years:

Condensed Statement of Cash Flows For the Fiscal Years (In Thousands)	2019-20	2018-19
Cash Provided (Used) by:		
Operating Activities	\$(45,598)	\$(44,191)
Noncapital Financing Activities	47,966	47,689
Capital and Related Financing Activities	(4,635)	3,805
Investing Activities	2,280	(7,590)
Net Increase (Decrease) in Cash and Cash Equivalents	13	(287)
Cash and Cash Equivalents, Beginning of Year	205	492
Cash and Cash Equivalents, End of Year	\$ 218	\$ 205

Major sources of funds came from State noncapital appropriations (\$38.7 million), Federal and State financial aid (\$9.1 million), sales and services of auxiliary enterprises (\$3.7 million) and net student tuition and fees (\$1.6 million). Major uses of funds were for payments made to and on behalf of employees totaling (\$28.3) million, payments to suppliers totaling (\$15.8 million) and payments to and on behalf of students for scholarships totaling (\$8.3 million).

CAPITAL ASSETS, CAPITAL EXPENSES AND COMMITMENTS, AND DEBT ADMINISTRATION
--

Capital Assets

At June 30, 2020, the University had \$180.9 million in capital assets, less accumulated depreciation of \$30.6 million, for net capital assets of \$150.3 million. Depreciation charges for the current fiscal year totaled \$5.6 million. The following table summarizes the University's capital assets, net of accumulated depreciation, at June 30:

Capital Assets, Net at June 30

(In Thousands)

	2020	2019
Land	\$ 18,156	\$ 18,156
Construction in Progress	11,913	1,211
Buildings	85,179	87,315
Infrastructure and Other Improvements	29,008	32,765
Furniture and Equipment	2,719	3,786
Library Resources	1	1
Other Capital Assets	3,344	1,809
Capital Assets, Net	\$ 150,320	\$ 145,043

Additional information about the University's capital assets is presented in the notes to financial statements.

Capital Expenses and Commitments

Major capital expenses through June 30, 2020, were incurred on the Applied Research Center (ARC) and the Reclaimed Water Project. The University's construction commitments at June 30, 2020, are as follows:

	Amount (In Thousands)
Total Committed	\$ 32,619
Completed to Date	11,914
Balance Committed	\$ 20,705

Additional information about the University's construction commitments is presented in the notes to financial statements.

Debt Administration

As of June 30, 2020, the University had \$306 thousand in outstanding installment purchases payable and capital lease payable representing a decrease of \$363 thousand, or 54.3 percent, from the prior fiscal year. The following table summarizes the outstanding long-term debt by type for the fiscal years ended June 30:

Long-Term Debt at June 30

(In Thousands)

	<u>2020</u>	<u>2019</u>
Installment Purchases	\$ 249	\$ 615
Capital Lease	<u>57</u>	<u>54</u>
Total	<u>\$ 306</u>	<u>\$ 669</u>

Additional information about the University's long-term debt is presented in the notes to financial statements.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The University's economic condition is closely tied to that of the State of Florida. The State of Florida Legislature appropriated an overall 4 percent less than fiscal year 2019-20 for the upcoming 2020-21 fiscal year. Additionally, they are "holding back" 6 percent of the \$36.4 million awarded; the permanency of this hold back has not yet been determined. The University expects student generated revenues to increase as we have the largest incoming class of our short history in the upcoming year; however, we remain cautiously optimistic as we continue to meander through the pandemic. Retail revenues may continue to decline as we sustain unfortunate closures in retail venues due to COVID-19. Additionally, the costs of social distancing and keeping our students, faculty and staff in a sheltered environment will impact net revenues.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplemental information, and financial statements and notes thereto, or requests for additional financial information should be addressed to Penelope Farley, Assistant Vice President for Finance & Administration & University Controller, Florida Polytechnic University, 4700 Research Way, Lakeland, Florida 33805-8531.

BASIC FINANCIAL STATEMENTS

FLORIDA POLYTECHNIC UNIVERSITY A Component Unit of the State of Florida Statement of Net Position

June 30, 2020

	<u>University</u>	<u>Component Unit</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 217,504	\$ 1,011,547
Investments	27,439,342	807,350
Accounts Receivable, Net	322,556	198,975
Interest Receivable	153,317	5,034
Due from State	5,288,292	-
Due from Component Unit	116,308	-
Contracts and Grants Receivable	211,359	-
Other Current Assets	532,833	-
Total Current Assets	<u>34,281,511</u>	<u>2,022,906</u>
Noncurrent Assets:		
Restricted Investments	28,135,513	4,644,205
Depreciable Capital Assets, Net	120,250,562	-
Nondepreciable Capital Assets	30,069,425	-
Other Noncurrent Assets	-	267,989
Total Noncurrent Assets	<u>178,455,500</u>	<u>4,912,194</u>
Total Assets	<u>212,737,011</u>	<u>6,935,100</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	3,353,647	-
Pensions	7,356,965	-
Total Deferred Outflows of Resources	<u>10,710,612</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	403,596	21,621
Construction Contracts Payable	4,590,548	-
Salary and Wages Payable	1,025,413	-
Deposits Payable	78,753	-
Due to Primary Government	112	-
Due to University	-	116,308
Unearned Revenue	678,942	-
Other Current Liabilities	-	2,750,000
Long-Term Liabilities - Current Portion:		
Installment Purchases Payable	205,774	-
Capital Lease Payable	19,056	-
Compensated Absences Payable	157,812	-
Other Postemployment Benefits Payable	114,859	-
Net Pension Liability	660,987	-
Total Current Liabilities	<u>\$ 7,935,852</u>	<u>\$ 2,887,929</u>

FLORIDA POLYTECHNIC UNIVERSITY
A Component Unit of the State of Florida
Statement of Net Position (Continued)

June 30, 2020

	University	Component Unit
LIABILITIES (Continued)		
Noncurrent Liabilities:		
Installment Purchases Payable	\$ 43,224	\$ -
Capital Lease Payable	37,631	-
Compensated Absences Payable	1,420,306	-
Other Postemployment Benefits Payable	8,767,017	-
Net Pension Liability	13,483,214	-
Total Noncurrent Liabilities	23,751,392	-
Total Liabilities	31,687,244	2,887,929
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	1,662,411	-
Pensions	903,350	-
Total Deferred Inflows of Resources	2,565,761	-
NET POSITION		
Net Investment in Capital Assets	145,423,754	-
Restricted for Nonexpendable:		
Endowment	-	1,622,406
Restricted for Expendable:		
Capital Projects	2,466,983	-
Grants and Programs	210,283	1,335,948
Unrestricted	41,093,598	1,088,817
TOTAL NET POSITION	\$ 189,194,618	\$ 4,047,171

The accompanying notes to financial statements are an integral part of this statement.

FLORIDA POLYTECHNIC UNIVERSITY
A Component Unit of the State of Florida
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	<u>University</u>	<u>Component Unit</u>
REVENUES		
Operating Revenues:		
Student Tuition and Fees, Net of Scholarship Allowances of \$5,477,466	\$ 1,743,267	\$ -
Federal Grants and Contracts	162,027	-
State and Local Grants and Contracts	147,220	-
Nongovernmental Grants and Contracts	578,761	-
Sales and Services of Educational Departments	24,224	-
Sales and Services of Auxiliary Enterprises	3,702,115	-
Contributions and Donations	-	780,140
Other Operating Revenues	255,996	2,827
Total Operating Revenues	<u>6,613,610</u>	<u>782,967</u>
EXPENSES		
Operating Expenses:		
Compensation and Employee Benefits	33,993,535	-
Services and Supplies	16,392,910	469,378
Utilities and Communications	640,631	-
Scholarships, Fellowships, and Waivers	8,286,602	290,000
Depreciation	5,638,495	-
Other Operating Expenses	26,278	251,560
Total Operating Expenses	<u>64,978,451</u>	<u>1,010,938</u>
Operating Loss	<u>(58,364,841)</u>	<u>(227,971)</u>
NONOPERATING REVENUES (EXPENSES)		
State Noncapital Appropriations	38,743,706	-
Federal and State Student Financial Aid	9,075,597	-
Unrealized Gain(Loss) on Investments	1,188,448	(14,654)
Investment Income	1,650,144	180,132
Loss on Sale of Fixed Asset	(4,699)	-
Other Nonoperating Revenues	413,498	-
Interest on Capital Asset-Related Debt	(18,737)	-
Other Nonoperating Expenses	(260,303)	-
Net Nonoperating Revenues	<u>50,787,654</u>	<u>165,478</u>
Income Before Other Revenues, Expenses, Gains, or Losses	<u>(7,577,187)</u>	<u>(62,493)</u>
State Capital Appropriations	208,433	-
Capital Grants, Contracts, Donations, and Fees	-	-
Increase in Net Position	<u>(7,368,754)</u>	<u>(62,493)</u>
Net Position, Beginning of Year	196,563,372	4,109,664
Net Position, End of Year	<u>\$ 189,194,618</u>	<u>\$ 4,047,171</u>

The accompanying notes to financial statements are an integral part of this statement.

FLORIDA POLYTECHNIC UNIVERSITY
A Component Unit of the State of Florida
Statement of Cash Flows

For the Fiscal Year Ended June 30, 2020

	University
CASH FLOWS FROM OPERATING ACTIVITIES	
Student Tuition and Fees, Net	\$ 1,626,384
Grants and Contracts	676,649
Sales and Services of Educational Departments	24,224
Sales and Services of Auxiliary Enterprises	3,702,115
Payments to Employees	(28,313,251)
Payments to Suppliers for Goods and Services	(15,749,716)
Payments to Students for Scholarships	(8,286,602)
Other Operating Receipts	721,811
Net Cash Used by Operating Activities	(45,598,386)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Noncapital Appropriations	38,743,706
Federal and State Student Financial Aid	9,075,597
Non-Capital Contracts, Grants and Donations	1,000
Federal Direct Loan Program Receipts	2,302,527
Federal Direct Loan Program Disbursements	(2,302,527)
Other Nonoperating Expenses	(260,303)
Other Nonoperating Receipts	405,947
Net Cash Provided by Noncapital Financing Activities	47,965,947
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State Capital Appropriations	208,433
Other Receipts for Capital Projects	1,890,910
Purchase or Construction of Capital Assets	(6,329,618)
Principal Paid on Capital Debt and Leases	(385,690)
Interest Paid on Capital Debt and Leases	(18,737)
Net Cash Provided by Capital and Related Financing Activities	(4,634,702)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	59,786,372
Purchases of Investments	(59,152,977)
Investment Income	1,646,552
Net Cash Used by Investing Activities	2,279,947
Net Decrease in Cash and Cash Equivalents	12,806
Cash and Cash Equivalents, Beginning of Year	204,698
Cash and Cash Equivalents, End of Year	\$ 217,504

FLORIDA POLYTECHNIC UNIVERSITY
A Component Unit of the State of Florida
Statement of Cash Flows (Continued)

For the Fiscal Year Ended June 30, 2020

	University
RECONCILIATION OF OPERATING LOSS	
TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (58,364,841)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	5,638,495
Changes in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:	
Receivables, Net	(299,485)
Due from Component Unit	(113,243)
Other Assets	1,848,423
Accounts Payable	(538,319)
Salaries and Wages Payable	149,316
Deposits Payable	48,454
Compensated Absences Payable	85,762
Unearned Revenue	501,846
Other Postemployment Benefits Payable	4,660,876
Net Pension Liability	1,712,375
Deferred Outflows of Resources Related to Other Postemployment Benefits	(3,336,647)
Deferred Inflows of Resources Related to Other Postemployment Benefits	1,235,411
Deferred Outflows of Resources Related to Pensions	1,359,181
Deferred Inflows of Resources Related to Pensions	(185,990)
NET CASH USED BY OPERATING ACTIVITIES	\$ (45,598,386)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL FINANCING ACTIVITIES	
Unrealized gains on investments were recognized as an increase to investment income on the statement of revenues, expenses, and changes in net position, but are not cash transactions for the statement of cash flows.	\$ 1,188,448
The University entered into a capital lease, which was recognized on the statement of net position, but is not a cash transaction for the statement of cash flows.	\$ 22,177

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Reporting Entity. The University is a separate public instrumentality that is part of the State University System of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of 13 members. The Governor appoints 6 citizen members and the Board of Governors appoints 5 citizen members. These members are confirmed by the Florida Senate and serve staggered terms of 5 years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees. The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Board of Governors' Regulations and selecting the University President. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are reported in the State's Comprehensive Annual Financial Report by discrete presentation.

Discretely Presented Component Unit. Based on the application of the criteria for determining component units, the Florida Polytechnic University Foundation, Inc. (Foundation), a legally separate entity, is included within the University's reporting entity as a discretely presented component unit and is governed by a separate board. Florida Statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. The Foundation solicits, collects, manages and directs contributions to various academic departments and programs of the University, and assists the University in fundraising and public relations.

An annual audit of each organization's financial statements is conducted by independent certified public accountants. Additional information on the University's discretely presented component unit, including copies of audit reports, is available by contacting the University Controller.

Basis of Presentation. The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity wide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements
- Other Required Supplementary Information

Measurement Focus and Basis of Accounting. Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities and deferred inflows of resources are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made regardless of the measurement focus applied. The University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University follows GASB standards of accounting and financial reporting.

The University's discretely presented component unit uses the economic resources measurement focus and the accrual basis of accounting and follows GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

The University's principal operating activities consist of instruction, research and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation and maintenance of capital assets and depreciation of capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid and investment income. Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

The statement of revenues, expenses, and changes in net position is presented by major sources and is reported net of tuition scholarship allowances. Tuition scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is actually paid by the student or the third-party making payment on behalf of the student. The University applied the "Alternate Method" as prescribed in NACUBO Advisory Report 2000-05 to determine the reported net tuition scholarship allowances. Under this method the University computes these amounts by allocating

the cash payments to students, excluding payments for services, using a ratio of total aid to aid not considered third-party aid.

The statement of cash flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

Capital Assets. University capital assets consist of land, construction in progress, buildings, infrastructure and other improvements, furniture and equipment, library resources and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at acquisition value at the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$5,000 for tangible personal property, \$100,000 for infrastructure and other improvements and \$250,000 for building renovations except that all new buildings and projects adding new square footage are capitalized. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 20 to 50 years
- Infrastructure and Other Improvements – 15 to 40 years
- Furniture and Equipment – 3 to 15 years
- Library Resources – 10 years
- Other Capital Assets – 10 years

Noncurrent Liabilities. Noncurrent liabilities include installment purchases payable, capital lease payable, compensated absences payable, other post-employment benefits payable and net pension liabilities that are not scheduled to be paid within the next fiscal year.

Pensions. For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

2. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA) and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the

requirements of Chapter 218, Part IV, Florida Statutes. The Board of Trustees has adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open end or closed end management type investment companies; and other investments approved by the Board of Trustees as authorized by law.

Investments set aside to make debt service payments, maintain sinking or reserve funds or to purchase or construct capital assets are classified as restricted.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

All of the University's recurring fair value measurements as of June 30, 2020, are valued using quoted market prices (Level 1 inputs), with the exception of obligations of United States government agencies and instrumentalities, and corporate equity securities which are valued using a matrix pricing model (Level 2 inputs) and investments with the State Treasury which are valued based on the University's share of the pool (Level 3 inputs).

The University's investments at June 30, 2020, are reported as follows:

Investments by fair value level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 39,331,869	\$ -	\$ -	\$ 39,331,869
United States Treasury Securities	6,774,967	6,774,967	-	-
Obligations of United States Government				
Agencies and Instrumentalities	4,490,438	-	4,490,438	-
Corporate Equity Securities	4,722,073	-	4,722,073	-
Money Market Funds	255,508	255,508		
Total investments by fair value level	\$ 55,574,855	\$ 7,030,475	\$ 9,212,511	\$ 39,331,869

External Investment Pools.

The University reported investments at fair value totaling \$39,331,869 at June 30, 2020, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities.

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The State Treasury SPIA investment pool carried a credit rating of AA-f by Standard & Poor's, had an effective duration of 0.43 years and fair value factor of 1.0291 at June 30, 2020. Participants contribute to the State Treasury SPIA investment pool on a dollar basis. These funds are commingled, and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed, and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to financial statements of the State's Comprehensive Annual Financial Report.

Other Investments.

The University's other investments consisted of various debt securities and money market fund totaling \$16,242,986 at June 30, 2020. The following risks apply to those investments:

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy generally requires that the investment portfolio be maintained in such a manner as to provide sufficient liquidity to pay obligations as they become due. Recognizing that market value volatility is a function of maturity, a segment of the portfolio shall be maintained in a short-term maturity portfolio. Funds in excess of those required to meet current expenses may be invested in longer-term portfolios. Investment maturities at June 30, 2020 were as follows:

Intestment Type	Fair Value	Investment Maturities (In Years)		
		Less than 1	1-5	6-10
Obligations of United States Government Agencies and Instrumentalities	\$ 4,490,438	\$ 1,175,135	\$ 3,315,303	\$ -
United States Treasury Securities	6,774,967	1,083,139	3,873,035	1,818,793
Corporate Equity Securities	4,722,073	959,287	2,523,242	1,239,543
Money Market Funds	255,508	255,508		
Total investments by fair value level	<u>\$ 16,242,986</u>	<u>\$ 3,473,069</u>	<u>\$ 9,711,580</u>	<u>\$ 3,058,336</u>

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. United States Treasury Securities or obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. At June 30, 2020 the University had \$6,774,967 of these investments. The University's investment policy requires the portfolio provide specific types of investments that may be purchased, including credit quality guidelines, where applicable, maintain a total average quality minimum of BBB. The policy states that securities in the BBB rating category can make up no more than 25 percent of the portfolio. At June 30,

2020, the University had obligations of United States Government agencies and instrumentalities and Equity Securities with quality ratings by nationally recognized rating agencies, as follows:

<u>Intestment Type</u>	<u>Fair Value</u>	<u>Credit Quality Rating (1)</u>		
		<u>AA</u>	<u>A</u>	<u>BBB</u>
Obligations of United States Government Agencies and Instrumentalities	\$ 4,490,438	\$ 4,326,100	\$ 164,338	\$ -
Corporate Equity Securities	4,722,073	739,844	2,562,043	1,420,185
Total investments by fair value level	<u>\$ 9,212,511</u>	<u>\$ 5,065,944</u>	<u>\$ 2,726,381</u>	<u>\$ 1,420,185</u>

Note (1): The credit quality ratings are from Standard and Poor's.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the value of the investments or collateral securities in the possession of an outside party will not be recoverable. Exposure to custodial credit risk relates to investment securities that are held by someone other than the entity and are not registered in the entity's name. All University investments are held in safekeeping by a third-party custodian. There were no losses during the period due to default by counterparties to investment transactions.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single user. The University policy states that a maximum of 5 percent of the fund be invested in securities of a single issuer, except that obligations of the United States Government agencies and instrumentalities are not subject to the limitations.

Component Unit Investments.

The Foundation's investments at June 30, 2020 are reported at fair value as follows:

<u>Investments by Fair Value level:</u>	<u>Amount</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Coporate Bonds	\$ 658,946	\$ 658,946	\$ -	\$ -
Foreign Bonds	92,664	92,664	-	-
U.S Government Bonds	536,000	536,000	-	-
Mutual Funds				
Equity	3,650,949	3,650,949	-	-
Bonds	512,996	512,996	-	-
Total investments by fair value level	<u>\$ 5,451,555</u>	<u>\$ 5,451,555</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation had no policy on interest rate risk. As of June 30, 2020, the Foundation had the following investments in debt securities and related maturities:

Investment Type	Investment Maturities (in Years)			
	Fair Value	Less than 1	1 - 5	> 5
Corporate Bonds	\$ 658,946	\$ -	\$ 325,091	\$ 333,855
Foreign Bonds	92,664	-	92,664	-
U.S. Government Bonds	536,000	-	380,525	155,475
Mutual Funds - Bonds	512,996	512,996	-	-
Mutual Funds - Equity	3,650,949	3,650,949	-	-
Total Investments by Fair Value Level	<u>\$ 5,451,555</u>	<u>\$ 4,163,945</u>	<u>\$ 798,280</u>	<u>\$ 489,330</u>

Credit Risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not limit investment options of the Foundation. The Foundation had no policy on credit risk. Presented below is the actual rating as of June 30, 2020 for each type of investment.

Investment Type	Rating	Fair Value
Corporate Bonds	A - BBB+	\$ 658,946
Foreign Bonds	AA+ - AAA	92,664
U.S. Government Bonds	AA+	536,000
Mutual Funds - Bonds	NR	512,996
Mutual Funds - Equity	NR	3,650,949
Total Investments by Fair Value Level		<u>\$ 5,451,555</u>

The Foundation's investment policy allows investment in cash equivalents, fixed income and equity securities.

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. At June 30, 2020, the carrying amount of the Foundation's cash deposits was \$1,011,547 and the bank balance was \$900,108. All deposits maintained at one institution are insured with the FDIC up to \$250,000.

Concentration of Credit Risk: The Foundation's investment policy states that allocation range for each asset class will be: cash and cash equivalents 0-5%, fixed income 24-44%, and equity 55-75%. As of June 30, 2020, the Foundation was in compliance with the investment policy.

3. Receivables

Accounts and Interest Receivable. Accounts and interest receivable represent amounts for student tuition and fees, contract and grant reimbursements due from third parties, various sales and services provided to students and third parties, and interest accrued on investments. As of June 30, 2020, the University reported the following amounts as accounts and interest receivable:

Description	Amount
Investment Interest	\$ 153,317
Student Tuition and Fees, Net	322,556
Contracts and Grants	211,359
Total Accounts and Interest Receivable	<u>\$ 687,232</u>

Allowance for Doubtful Receivables. Allowances for doubtful accounts is reported based on management's best estimate as of fiscal year end considering type, age, collection history and other factors considered appropriate. Accounts receivable are reported net of allowances of \$43,585 at June 30, 2020.

No allowance has been accrued for contracts and grants receivable or investment interest receivable. University management considers these to be fully collectible.

4. Due from State

The amount due from State consists of \$ 5,288,292 of Public Education Capital Outlay (PECO) due from the State to the University for construction of University facilities for June 30, 2020.

5. Due from Component Unit

The \$116,308 amount due from component unit consists of amounts owed to the University by the Florida Polytechnic University Foundation, Inc. (Foundation) for expense reimbursements.

6. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2020, is shown in the following table:

Description	Beginning Balance	Adjustments	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:					
Land	\$ 18,156,039	\$ -	\$ -	\$ -	\$ 18,156,039
Construction in Progress	1,211,449	150,000	10,551,937	-	11,913,386
Total Nondepreciable Capital Assets	\$ 19,367,488	\$ 150,000	\$ 10,551,937	\$ -	\$ 30,069,425
Depreciable Capital Assets:					
Buildings	\$ 97,268,009	\$ -	\$ -	\$ -	\$ 97,268,009
Infrastructure and Other Improvements	41,035,547	(2,389,441)	-	-	38,646,106
Furniture and Equipment	8,338,555	-	217,658	12,870	8,543,343
Library Resources	16,358	-	-	-	16,358
Other Capital Assets	4,038,722	2,389,441	-	-	6,428,163
Total Depreciable Capital Assets	150,697,191	-	217,658	12,870	150,901,979
Less, Accumulated Depreciation:					
Buildings	9,952,660	-	2,136,560	-	12,089,220
Infrastructure and Other Improvements	8,270,328	(238,945)	1,606,743	-	9,638,126
Furniture and Equipment	4,552,282	-	1,279,660	8,171	5,823,771
Library Resources	15,930	-	152	-	16,082
Other Capital Assets	2,229,893	238,945	615,380	-	3,084,218
Total Accumulated Depreciation	25,021,093	-	5,638,495	8,171	30,651,417
Total Depreciable Capital Assets, Net	\$ 125,676,098	\$ -	\$ (5,420,837)	\$ 4,699	\$ 120,250,562

7. Unearned Revenue

Unearned revenue at June 30, 2020, includes student tuition and fees received prior to fiscal year end related to subsequent accounting periods. As of June 30, 2020, the University reported \$678,942 as unearned revenue.

8. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2020 include installment purchases payable, capital lease payable, compensated absences payable, other postemployment benefits payable and net pension liability. Long-term liabilities activity for the fiscal year ended June 30, 2020 is shown in the following table:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Installment Purchases Payable	\$ 615,283	\$ -	\$ 366,285	\$ 248,998	\$ 205,774
Capital Lease Payable	53,916	22,177	19,406	56,687	19,056
Compensated Absences Payable	1,492,357	871,468	785,707	1,578,118	157,812
Other Postemployment Benefits Payable	4,221,000	5,896,287	1,235,411	8,881,876	114,859
Net Pension Liability	12,431,825	10,242,531	8,530,155	14,144,201	660,987
Total Long-Term Liabilities	\$ 18,814,381	\$ 17,032,463	\$ 10,936,964	\$ 24,909,880	\$ 1,158,488

Installment Purchases Payable. The University has entered into several installment purchase agreements for the purchase of equipment reported at \$1,306,311. The stated interest rates ranged from 1.21 percent to 4.75 percent. Future minimum payments remaining under installment purchase agreements and the present value of the minimum payments as of June 30, 2020, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 212,602
2022	45,704
Total Minimum Payments	258,306
Less, Amount Representing Interest	9,308
Present Value of Minimum Payments	\$ 248,998

Capital Leases Payable. Vehicles in the amount of \$97,260 are being acquired under capital lease agreements. The stated interest rates range from 5.45 to 6.70 percent. Future minimum payments under the capital lease agreements and the present value of the minimum payments as of June 30, 2020, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 22,053
2022	22,053
2023	13,541
2024	5,028
Total Minimum Payments	62,675
Less, Amount Representing Interest	5,988
Present Value of Minimum Payments	\$ 56,687

Compensated Absences Payable. Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors' Regulations, University

regulations and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee's unpaid (unused) leave balance. The University reports a liability for the accrued leave; however, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations. At June 30, 2020, the estimated liability for compensated absences, which includes the University's share of the Florida Retirement System and FICA contributions, totaled \$1,578,118. The current portion of the compensated absences liability, \$157,812, is the amount expected to be paid in the coming fiscal year and represents a historical percentage of leave used applied to total accrued leave liability.

Other Postemployment Benefits Payable. The University follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the State Group Health Insurance Program.

General Information about the OPEB Plan

Plan Description. The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the State Group Health Insurance Program. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor's recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Benefits Provided. The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Proportionate Share of the Total OPEB Liability

The University's proportionate share of the total OPEB liability of \$8,881,876 was measured as of June 30, 2020 and was determined by an actuarial valuation as July 1 2019. At June 30, 2020, the University's proportionate share, determined by its proportion of total benefit payments made, was 0.0701667007 percent, which is an increase of .0287 from its proportionate share measured as of June 30, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent
Salary increases	3.25 percent, average, including inflation
Discount rate	2.79 percent
Healthcare cost trend rates	
PPO Plan	5.9 percent for 2020, decreasing to an ultimate rate of 5.3 percent for 2076 and later years
HMO Plan	5.9 percent for 2020, to an ultimate rate of 5.3 percent for 2076 and later years
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate was changed from the 20-year Bond Index with the S&P Municipal Bond High Grade Rate Index for determination of the unfunded Total OPEB Liability effective for OPEB with a measurement date on or after April 30, 2019.

Mortality rates were changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

The demographic actuarial assumptions for retirement, disability incidence, and withdrawal used in the July 1, 2019 valuation were based on the 2014 Experience Study prepared by Milliman on September 8, 2014. Updated assumptions for the FRS July 1, 2019 actuarial valuation were approved by the 2019 FRS Actuarial Assumptions Conference.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018, valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

The following change has been made since the prior valuation:

- The discount rate as of the measurement date for GASB 75 purposes was changed to 2.79 percent. The prior GASB 75 report used 3.87%. The current GASB 75 discount rate is based on the 20-year municipal bond rate as of June 30, 2019.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using

a discount rate that is 1 percentage point lower (2.87 percent) or 1 percentage point higher (4.87 percent) than the current rate:

	<u>1% Decrease (1.79%)</u>	<u>Current Discount Rate (2.79%)</u>	<u>1% Increase (3.79%)</u>
University's proportionate share of the total OPEB liability	\$11,684,697	\$8,881,876	\$6,818,070

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following table presents the University's proportionate share of the total OPEB liability, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
University's proportionate share of the total OPEB liability	\$6,468,404	\$8,881,876	\$12,420,954

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the fiscal year ended June 30, 2020, the University recognized OPEB expense of \$2,559,640. At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 228,670
Change in assumptions and other inputs	1,113,621	1,255,999
Change of assumptions or other inputs	-	-
Changes in proportion and differences between University benefit payments and proportionate share of benefit payments	2,122,399	177,742
Transactions subsequent to the measurement date	<u>117,627</u>	<u>-</u>
Total	<u>\$ 3,353,647</u>	<u>\$ 1,662,411</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$117,627 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included

as a reduction of the total OPEB liability and included in OPEB expense in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 460,309
2022	460,309
2023	460,309
2024	460,309
2025	460,221
Thereafter	<u>(727,848)</u>
Total	<u>\$ 1,573,609</u>

Net Pension Liability. As a participating employer in the Florida Retirement System (FRS), the University recognizes its proportionate share of the collective net pension liabilities of the FRS cost-sharing multiple-employer defined benefit plans. As of June 30, 2020, the University's proportionate share of the net pension liabilities totaled \$14,144,201. Note 9 includes a complete discussion of defined benefit pension plans.

9. Retirement Plans – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS).

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class employed by the State and faculty and specified employees in the State university system. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The University's FRS and HIS pension expense totaled \$4,161,902 for the fiscal year ended June 30, 2020.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of creditable service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and credit service. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following table shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service</u>	<u>% Value</u>
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Senior Management Service Class	2.00
Special Risk Class	3.00

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019-20 fiscal year were:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (1)</u>
FRS, Regular	3.00	8.26
FRS, Senior Management Service	3.00	24.06
FRS, Special Risk	3.00	24.50
Deferred Retirement Option Program (applicable to members from all of the above classes)	0.00	14.03
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The University's contributions to the Plan totaled \$965,490 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the University reported a liability of \$10,639,336 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The University's proportionate share of the net pension liability was based on the University's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal

year contributions of all participating members. At June 30, 2019, the University's proportionate share was 0.030893631 percent, which was an increase of 0.000685816 from its proportionate share measured as of June 30, 2018.

For the year ended June 30, 2020, the University recognized pension expense of \$3,504,865. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 631,049	\$ 6,603
Change of assumptions	2,732,639	-
Net difference between projected and actual earnings on FRS Plan investments	-	588,624
Changes in proportion and differences between University contributions and proportionate share of contributions	1,348,091	-
University FRS contributions subsequent to the measurement date	965,490	-
Total	\$ 5,677,269	\$ 595,227

The deferred outflows of resources totaling \$965,490, resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 1,601,543
2022	648,577
2023	963,158
2024	676,196
2025	183,052
Thereafter	44,026
Total	\$ 4,116,552

Actuarial Assumptions. The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.25 percent, average, including inflation
Investment rate of return	6.90 percent, net of pension plan investment expense, including inflation

Mortality rates were changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2019, valuation was based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u> (1)	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.8%
Fixed Income	18%	4.5%	4.4%	4.2%
Global Equity	53%	7.8%	6.6%	17.0%
Real Estate (Property)	10%	6.6%	5.9%	12.8%
Private Equity	6%	11.5%	7.8%	30.0%
Strategic Investments	12%	6.1%	5.6%	9.7%
Total	100%			
Assumed inflation - Mean			2.6%	1.9%

(1) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.90 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2019 valuation was updated from 7.00 percent to 6.90 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90 percent) or 1 percentage point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
University's proportionate share of the net pension liability	\$18,391,870	\$10,639,336	\$4,164,660

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The University's contributions to the HIS Plan totaled \$177,244 for the fiscal year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the University reported a liability of \$3,504,865 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University's proportionate share of benefit payments expected to be paid within 1 year, net of the University's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, and update procedures were used to determine liabilities as of July 1, 2019. The University's proportionate share of the net pension liability was based on the University's 2018-19 fiscal year contributions relative to the total 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the University's proportionate share was 0.031324207 percent, which was an increase of 0.000194432 from its proportionate share measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the University recognized pension expense of \$657,037. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of assumptions	\$ 405,830	\$ 286,459
Difference between expected and actual actual experience	42,571	4,292
Net difference between projected and actual earnings on HIS Plan investments	2,262	
Changes in proportion and differences between University HIS contributions and proportionate share of HIS contributions	1,048,896	17,372
University HIS contributions subsequent to the measurement date	177,244	-
Total	\$ 1,676,803	\$ 308,123

The deferred outflows of resources totaling \$177,244 resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 456,373
2022	359,553
2023	224,518
2024	91,014
2025	34,835
Thereafter	25,143
Total	\$ 1,191,436

Actuarial Assumptions. The total pension liability at July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, average, including inflation
Municipal bond rate	3.50 percent

Mortality rates were changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 3.50 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate

selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2019 valuation was updated from 3.87 percent to 3.50 percent.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 3.50 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
University's proportionate share of the net pension liability	\$4,000,983	\$3,504,865	\$3,091,655

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Comprehensive Annual Financial Report.

10. Retirement Plans – Defined Contribution Pension Plans

FRS Investment Plan. The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State's Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2019-20 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS, Regular	6.30
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The University's Investment Plan pension expense totaled \$333,356 and the employees contributed \$97,171 for the fiscal year ended June 30, 2020.

State University System Optional Retirement Program. Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for 8 or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14 percent of the participant's salary to the participant's account, 3.5 percent to cover the unfunded actuarial liability of the FRS pension plan, and 0.01 percent to cover administrative costs, for a total of 8.65 percent, and employees contribute 3 percent of the employee's salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

The University's contributions to the Program totaled \$660,646 and employees contributed \$430,873 for the ended June 30, 2020.

11. Construction Commitments

The University's construction commitment at June 30, 2020, is as follows:

<u>Project Description</u>	<u>Total Commitment</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Applied Research Center	\$ 31,688,605	\$ 11,602,126	\$ 20,086,479
Reclaimed Water Project	929,995	311,260	618,735
Total Construction Commitments	<u>\$ 32,618,600</u>	<u>\$ 11,913,386</u>	<u>\$ 20,705,214</u>

12. Risk Management Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2018-19 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$78 million for named windstorm and flood through February 14, 2019 and decreased to \$68.5 million starting February 15, 2019. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$225 million; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories, with the exception of out-of-state workers' compensation, are completely self-insured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. The State Risk Management Trust Fund purchases an insurance policy for out-of-state workers' compensation coverage. Payments on tort claims are limited to \$200,000 per person and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

13. Litigation

The University is involved in several pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University's legal counsel and management, should not materially affect the University's financial position.

14. Functional Distribution of Operating Expenses

The functional classification of an operating expense (instruction, research, etc.) is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. For example, activities of an academic department for which the primary departmental function is instruction may include some activities other than direct instruction such as research and public service. However, when the primary mission of the department consists of instructional program elements, all expenses of the department are reported under the instruction classification. The operating expenses on the statement of revenues, expenses, and changes in net position are presented by natural classifications. The following are those same expenses presented in functional classifications as recommended by NACUBO:

<u>Functional Classification</u>	<u>Amount</u>
Instruction	\$ 9,423,525
Research	3,304,760
Public Services	145,424
Academic Support	10,330,316
Student Services	4,609,829
Institutional Support	12,731,210
Operation and Maintenance of Plant	6,828,813
Scholarships and Waivers	8,286,602
Depreciation	5,638,495
Auxiliary Enterprises	3,679,477
Total Operating Expenses	<u><u>\$ 64,978,451</u></u>

15. Subsequent Event

The COVID-19 pandemic continues to impact learning and the modalities of teaching as well as how we run our institution with social distancing and safety concerns for our students, faculty and staff. The additional costs of keeping our institution sheltered will impact net revenues for fiscal year 20-21 in the near term and will most likely erode future years the longer the pandemic lingers.

To date, we have no positive indication we will receive the 6% hold back funds the State is reserving.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>
University's proportion of the total other postemployment benefits liability	0.07%	0.04%	0.04%
University's proportionate share of the total other postemployment benefits liability	\$8,881,876	\$4,221,000	\$4,483,000
University's covered-employee payroll	\$20,901,045	\$16,978,875	15,360,481
University's proportionate share of the total other postemployment benefits liability as a percentage of its covered-employee payroll	42.49%	24.86%	29.19%

**Schedule of the University's Proportionate Share of the Net Pension Liability –
Florida Retirement System Pension Plan**

	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
University's proportion of the FRS net pension liability	0.030893631	0.030207815%	0.028494244%	0.022832875%
University's proportionate share of the FRS net pension liability	\$ 10,639,336	\$ 9,095,857	\$ 8,428,407	\$ 5,765,319
University's covered payroll (2)	\$ 17,932,326	\$ 16,978,875	\$ 15,360,481	\$ 11,660,838
University's proportionate share of the FRS net pension liability percentage of its covered payroll	59.33%	53.57%	54.87%	49.44%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability	82.61%	84.26%	83.89%	84.88%
		<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>
University's proportion of the FRS net pension liability		0.019998331%	0.009648015%	0.000813120%
University's proportionate share of the FRS net pension liability		\$ 2,583,054	\$ 588,671	\$ 139,974
University's covered payroll (2)		\$ 8,912,958	\$ 4,212,980	\$ 348,928
University's proportionate share of the FRS net pension liability percentage of its covered payroll		28.98%	13.97%	40.12%
FRS Plan fiduciary net position as a percentage of the FRS total pension liability		92.00%	96.09%	88.54%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State University System optional retirement program members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

Schedule of University Contributions – Florida Retirement System Pension Plan

2020 (1)	2019 (1)	2018 (1)	2017 (1)
\$ 965,490	\$ 957,925	\$ 860,898	\$ 741,775
(965,490)	\$ (957,925)	\$ (860,898)	\$ (741,775)
-	\$ -	\$ -	\$ -
\$18,132,610	\$ 17,932,326	\$ 16,978,875	\$ 15,360,481
5.32%	5.34%	5.07%	4.83%

2016 (1)	2015 (1)	2014 (1)
\$ 563,074	\$ 487,576	\$ 211,332
\$ (563,074)	\$ (487,576)	\$ (211,332)
\$ -	\$ -	\$ -
\$ 11,660,838	\$ 8,912,958	\$ 4,212,980
4.83%	5.47%	5.02%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, State University System optional retirement plan members, and members in DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes.

**Schedule of the University's Proportionate Share of the Net Pension Liability –
Health Insurance Subsidy Pension Plan**

	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>	<u>2016 (1)</u>
University's proportion of the HIS net pension liability	0.031324207	0.031518639%	0.030312239%	0.024197096%
University's proportionate share of the HIS net pension liability	\$ 3,504,865	\$ 3,335,968	\$ 3,241,124	\$ 2,820,072
University's covered payroll (2)	\$ 10,317,930	\$ 9,805,704	\$ 9,232,755	\$ 7,298,830
University's proportionate share of the HIS net pension liability percentage of its covered payroll	33.97%	34.02%	35.10%	38.64%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability	2.63%	2.15%	1.64%	0.97%
		<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>
University's proportion of the HIS net pension liability		0.018486835%	0.009545059%	0.000943115%
University's proportionate share of the HIS net pension liability		\$ 1,885,366	\$ 892,486	\$ 82,111
University's covered payroll (2)		\$ 5,391,296	\$ 2,508,042	\$ 55,192
University's proportionate share of the HIS net pension liability percentage of its covered payroll		34.97%	35.58%	148.77%
HIS Plan fiduciary net position as a percentage of the HIS total pension liability		0.50%	0.99%	1.78%

(1) The amounts presented for each fiscal year were determined as of June 30.

(2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

Schedule of University Contributions – Health Insurance Subsidy Pension Plan

<u>2020 (1)</u>	<u>2019 (1)</u>	<u>2018 (1)</u>	<u>2017 (1)</u>
\$ 177,244	\$ 173,940	\$ 170,926	\$ 160,241
<u>\$ (177,244)</u>	<u>\$ (173,940)</u>	<u>\$ (170,926)</u>	<u>\$ (160,241)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 10,317,930</u>	<u>\$ 10,262,946</u>	<u>\$ 9,805,704</u>	<u>\$ 9,232,755</u>

1.72%	1.69%	1.74%	1.74%
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<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
\$ 121,161	\$ 70,668	\$ 32,698
<u>\$ (121,161)</u>	<u>\$ (70,668)</u>	<u>\$ (32,698)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 7,298,830</u>	<u>\$ 5,391,296</u>	<u>\$ 2,508,042</u>

1.66%	1.31%	1.30%
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- (1) The amounts presented for each fiscal year were determined as of June 30.
- (2) Covered payroll includes defined benefit plan actives, investment plan members, and members in DROP.

1. Schedule of the University's Proportionate Share of the Total Other Postemployment Benefits Liability

No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of Assumptions. The discount rate as of the measurement date for GASB 75 purposes was changed to 2.79%. The prior GASB +75 report used 3.87%. This decrease resulted in a higher liability to reported for June 30, 2020. The current GASB 75 discount rate is based on a blend of the assumed investment return rate (for funded benefits) and the 20-year municipal bond rate as of June 30, 2019. The full impact of the Excise Tax that will come into effect in 2022 has been reflected which carries an impact of approximately 12%. There is a reasonable chance that this tax will be repealed before it actually takes effect.

2. Schedule of Net Pension Liability and Schedule of Contributions – Florida Retirement System Pension Plan

Changes of Assumptions. The long-term expected rate of return was decreased from 7.00 percent to 6.9 percent, and the active member mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

3. Schedule of Net Pension Liability and Schedule of Contributions – Health Insurance Subsidy Pension Plan

Changes of Assumptions. The municipal rate used to determine total pension liability decreased from 3.87 percent to 3.5 percent.

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: 2020-2021 University First Quarter Financial Review

Proposed Committee Action

Information only – no action required.

Background Information

Mark Mroczkowski, Vice President and Chief Financial Officer will provide the Committee with an update on the 2020-2021 university first quarter financial review.

Supporting Documentation: First Quarter Update

Prepared by: Mark Mroczkowski, Vice President and CFO



FLORIDA POLYTECHNIC
UNIVERSITY

First Quarter Update

Mark Mroczkowski

November 10, 2020

Outline

- **Introduction**
 - Financial Update
 - **Summary**
-



State of Florida 6% Holdback

FPU General & Lottery Revenue	<u>\$ 36,303,923</u>
6% Holdback*	<u>\$ 2,178,235</u>
Sources of holdback funding	
Reduction for Functional Areas	
Board of Trustees	\$ 1,195
Office of the President	136,224
Academic Affairs	854,088
Finance & Administration	475,039
Advancement	49,286
General Counsel	31,416
Total from Functional Areas	<u>1,547,248</u>
Restricted from spending	
Interest earned on E&G funds	303,918
Interest earned on carryforward funds	243,736
Total Committed Revenue	<u>547,654</u>
President's discretionary funds cut	<u>83,333</u>
Total Funding Sources	<u>\$ 2,178,235</u>

*6% reduction excludes student financial assistance and risk management



Balance Sheets as of

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Cash and Investments	\$ 53,830,694	\$ 57,363,911	\$ (3,533,217)	-6.16%
Receivables	3,045,645	7,993,258	(4,947,613)	-61.90%
Property, Plant and Equipment, net	152,493,543	144,068,027	8,425,516	5.85%
Deferred Outflows	10,710,611	9,718,160	992,451	10.21%
Total Assets & Deferred Outflows	<u>\$ 220,080,493</u>	<u>\$ 219,143,356</u>	<u>\$ 937,137</u>	<u>0.43%</u>
Liabilities:				
Current Liabilities	\$ 4,855,371	\$ 1,634,610	\$ 3,220,761	197.04%
Noncurrent Liabilities	23,751,391	18,935,051	4,816,340	25.44%
Total Liabilities	28,606,762	20,569,661	8,037,101	39.07%
Deferred Inflows	3,226,747	2,128,135	1,098,612	51.62%
Total Liabilities & Deferred Inflows	31,833,509	22,697,796	9,135,713	40.25%
Net Position	188,246,984	196,445,560	(8,198,576)	-4.17%
Total Liabilities & Net Position	<u>\$ 220,080,493</u>	<u>\$ 219,143,356</u>	<u>\$ 937,137</u>	<u>0.43%</u>



Variance Analysis

- Accounts receivable have declined \$4.9 million due to timing of construction draws.
- Capital assets have increased \$8.4 million as construction in progress continues on the Applied Research Center.
- Deferred inflows and deferred outflows have increased \$1 million due to the annual adjustment from other post retirement benefits.
- Current liabilities have increased \$3.2 million due to timing of construction invoices due.
- Noncurrent liabilities have increased \$4.8 million due to the annual adjustment of OPEB and pension liabilities.
- Net position has decreased due to the year end increase in pension and OPEB expenses as well as depreciation at year end and the current period.

Operating Budget vs. Actual

	FY 20-21 Budget as approved	FY 20-21 Budget w/ holdback	Budget 9-30-20	Actual 9-30-20	Budget Variance
Summary of Sources					
Education & General (E&G) / Adjusted Appropriation*	\$ 35,978,000	\$ 33,825,949	\$ 8,456,487	\$ 8,535,290	0.93%
Lottery / Adjusted Appropriation	436,403	410,219	102,555	102,555	0.00%
Adjusted State Appropriations	36,414,403	34,236,168	8,559,042	8,637,845	0.92%
Student Tuition & Fees**	2,945,155	2,945,155	1,472,578	1,486,416	0.94%
Financial Aid **	10,000,000	10,000,000	5,000,000	5,183,672	3.67%
Auxiliary Enterprises	5,010,756	5,010,756	1,252,689	1,623,687	29.62%
Florida Industrial & Phosphate Research Intitutue (FIPR)	3,018,832	3,018,832	754,708	336,612	-55.40%
FIPR Shared Services Transfer	200,421	200,421	50,105	50,105	0.00%
Other Unrestricted -Scholarships	250,000	250,000	62,500	23,638	-62.18%
Contracts & Grants	724,000	724,000	181,000	227,680	25.79%
Investment Income (excluding c/f and capital funds)	1,250,000	1,250,000	197,500	174,075	-11.86%
Other sources	10,454,009	10,454,009	2,498,502	2,435,797	-2.51%
Total Sources	59,813,567	57,635,332	17,530,122	17,743,730	1.22%
Summary of Uses					
Salary & Benefit	28,761,270	28,761,270	7,190,317	7,027,436	-2.27%
Temporary Employment (OPS)	3,079,523	3,079,523	769,881	911,406	18.38%
Operating Expense	16,450,951	14,272,716	4,112,738	4,097,123	-0.38%
Scholarships/Federal Aids**	10,000,000	10,000,000	5,000,000	5,128,311	2.57%
Total Uses	58,291,744	56,113,509	17,072,936	17,164,276	0.53%
Sources (Over)/Under	\$ 1,521,823	\$ 1,521,823	\$ 457,186	\$ 579,454	26.74%

* 6% reduction excludes student financial assistance and risk management

** Revenue lines are based on the full spring semester



Year Over Year Analysis

	Actual 9-30-20	Actual 9-30-19	Budget Variance
Summary of Sources			
Education & General (E&G) / Adjusted appropriation	\$ 8,535,290	\$ 9,391,422	-9.12%
Lottery / Adjusted appropriation	102,555	90,840	12.90%
State Appropriations	8,637,845	9,482,262	-8.91%
Student Tuition & Fees**	1,486,416	1,656,105	-10.25%
Financial Aid **	5,183,672	4,728,662	9.62%
Auxiliary Enterprises	1,623,687	1,955,638	-16.97%
Florida Industrial & Phosphate Research Intitutue (FIPR)	336,612	371,239	-9.33%
FIPR shared Services transfer	50,105	-	100.00%
Other Unrestricted -Scholarships	23,638	-	100.00%
Contracts & Grants	227,680	184,624	23.32%
Investment Income	174,075	288,417	-39.64%
Other sources	2,435,797	2,799,918	-13.00%
Total Sources	17,743,730	18,666,947	-4.95%
Summary of Uses			
Salary & Benefit	7,027,436	6,982,855	0.64%
Temporary employment (OPS)	911,406	730,896	24.70%
Operating Expense	4,097,123	4,591,267	-10.76%
Scholarships/Federal Aids**	5,128,311	4,680,289	9.57%
Total Uses	17,164,276	16,985,307	1.05%
Sources (over)/Under	\$ 579,454	\$ 1,681,640	-65.54%

** Revenue lines are based on the full spring semester



Variance Analysis

- Net tuition and fees have decreased \$170k due to an increase in waivers awarded.
- Auxiliary revenue is pacing \$370k ahead of a conservative budget but has declined \$330k compared to fiscal year 2019 due to reduced services to the students from the COVID-19 pandemic.
- Named scholarships have been received by the Foundation and awarded. General scholarships will be received in quarter four.
- Contracts and grants have increased from two new awards totaling \$55,000.
- Investment income is allocated across carryforward funds and in total is pacing to within 10% of budget projections.



Variance Analysis

- FIPR revenue has decreased due to the decrease in severance tax revenues collected by the State of Florida.
- Temporary employment has increased over budget and fiscal year 2019 due to an increase in adjunct faculty hiring, an additional summer session, student employment and graduate assistants.
- Operating expenses have been reduced by 6% from budget and additional prudent spending protocols are in place to minimize expenses.

Education & General Carryforward

	Actual 9/30/20	Actual 9/30/19	YOY Changes
Begining Balance	\$ 11,452,692	\$ 14,515,765	-21.10%
Source:			
Interest	13,277	48,254	-72.48%
Other	-	22,372	-100.00%
Total E&G Carryforward Uses	<u>11,465,969</u>	<u>14,586,390</u>	-21.39%
Uses:			
Non-recurring operating expenses	296,763	981,293	-69.76%
Project- transfer out		1,400,000	-100.00%
Total E&G Carryforward Uses	<u>296,763</u>	<u>2,381,293</u>	-87.54%
Ending Balance	<u>\$ 11,169,206</u>	<u>\$ 12,205,097</u>	-8.49%



Capital Carryforward

	Actual 9/30/20	Actual 9/30/19	YOY Changes
Beginning Balance	\$ 26,953,806	\$ 23,064,357	16.86%
Sources:			
Interest	99,846	125,717	-20.58%
Project - transfer in	-	1,400,000	-100.00%
Total Capital Carryforward Sources	27,053,652	24,590,075	10.02%
Uses:			
Applied Research Center	(2,965,001)	(238,117)	1145.19%
Reclaimed water infrastructure	(450,000)	(150,000)	200.00%
Door closure project	(95,677)	-	0.00%
Total Capital Carryforward Uses	(3,510,679)	(388,117)	804.54%
Ending Balance	\$ 23,542,973	\$ 24,201,958	-2.72%



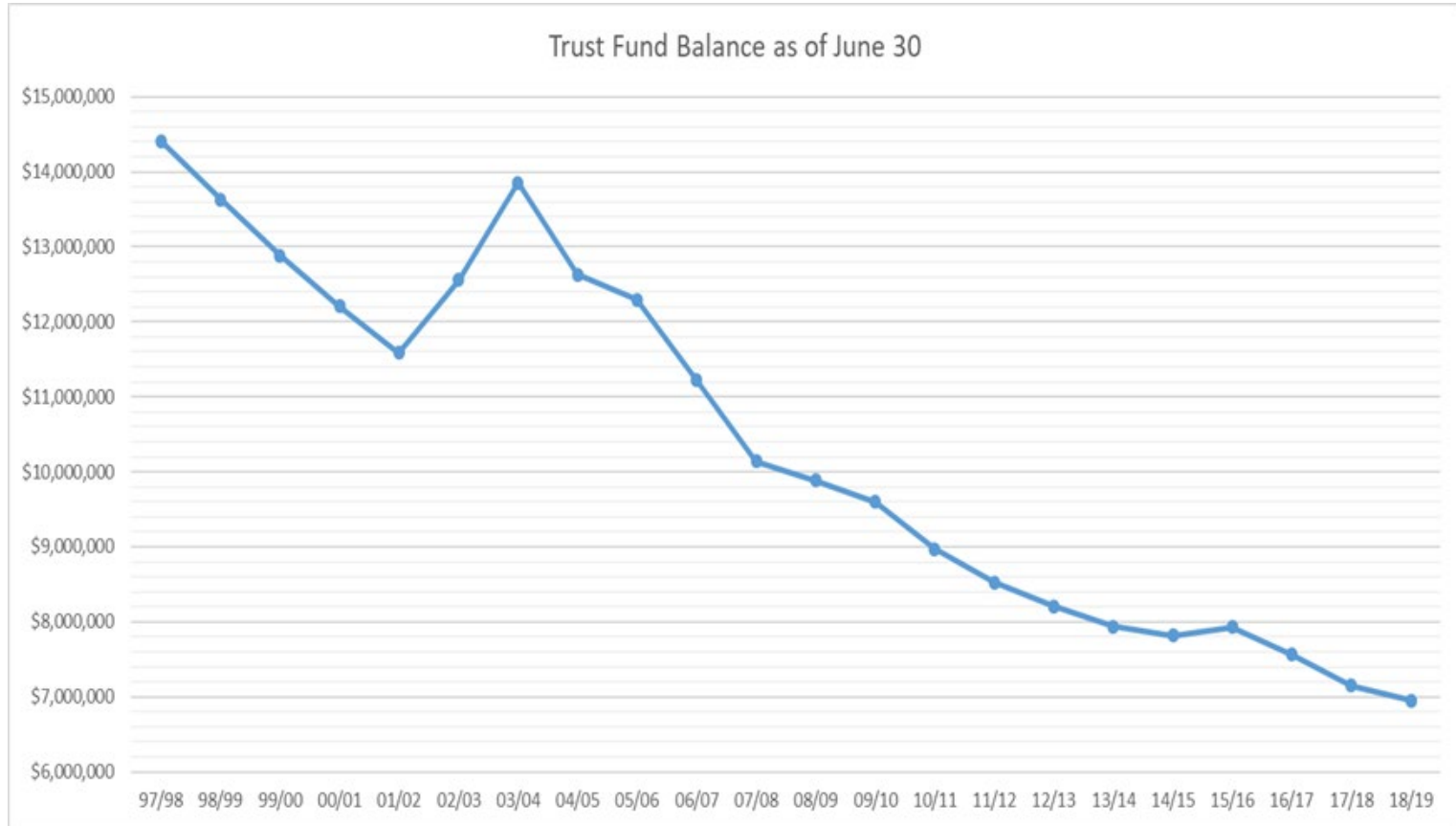
Florida Industrial & Phosphate Research Institute Trust Fund

	Actual 9/30/20	Actual 9/30/19	YOY Changes
Beginning Balance	\$ 5,844,870	\$ 6,410,267	-8.82%
State Appropriation	333,732	371,239	-10.10%
Interest	25,679	38,990	-34.14%
Other Revenue	2,880	-	100.00%
Total Sources of Funds	6,207,161	6,820,497	-8.99%
Salary & Benefits	264,752	266,759	-0.75%
Temporary Employment (OPS)	31,338	14,790	111.89%
Expenses	125,645	374,513	-66.45%
Total Expenses	421,736	656,062	-35.72%
Ending Balance	\$ 5,785,426	\$ 6,164,435	-6.15%

Variance Analysis for FIPR Trust Fund

- Revenues have declined as the severance taxes collected from the State of Florida have declined.
 - Part time employment has increased as we are now using four students and 2 interns in our research.
 - Expenses are significantly down for FIPR as research has been stalled due to COVID-19.
-

FIPR Trust Fund Declining Balances





Cash and Investments

Cash & Investment Summary

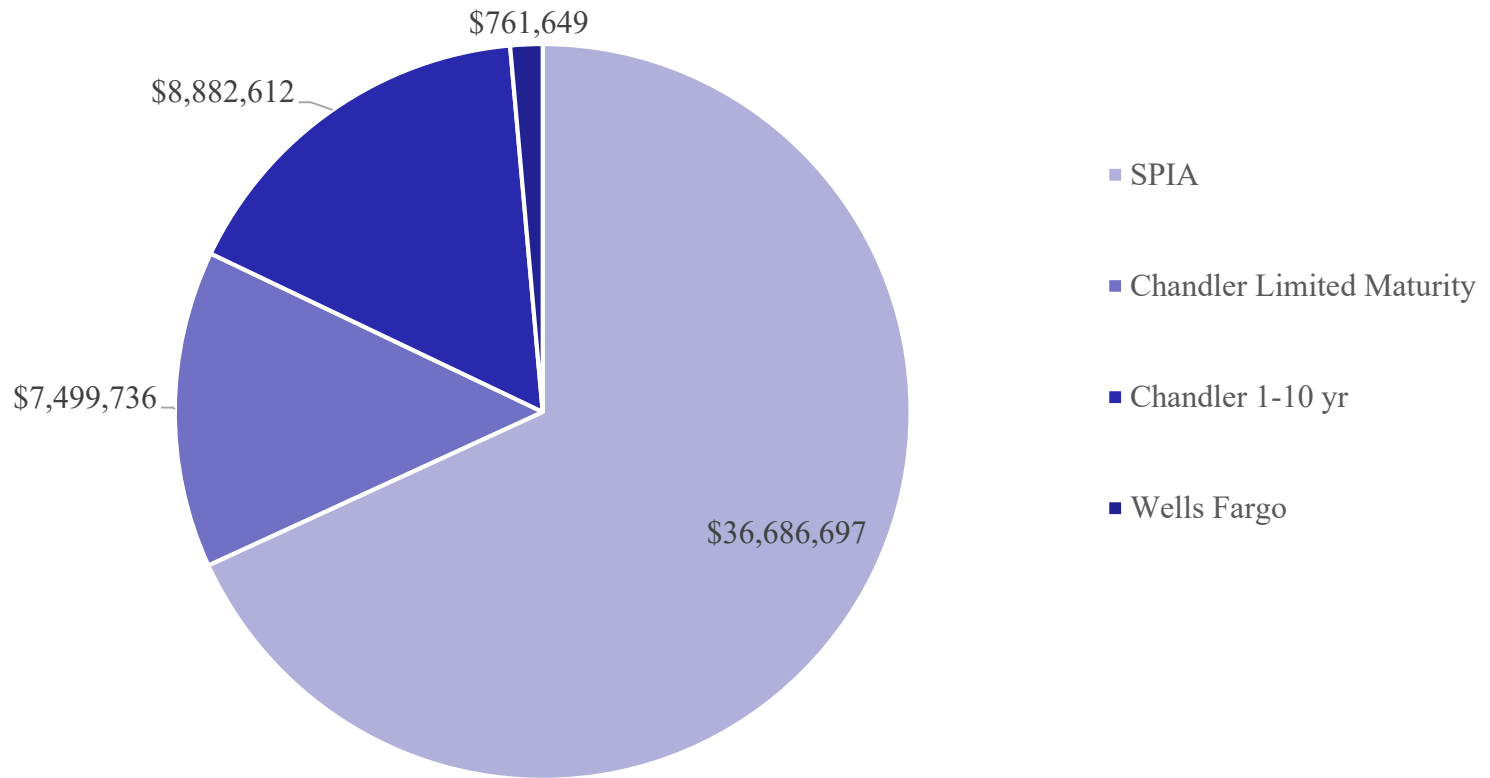
SPIA	\$ 36,686,697
Chandler	16,382,348
Cash	<u>761,649</u>
Balance September 30, 2020	<u>\$ 53,830,694</u>

Breakdown:

Tuition and Fees	\$ 3,398,698
FIPR	5,785,426
Education and General	2,343,909
Sponsored Programs & Research	1,979,622
Auxiliary	2,296,394
Other Unrestricted	3,314,466
E & G Carryforward	11,169,206
Capital Carryforward	<u>23,542,973</u>
Total Cash & Investments	<u>\$ 53,830,694</u>

Investment Analysis

Cash & Investments



Summary

- Florida Poly faculty and staff are diligently controlling costs due to further potential budget reductions .
 - The campus community has been committed to working within the 6% holdback parameter set by the State of Florida.
 - We are currently positioned to proactively respond to an additional 2.5% cut should that directive come from the State.
 - Our balance sheet remains strong with a liquidity ratio of 11.6.
 - Auxiliary Enterprise continues to budget and expend cautiously as the pandemic continues.
-

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: Review of Contracts Over \$200,000

Proposed Committee Action

Information only – no action required.

Background Information

1. Review and disclosure of new contracts over \$200,000 and less than \$500,000.
 - a. There are no new contracts over \$200,000 and less than \$500,000.
 2. Report on existing and active procurement contracts in excess of \$200,000 with spend-to-date information.
-

Supporting Documentation: Contracts in Excess of \$200,000

Prepared by: Mark Mroczkowski, Vice President and CFO

Florida Polytechnic University
All active contracts in excess of \$200,000
Nov-20

Vendor	Contract Type	Start Date	End Date	Original Amt	Total Spend
Adobe, Inc.	Software - Adobe Pro and Adobe Sign; new contract combined both licenses	10/27/2019	10/26/2022	\$202,322	\$67,441
Bright House Networks LLC	High Speed Communications Service	10/28/2013	10/27/2023	\$1,444,400	\$776,784
CampusLogic	Comprehensive student financial success platform	9/5/2019	8/31/2024	\$284,200	\$107,100
Capture LLC	Recruitment Services	7/29/2019	6/30/2022	\$204,912	\$133,250
Clark Nikdel Inc.	Creative Services	7/1/2018	6/30/2023	\$1,500,000	\$750,080
Clarke Environmental Mosquito Management Inc.	Mosquito Control Services	7/1/2016	6/30/2021	\$222,915	\$182,578
Elliance, Inc.	Creative Services	3/19/2018	3/18/2023	\$375,000	\$238,810
Global University Systems (GUS)	International Student Recruitment (5 year)	12/6/2018	12/5/2023	\$3,047,682	\$0
Hellmuth Obata and Kassabaum Inc.	HOK - Applied Research Center	10/1/2017	5/30/2022	\$2,949,795	\$2,447,888
Higher One, Inc. (CashNet)	Cashiering functionality for the University	5/15/2018	5/14/2021	\$336,716	\$135,888
Huron Consulting Group Inc	Workday Student (IBM reassignment to Huron; ending IBM Balance)	10/01/2019	12/31/2020	\$1,898,089	\$18,437
Indie Atlantic LLC	Creative Services	7/1/2018	6/30/2023	\$375,000	\$226,601
International Business Machines Corporation	Workday Student (IBM reassignment to Huron; ending IBM Balance \$1,898,089)	5/3/2017	12/31/2020	\$2,584,494	\$686,405
Lakeland Regional Medical Center	Student Health Care Services	8/21/2019	8/20/2022	\$225,386	\$74,950
Liberty Lawn Care LLC	Grounds Maintenance (6-month extension due to COVID-19)	1/28/2016	7/26/2021	\$2,317,965	\$2,154,801
NuPark by Passport	University Parking Management System	3/28/2019	3/27/2026	\$215,100.00	\$64,800
Salesforce.Org	Cloud-based software providing customer relationship management (CRM) services. Software has been utilized by multiple departments since 2015.	10/1/2016	annual renewals	\$82K Ann	\$379,463
Skanska USA Building Inc.	Applied Research Center CM/GMP (include owner direct purchases)	7/1/2018	8/13/2021	\$28.3M	\$9,005,243
Skanska USA Building Inc.	IST Building Reconstruction	5/22/2019	until work completed	\$9.6M	\$4,890,887
Safari Micro	VMWare (Software/Hardware/Implementation)	7/16/2018	7/15/2021	\$376,752	\$197,236
Tinsley Creative	Creative Services	3/15/2018	3/14/2021	\$375,000	\$32,370
Tucker Hall Inc.	Public Relations	6/7/2019	6/6/2024	\$450,000	\$50,088
Unit4 Education Solutions Inc	CAMS Student Information System	9/17/2013	Until terminated	\$44 Ann	\$491,713
WFF Facility Services	Custodial Services	1/1/2019	2/15/2022	\$920,243	\$503,277
Workday Inc.	Workday Student (Subscription & Delivery Assurance)	7/29/2016	7/28/2021	\$1,259,527	\$1,259,527
Workday Inc.	Workday HCM & Finance (Subscription & Delivery Assurance (Renewal)	4/30/2015	4/29/2021	\$2,172,736	\$2,172,736

NOTES

1. "As budget allows" means there was no firm fixed Total Value for the Agreement, only estimates based on budget availability.
2. Continuing Service Contracts for architectural, engineering, & construction services are based on multiple releases for minor projects and are limited to \$2 million

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: Review of Contracts Over \$500,000

Proposed Committee Action

Information only – no action required.

Background Information

All contracts greater than or equal to \$500,000 must be approved by the Florida Polytechnic University Board of Trustees.

There are no new contracts greater than or equal to \$500,000 for Board approval. However, a competitive solicitation will be issued in Spring 2021 for a new University Grounds Maintenance Services contract. The current five-year contract with Liberty Lawn Care will end July 28, 2021. The current contract has a value of approximately \$2.3M over a five-year span.

Supporting Documentation: Executive Summary

Prepared by: Mark Mroczkowski, Vice President and CFO

**EXECUTIVE
SUMMARY**

Information supporting the issuance of competitive solicitation for Grounds Maintenance Services during spring 2020 (Agenda Item X “Review of Contracts over \$500,000”).

BACKGROUND:

The current University grounds maintenance services contract was issued in 2016 (ITN 16-001) with the award going to Liberty Lawn Care, LLC. The initial contract term was for a period of three years, with two (2) one (1) year renewals, and a six-month extension due to COVID-19. The contract will end July 27, 2021.

CONSIDERATIONS:

As all renewals for the current agreement have been exhausted, a competitive solicitation is planned for spring 2020.

FISCAL IMPACT:

Current Contract: \$2.5m
Term: 5 years with 6-month extension

1st Yr	2nd Yr	3rd Yr	4th Yr	5th Yr	6-mo Ext	
2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	1/27/2021 - 7/26/2021	Total contract Value
\$458,793	\$458,793	\$470,793	\$470,793	\$470,793	\$235,397	\$2,565,362

New Contract Estimate: \$2.5m
Term: 3 years with two 1-year renewals

FINAL COMMENTS:

Notification to Board of Trustees of pending competitive solicitation. Final contract will be presented to Board of Trustees for their approval prior to final execution.

PREPARED BY:

Treasa McLean, Assistant Vice President
Procurement & Auxiliary Enterprises

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: Review and Approval of Proposed Public-Private Partnership (P3) to Construct and Operate a Research Facility; Related ITN 21-001

Proposed Committee Action

Recommend approval of the Invitation to Negotiate ("ITN") to enter into a public-private partnership between the University and a private company to plan, design, fund, construct, maintain and operate an on-campus state-of-the-art research building.

Background Information

Florida Poly desires private support to build out the campus to provide academic, research and student development opportunities to the University community. Such opportunities include (but are specifically not limited to) student internship, capstone projects, hiring of student workers, sponsored funding for university researchers, shared space or other relationships in which space is provided to the University, teaching opportunities for Respondent's employees, and combinations of the aforementioned. Entering into a public-private partnership is a viable means of building campus facilities that could result in joint research with the University. This will ultimately lead to increased economic growth for Polk County and the State of Florida.

Through this ITN process, the University seeks to advance the following objectives:

- a) Enhance the development of stronger academic and research programs related to the areas of expertise of the University.
- b) Collaborate on potential degree program expansion that benefits the University's mission.
- c) Establish internship, graduate research assistant or similar programs, and/or cooperative programs for University students.
- d) Provide consideration of University students for career opportunities related to their fields of study.
- e) Engage in collaborations with University faculty leading to enhanced education of students and advancement of research in fields related to University areas of focus.
- f) Further development of campus by building additional buildings or spaces for University staff or faculty, including but not limited to the Florida Industrial and Phosphate Research Institute (FIPR) and the Advanced Mobility Institute (AMI).

The University will enter into a ground lease on the University's main campus sufficient to construct and operate a privately funded and operated research Facility that will, in part, integrate into the University's academic mission. The amount of land and location of the project will be decided by the University in one of two predetermined locations.

The desired Facility will result in a single building containing at least 30,000 gross square feet. The term of any debt incurred by the Private Party to construct the Facility should not exceed thirty (30) years exclusive of the time required for construction of the Facility.

Respondents will demonstrate expertise in the planning, construction and operation of a research facility and management of the accompanying staff. As such, Respondents will demonstrate their own, and any Team Member's, experience in the various aspects of project planning, technical design and specification, operation of a similar facility, management of a similar facility, collaboration with an educational institution, and other relevant information.

Respondents will provide technical and financial information on the research facility to include but not be limited to the following: gross and net square footage; total acreage required, project time-line, infrastructure needs, project cost, financing plan and capabilities, and other relevant information, among other considerations. All costs related to the planning, financing, constructing, operating, and maintaining of the facility will be borne by the Private Party.

The University expects for the Private Party or Private Parties to introduce cutting-edge innovation in the design and construction elements of the Project, including efficient energy utilization.

If the Facility or any part thereof will be leased to other third parties, the University will have the right to pre-approve any and all potential tenants to ensure that the research conducted at the Facility is pertinent to the University's mission.

Respondents proposing a multi-tenant program will need to provide information on the business nature/structure of the Facility with regard to market demand, leasing expectations including expected lease terms, lease rates, profit sharing, any economic incentives, and other relevant information. A description of the leasing plan if the Facility is to be built prior to the Private Party enters into leases with tenants.

Supporting Documentation:

COMPETITIVE SOLICITATION NUMBER: ITN 21-001
Public-Private Partnership (P3) to
Construct and Operate a Research Facility

Prepared by: Treasa McLean, Assistant Vice President, Procurement & Auxiliary Enterprises



**FLORIDA POLYTECHNIC
UNIVERSITY**

**FLORIDA POLYTECHNIC UNIVERSITY
COMPETITIVE SOLICITATION NUMBER: ITN 21-001**

**Public-Private Partnership (P3) to
Construct and Operate a Research Facility
To Support the Mission of the University**



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INTRODUCTION

November 12, 2020

TO: Potential Respondents

This competitive solicitation is an invitation to negotiate (ITN) with The Florida Polytechnic University Board of Trustees (hereinafter referred to as “University”) to issue a ground lease to a private party to construct, build, and maintain a research facility on University’s main campus using the Public-Private Partnership (P3) method. The University desires its development partner to design, build, finance, operate, and maintain a state-of-the-art research facility (the “Facility”). The Respondent awarded this ITN will be expected to collaborate with the University in offering activities and opportunities at or through the Facility that are expected to enhance the University’s mission of educating and preparing its students and furthering its research activities. The Facility can be an owner-occupied single tenant building, or a multi-tenant facility operated and leased by the owner of the Facility to tenants engaged in research activities. The University’s desire is to enhance the research activities on campus as described herein by bringing one or more research partners onto its campus. It is not anticipated that the University will be a tenant in the Facility.

This ITN provides specific technical information to aid participating firms in formulating a thorough response. Please note that there is a non-mandatory virtual pre-proposal conference on **December 1, 2020 at 10:00 a.m. Eastern Time (E.T.)** where staff will be available to review this solicitation process and share other information that may be critical to your response.

Should you elect to submit a proposal for this ITN:

1. Digital Upload: Uploaded a completed digital copy **before 2:00 p.m. E.T., on January 26, 2021.**

https://flpoly-my.sharepoint.com/:f/g/personal/lmarrone_floridapoly_edu/EoAIFYJWvX5EIRK8oieO_KMBMmr8cTcApuZf45hXpsXgKA

2. Hardcopy: In addition, submit an original and the required copies of the requested information and return proposal binders all in a sealed box/envelope directly to Procurement Department **before 2:00 p.m. E.T., on January 29, 2021.** For more information, refer to “ITN Information and Instructions” below.

3. Late or incomplete responses will not be accepted.

Respondents are fully responsible for obtaining the complete ITN, Addenda (if applicable), and information concerning the ITN tabulations by visiting our web site:

<https://floridapoly.edu/procurement-auxiliary-enterprises/procurement/solicitations.php>

The name of the Respondent will be disclosed during the ITN process. Because contractual agreements of this nature require the expenditure of public funds and/or use of public facilities, Respondents should be aware that portions (potentially all) of their proposal (including any final contracts) will become public record in accordance with Florida Statutes 119.071, and as amended.

Treasa McLean
 Assistant Vice President
 Procurement and Auxiliary Enterprises
 Phone: 863-874-8428
 E-mail: bids@floridapoly.edu

1.0 OVERVIEW

1.1 Statement of Objective

This competitive solicitation is an invitation to negotiate (ITN) with The Florida Polytechnic University Board of Trustees (hereinafter referred to as “University”) to issue a ground lease to a private party to construct, build, and maintain a research facility on University’s main campus using the Public-Private Partnership (P3) method. The ITN process is authorized by University Policy FPU-8.0011P and section 1013.171, Florida Statutes. The University desires its development partner to design, build, finance, operate and maintain a research facility (the “Facility”) in one of the locations chosen by the University, described in Attachment C, and subject to negotiation. The Facility should contain at least 30,000 gross square feet and be operated in such a manner as to support the mission of the University.

Through this ITN process, the University seeks to advance the following objectives:

- a. Enhance the development of stronger academic and research programs related to the areas of expertise of the University.
- b. Collaborate on potential degree program expansion that benefits the University’s mission.
- c. Establish internship, graduate research assistant or similar programs, and/or cooperative programs for University students.
- d. Provide consideration of University students for career opportunities related to their fields of study.
- e. Engage in collaborations with University faculty leading to enhanced education of students and advancement of research in fields related to University areas of focus.
- f. Further development of campus by building additional buildings or spaces for University staff or faculty, including but not limited to the Florida Industrial and Phosphate Research Institute (FIPR) and the Advanced Mobility Institute (AMI).

University desires private support to build out the campus to provide academic, research and student development opportunities to the University community. Such opportunities include (but are specifically not limited to) student internship, capstone projects, hiring of student workers, sponsored funding for university researchers, shared space or other relationships in which space is provided to the University, teaching opportunities for Respondent’s employees, and combinations of the aforementioned. Entering into a public-private partnership is a viable means of building campus facilities that could result in joint research with the University. This will ultimately lead to increased economic growth for Polk County and the State of Florida.

Respondents must be capable of financing the delivery, operation, and maintenance of the Facility. Design and construction method of the Facility will be subject to approval by the University Board of Trustees to ensure alignment with the University mission, cutting-edge innovation throughout the campus, and for consistency with the other buildings on campus.

The Facility needs to be designed such that the Facility has 20% of its useful life remaining after the end of the ground lease. Respondents must provide the minimum required term of

the ground lease needed. In making the determination of the life expectancy of the Facility, the standard fifty (50) year assumption found in section 1013.64(1)(a), Florida Statutes, may be used, if the Facility is being constructed in conformity with University construction standards and codes. However, any lease term in excess of forty (40) years will require an analysis to demonstrate the benefits, including the additional cash flow distributions to the University, if any, and to the Respondent of the longer-term period when compared to a 40-year term.

Through the ITN solicitation process Respondents will need to demonstrate expertise in the planning, construction, and operation of a research facility and management of the accompanying staff, or otherwise prepare a Response that explains how these duties would be addressed. As such, Respondents will demonstrate their own, and any Team Member's, experience in the various aspects of project planning, technical design and specification, operation of a similar facility, management of a similar facility, collaboration with an educational institution, and other relevant information. The University may ask for detailed information or records regarding the relationship of the parties if Respondent submits a Response that includes Team Members.

In Phase Two of the solicitation Respondents will need to provide technical and financial information on the Facility to include but not be limited to the following: gross and net square footage; total acreage required, project timeline, infrastructure needs, project cost, financing plan and capabilities and other relevant information, among other considerations. All costs related to the planning, financing, constructing, operating, and maintaining of the facility will be borne by the Respondent. If the Facility or any part thereof will be leased to other third parties, the University will have the right to pre-approve any and all potential tenants to ensure that the research conducted at the Facility is pertinent to the University's mission.

Respondents proposing a multi-tenant program will need to provide information on the business nature/structure of the Facility with regard to market demand, leasing expectations including expected lease terms, lease rates, profit sharing, any economic incentives, and other relevant information. A description of the leasing plan is required if the Facility is to be built prior to the Respondent enters into leases with tenants.

1.2 University Environment

Florida Polytechnic University is a public research institution with a mission to educate students emphasizing Science, Technology, Engineering, and Mathematics (STEM) in an innovative, technology-rich, and interdisciplinary learning environment. The University collaborates with industry partners to offer students real-world problem-solving, work experience, applied research and business leadership opportunities. Florida Polytechnic University is institutionally accredited, with several Accreditation Board for Engineering and Technology, Inc. (ABET)-accredited programs, and debuted in the top 75 on the US News and World Report Top Engineering Schools (without a doctorate).

The University is 100% STEM. Its current undergraduate degree offerings include Bachelor of Science programs in:

- a) Business Analytics
- b) Computer Engineering
- c) Computer Science

- d) Data Science
- e) Electrical Engineering
- f) Engineering Mathematics
- g) Engineering Physics
- h) Environmental Engineering, and
- i) Mechanical Engineering

University currently has Master of Science programs in computer science and in engineering. The University anticipates adding additional programs, including doctoral programs during the life of the Facility.

The University also offers two certificate programs, one in applied liberal studies and one in health systems engineering.

University houses two research institutes: AMI, which is at the forefront of the evolution of connected and autonomous vehicles, and FIPR, which has a storied tradition as a world-class research entity specializing in phosphate-related issues and industrial applied science and engineering.

The University is selective in admissions and has rigorous admissions metrics; for Fall 2020, the average SAT for the first-time-in-college students was 1327 and an average ACT of 30.0; high school GPAs were 4.20 and one quarter of new students graduated in the top 10% of their high school class; nearly half were in the top quartile.

The University's website, <http://www.floridapoly.edu> provides additional information, which may be useful to the Respondent.

1.3 Calendar of Events

The anticipated dates and times by which stated actions will be taken or completed are listed below. If the University determines, in its sole discretion, that it is necessary to change any of these dates and times, an Addendum to this ITN may be issued and posted on the website (as later referenced). All times listed are Eastern Time (ET).

Date/Time	Action
11/12/2020	Competitive solicitation advertised and released
12/1/2020	<p>Virtual Pre-Proposal Audio/Video Conference</p> <p>Florida Polytechnic University</p> <p>1-415-655-0001 - Join by Phone 171 283 5716 – Access Code Ph3pi9miuP6 – Password</p> <p>10:00 a.m. E.D.T. – Meeting Commences</p> <p>Link to Audio/Video Conference available on Solicitation website</p>

	https://floridapoly.edu/procurement-auxiliary-enterprises/procurement/solicitations.php
12/15/2020	Inquiry Deadline: Last day and time for University to receive communications and/or inquiries from Respondents regarding the competitive solicitation via email to Authorized University Representative (as later defined) as Treasa McLean at Bids@floridapoly.edu (“ Inquiry Deadline Date ”)
1/7/2021	Inquiry Response Deadline: Estimated date University will respond to inquiries and requests for clarifications by posting an Addendum on the Website
1/26/2021	Response Due Date: Deadline for University to receive solicitation responses (see Section 2 for more details) from Respondents is 2:00 p.m. (<i>Note: Any solicitation responses received after the response Due Date and time will be deemed non-responsive</i>)
TBD	Shortlisted Respondents (as later defined) will be contacted by Authorized University Representative and posted to website.
TBD	Anticipated deadline for University to receive response from Shortlisted Respondents (see Section 2 for more details)
TBD	Anticipated deadline for University to receive Best and Final Offer (BAFO) from selected Shortlisted Respondents (Shortlisted Respondents will receive BAFO requirements during negotiations but the BAFO will be a complete response including materials for all tabs outlined in Section 2)
TBD	Anticipated deadline for conclusion of all Evaluation Committee (later defined) meetings; these meetings are NOT open to the public and the dates of the meetings are subject to change without notice
TBD	Anticipated completion of contract negotiations

The University Procurement Department may post notice of changes to any of the above dates and will provide advance notice of any pre-proposal meetings by posting the information on the University Procurement Department's website.

<https://floridapoly.edu/procurement-auxiliary-enterprises/procurement/solicitations.php>

Respondent is solely responsible for checking the website periodically in order to verify whether any changes have been made to the calendar or whether any meetings for informational purposes only are scheduled to take place. University reserves the sole discretion over the conduct of any meetings and the extent, if any, that those attending may participate in such meetings.

1.4 Background and Deliverables

1. Basic Information

The University and the awarded Respondent will enter into a ground lease on the University's main campus sufficient to construct and operate a privately funded and operated research Facility that will, in part, integrate into the University's academic mission.

It is highly recommended that any Respondent take a significant amount of time to review and understand the State University System of Florida's Public-Private Partnership Guidelines:

https://www.flbog.edu/documents_regulations/guidelines/Public-Private%20Partnership%20Guidelines.pdf

2. **Quality and Innovation:** Developing a high-quality building is an important consideration for University given that the durability and energy efficiency of the premises will have an impact on the ongoing cost of operations and maintenance of the Facility and the high quality of the University's existing academic spaces. The University expects for the Respondent to introduce cutting-edge innovation in the design and construction elements of the Project, the research to be conducted therein, and in the relationship between the Respondent and the University.
3. **Schedule:** A description of the Facility, a schedule for the initiation and completion of the Facility, and the total Project cost based on the initially identified project scope and conditions will be required.
4. **Provide a Safe, Secure Facility Environment:** The Project must provide building access, lighting, circulation, and other safety and security features that meet or exceed University's construction standards. Security is available through the University, subject to monitoring fees as may be negotiated.
5. **Construction:** All construction pertaining to the Facility must, at a minimum, comply with all applicable federal, state and local laws, rules and/or regulations, as may be amended from time to time. University construction standards will apply to this ITN as specified in Attachment D. Exterior fixtures in the Facility are considered part of the construction requirements under this ITN.

Initial signage costs will be borne by the awarded Respondent(s) and will conform to the University's existing signage design requirements.

- Note:** Per the Florida Board of Governors regulation 14.020, during the design and construction of a project on University property, the University is the authority having jurisdiction for compliance with the requirements of codes and statutes. Under the Powers and Duties of the University President adopted by the Board of Trustees, the president has delegated this enforcement authority to the University's Building Code Administrator. As such, the Respondent will be responsible for costs associated with design and construction related services, including, but not limited to, University internal permitting, inspection and other associated costs.
6. **Project Cost:** The Respondent is expected to pay for any and all costs and expenses pertaining to the construction, operation and maintenance of the Facility (this is in addition to its activities in support of the University's mission and any additional terms as outlined in the ground lease). Costs of the Facility will include, but is not limited to, the cost of design review, permitting, code compliance, inspection services, construction (including all necessary site utility connections) or additional infrastructure, management, security, emergency response, maintenance and all operational costs for the Facility constructed under the ground lease.
 7. **Debt Service.** The University will not provide a financial backstop if revenues decline below what is required to keep the project fiscally sound (i.e., payment of debt service and funding of required reserves). The University will not cover a portion of debt service for the Facility.
 8. **Utilities.** The University will need to review the capacity restraints depending on the proposed Facility, but, depending upon capacity, it to allow the Facility to connect to its central utility plant, assuming a connection fee is paid based on the total cost of the system and the expansion. The University is not allowed to resell utilities, but depending on the utility, the University may be able to use a reimbursement structure, i.e. chilled water if the Facility taps directly into the University's system. The University will need to coordinate with other utility providers on any infrastructure that cannot be tapped into the University's existing system.
 9. **Additional Project Elements**
 - a. **Single Point of Responsibility:** The Facility agreements, including the ground lease, will require a single point of responsibility between the University and the private party.
 - b. If an awarded Respondent is successful in petitioning governmental agencies for a reduction in property taxes as a result of the ground lease, the awarded Respondent will pay a percentage of the savings (TBD) to the University on an annual basis in the form of additional rent.
 - c. **Leased Parcel:** The University is prepared to offer the private party a ground lease, subject to various approvals, for the site of the Facility. The private party will be responsible for paying annual rent and additional rent in amounts to be negotiated with the University. The Shortlisted Respondents will be provided a summary of the material terms of the ground lease.

The University will determine the actual location of the Facility during the negotiations with any awarded Respondent(s) based on the locations described in Attachment C.

- d. **Ownership:** All improvements constructed by a private party on the leased parcel will be owned by the private party during the ground lease term and will transfer to the University at the expiration of the ground lease.

The ground lease or operating agreement will specify the extent to which the private party will have the right to modify the Facility during the term.

- e. **Parking for Building Occupants:** Respondent should outline its parking needs for the Facility. If no additional parking is constructed, the existing parking spaces on campus will not be exclusively for the use of any occupants. Occupants working in the Facility and private party employees working at the Facility would be allowed to obtain parking permits in the University's parking facilities for the main campus, provided they pay parking fees established by the University.

2.0 SOLICITATION RESPONSE

2.1 Solicitation Overview

Upon receipt of the responses to Phase One of this solicitation, the University will review all responses to establish a short-list of qualified Respondents to participate in Phase Two of this ITN process and further develop the framework and structure for the project agreement including a ground lease agreement with the University. A response to Phase One of this ITN is a prerequisite to participate in future phases of this ITN. Following receipt of responses to Phase One of this ITN, the University will narrow the list of qualified Respondents to no more than four Respondents to continue to Phase Two in the ITN process to further develop the framework for the Facility. From the Shortlisted Respondents that submit a response to Phase Two of the ITN, one or all of the Respondents will be asked to submit a best and final offer ("BAFO") to select a winning bidder. The outline of the ITN process is described below:

1. Phase One is the University evaluation of written responses and/or presentations concerning qualifications and, based on certain criteria outlined in this ITN, development of a "shortlist" of Respondents ("**Shortlisted Respondents**") whose qualifications best meet the requirements of the project. Respondents will be required to provide a robust plan for how the Facility will support the University's mission, conceptual design(s), and project planning.
2. Phase Two may require Shortlisted Respondents to submit a response for advanced conceptual design, construction, programming, leasing, and financing plan which will be used in a series of detailed negotiations between Shortlisted Respondents and University. As part of this process, it is anticipated that the Shortlisted Respondents may engage in the following activities:
 - a. Further discussion relating to how Respondent will support the University's mission.
 - b. Participate in a campus tour of the building sites and meetings with the academic administration to understand the areas of interest and potential collaborations.

- c. Participate in in-person interviews and present additional financial information as requested by the University.
- d. Review and discuss the proposed business terms that will form the relationship with the University.
- e. Review and discuss terms to be included in the ground lease agreement and other project agreements
- f. Discuss and prepare BAFO proposals.

Following this due diligence process, the University will select which of the Shortlisted Respondents will be asked to submit their BAFO in accordance with procedures and evaluation criteria to be provided to Qualified Respondents in Phase Two of this solicitation. The University reserves the right to ask one, several, or none of the Shortlisted Respondents to submit a BAFO.

Once the University reaches an agreement with a private party, the proposed ground lease will be submitted to the University's Board of Trustees ("Board of Trustees") to review and approve. If the Board of Trustees approves the ground lease, the University will submit the ground lease to the Florida Board of Governors ("Florida BOG") for its review and approval, if required. No agreement will be binding unless and until it is approved by the required governmental entities, the Board of Trustees, and signed by the President of the University.

2.2 Solicitation Information

1. Proposals must be made in the official name of the firm or individual under which business is conducted and must be signed by a person duly authorized to legally bind the person, partnership, company, or corporation submitting the proposal.
2. Respondents will be of known reputation and will have sufficient experience and qualified personnel to adequately build and operate a research laboratory or to sublease to others to do so.
3. The following will constitute the final agreement:
 - a. Ground Lease Agreement
 - b. Any applicable operating agreement
4. Each Respondent will organize its solicitation response in accordance with the following Submittal Instructions and Submittal Tab Content sections in the order stated below to assist University in the selection process.

2.3 Submittal Instructions

Respondents will format their Phase One responses utilizing the following Tabs, Topics, Lettering, and Numbering system with requested information contained in each. Failure to comply may result in a negative review of your response and may place your response in jeopardy.

Submit:

1. One (1) electronic copy of the original and all required documents must be uploaded to:

https://flpoly-my.sharepoint.com/:f/g/person/lmarrone_floridapoly_edu/EoAIFYJWvX5EIRK8oieO_KMBMmr8cTcApuZf45hXpsXgKA

- All electronic submittals must be contained in one (1) file and compatible with Windows 10 or PDF format. Respondents can only view/submit their solicitation response and will not have access to any other Respondent's submittals. Solicitation responses uploaded after the Response Due Date at 2:00 p.m. ET will not be considered. It is the sole responsibility of the Respondent to ensure that its digital solicitation response is uploaded. If the digital response as described above is not submitted as specified, the Respondent's submission will be considered **not in compliance** with the requirements of this solicitation and removed from consideration. University will **NOT** be responsible for delays caused by any power outages or internet failures. No exceptions will be made.
2. The original and the hard copies are to be submitted in three-ring binders using index tabs with the appropriate tab identification, with package labeled as provided in #4 below and sent to the address in #9 below.
 - a. One (1) original, clearly marked as original and will contain the original manual signature of the authorized person signing the proposal.
 - b. Four (4) hard copies; and
 3. Respondent's signature must contain Vendor's authorized representative's manual signature and title, in permanent ink, in the space provided or by digital signature.

Failure to include the original and all signed copies shall be grounds for rejection of your response without further evaluation.

4. The original and hard copies of the Response must be submitted in a sealed container/envelope and must include on the outer carton the ITN number, ITN name, and due date.

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1/26/2021

5. Response will include the information and required submittals described in the Submission Tab Content section, tabbed, and numbered with all information appearing in the Tab in which it was requested.
6. All information and required submittals requested will be in hardcopy form and included in your written response. Responses will not refer the University to electronic media such as a website, except to direct the University to publicly filed documents. No hard media such as a flash drive or a CD should be submitted. All information must be contained in the Response.

7. Any information or required submittals which, due to size or binding cannot be incorporated following the proper tab, may be submitted separately. The location of the information should be provided following the numbered tab.
8. The University will accept solicitation responses up to, and no solicitation responses may be withdrawn after the Response Due Date and time indicated under Section 1.3.
9. All required signed and completed copies of the response with the signed ITN Certification Affidavit Form, **Attachment A**, must be either mailed or delivered to:

FLORIDA POLYTECHNIC UNIVERSITY

Procurement Department

Florida Polytechnic University

Wellness Center Mail Room

4700 Research Way

Lakeland, FL 33805-8531

10. CAUTION: The executed ITN Certification Affidavit Form, **Attachment A**, must be signed and submitted as part of your response. Failure to do so may disqualify your response.
11. All addenda must be signed and submitted with response.

2.4 Submission Tab Contents

Tab A: Essential Documents

- a. ITN Certification Form (Affidavit), **Attachment A**, signed by authorized individual.
- b. Supplemental Solicitation Response Sheet, **Attachment E**, signed by authorized individual.
- c. Contact information including name, title, email address, mailing address, and phone number for the individual responsible for Respondent's proposal and negotiation during this process.

Tab B: Executive Overview of Respondent and Team Members

- a. Provide an overview and history of your company and an overview and history of each proposed Team Member's company (e.g., proposed general contractor, management company, etc.), including, but not limited to, the following:
 - 1) Name and address of the Respondent and each proposed Team Member, and corporate structure.
 - 2) Primary location of the Respondent's office which will have direct responsibility for this project and that of any Team Member.
 - 3) Provide a description of the standard services offered by the Respondent.

- 4) Provide a listing of professional organizations of which the Respondent is a member.
- b. Include copies of the two most recent financial and annual reports for each Team Member or provide a URL for publicly available information.
- c. Disclose if the Respondent or any Team Member has ever declared bankruptcy, otherwise been declared insolvent, has had a delinquency judgement issued against it in any court of competent jurisdiction, been placed in receivership, or any litigation that could significantly impact your financial operating results or financial position. If yes, attach a statement indicating the date, court jurisdiction, trustee or receiver's name, telephone number, amount of liabilities, amount of assets, and current status of the bankruptcy, insolvency, delinquency, or receivership.
- d. Describe in detail any projects within the last three years where liquidated damages, penalties, liens, judgments, defaults, cancellations of contract or termination of contract were imposed, sought to be imposed, threatened, or filed against the Respondent or any Team Member.
- e. Provide descriptions of the three (3) prior projects accomplished by the Respondent and any Team Member which most closely document the Team's capability to satisfy the University's requirements as stated in the ITN. Include overall project information. If any such projects involve a public/private partnership, please identify the public entities and the name, address, telephone, and email of each such project's contract administrator.

Tab C: How the Facility Supports the University's Mission

- a. Provide a thorough description of considerations Respondent will provide in support of the University's mission, and the type(s) of research to be conducted that would align with the objectives as referenced in section 1.1.
- b. Explain any benefits to the University which could be derived from Respondent having worked with other institutions of higher education or other research entities.
- c. Identify which Team Member will be responsible for which elements and the Team Members' experience with other institutions of higher education or other research entities

Tab D: Design & Construction

- a. Address how the Respondent's overall vision ties design intent with project planning and construction, resulting in delivery of a Facility meeting the ITN objectives.
- b. Present a conceptual design illustrating Respondent's understanding of the scope of services, design intent, other goals and considerations and highlighting overall qualifications.
- c. Describe the proposed Design/Construction method to achieve the ITN objectives and the major steps throughout the process.

Tab E: Management:

- a. Describe in depth how the Facility will be managed over the term of the ground lease including the relationship with the University.

- b. Identify which Team Member(s) will be responsible for managing management of the Facility and the relationship with the University, specifically experience managing, operating and maintaining research facilities and specifically highlight facilities of similar size and complexity completed within the last seven (7) years.

Tab F: References

Provide three references to whom Respondent and each Team Member for each major component of the ITN: (1) design, (2) construction, (3) operations, and (4) support of the client.

Each reference must be within the last 5 years and should include the Company Name, Contact Name and Title, Mailing Address, Current Phone Number, and E-mail address.

Tab G: Financial Proposal

Describe the financing plan for the initial costs of construction and for costs of operating and maintaining the Facility. Include a discussion of use of equity investment or debt financing or any combination.

If the Facility is to be constructed as a multi-tenant building, describe plans to pre-lease the Facility or if the Facility will be built on spec.

Tab H: Disclosure

Make disclosures regarding: (a) Respondent, or Respondent's team, employees having employment relationship with (or holding an office at) University, State of Florida or any State of Florida agencies AND/OR (b) any University, or State employee(s) or officers owning an interest of 5% or more of Respondent's company or its affiliates or branches.

2.5 Definitions

The terms used in this Invitation to Negotiate will have the following meaning.

1. **"BAFO"** Best and Final Offer.
2. **"Best Value"** – The highest overall value to the University based on factors that include, but are not limited to, price, quality, design, and workmanship.
3. **"Facility"** means the on-campus state-of-the-art research facility which will support the mission of the University.
4. **"ITN"** This Invitation to Negotiate is a method of formal competitive solicitation.
5. **"Respondent"** A private party who responds in full to the requests of this ITN and wishes to be considered as a candidate for products and/or services agreement as described herein.
6. **"Response"** The materials submitted by the Respondent in answering this ITN.
7. **"University"** The Florida Polytechnic University Board of Trustees.
8. **"Authorized University Representative"** means the University Procurement Department representative, or his/her designee, assigned to handle all

Respondent/Vendor communications related to this competitive solicitation (See Section 3.1).

9. **“Shortlisted Respondents”** means those Respondents determined in Phase One of the University evaluation of written responses and/or presentations concerning qualifications and, based on the criteria outlined in this ITN to continue in the process stated in this ITN.
10. **“Team Member”** means any agent, contractor, partner, or affiliate of a private party with responsibilities for performance under this ITN.

3.0 PROCESS

3.1 Authorized University Representative

The Authorized University Representative for this competitive solicitation is:

Treasa McLean
 Assistant Vice President
 Procurement & Auxiliary Enterprises
 Email: bids@floridapoly.edu
 Phone: 863-874-8428
 Web address:
<https://floridapoly.edu/procurement-auxiliary-enterprises/procurement/solicitations.php>

3.2 Respondent Communications and/or Inquiries

Questions regarding this ITN must be submitted via email only to the Authorized University Representative. Questions should identify the relevant Section(s), Subsection(s), Paragraph(s) and page number(s) of the ITN.

University will consider only those communications and/or inquiries submitted via email and received by the Authorized University Representative on or before the Inquiry Deadline Date specified in **Section 1.3, “Calendar of Events.”** Unless the Authorized University Representative specifically requests Respondent to provide additional communications, University will not accept or consider any of Respondent’s written or other communications and/or inquiries (except solicitation responses) received between the Inquiry Deadline Date and the posting of an award, if any, under this competitive solicitation.

To the extent University determines, in its sole discretion, to respond to any communications, inquiries or requests for clarification, University’s response (as applicable) will be made in an addendum to this competitive solicitation and posted on the Website.

Only those communications that are in writing from the Authorized University Representative will be considered as duly authorized expressions on behalf of University.

3.3 Restricted Respondent Communications

From the date of issuance of this competitive solicitation until University takes final action on this competitive solicitation, the Respondent must not communicate with any University employees or Evaluation/Negotiation Committee members regarding this competitive

solicitation or Respondent's solicitation response except as provided herein or as expressly requested by the Authorized University Representative. Violation of this restriction may result in rejection of the Respondent's solicitation response.

3.4 Addenda

The University Procurement Department will post any Addenda to this competitive solicitation on the website. The Respondent's authorized representative must sign and date the Addenda Acknowledgment Form(s), if any, and include the form(s) in the Respondent's solicitation response. All Respondents, including known interested private parties, are solely responsible for checking the website periodically to verify whether any such Addenda and forms were issued.

3.5 Protests – Intent to Award

Any Respondent/interested person who is disputing the specifications or is adversely affected by a decision or intended decision concerning this competitive solicitation or contract award and who wants to protest such specifications, decision, or intended decision will file a protest in compliance the Florida Board of Governors' regulations. Failure to file a protest in accordance with Florida Board of Governors' regulation 18.002, or failure to post the bond or other security as required in BOG regulations 18.002 and 18.003 will constitute a waiver of protest proceedings.

The intent to award to a Respondent, if any, will be posted on the website for review by interested parties, and will remain posted for a period of at least seventy-two (72) hours; excluding weekends, federal holidays, and University holidays. Failure to file a protest in accordance with the above stated regulations will constitute a waiver of protest proceedings.

3.6 Withdrawal of Solicitations and Cancellation of Awards

A Respondent wishing to cancel their response to this ITN prior to the submittal date (i.e., Respondent has submitted a response to the ITN, and proposal received in response to the ITN has not yet been reviewed, the Respondent no longer wants to participate in the ITN and would like their response cancelled), may do so by submitting a written request to the Procurement Officer. The written request must contain: the name of the Respondent; the name, title and contact information of the person making the request; the ITN name and number; the date of the request; and a statement that the person making the request is authorized by the Respondent to cancel the response. In accordance with Florida law, submitted proposal will not be returned to the Respondent.

3.7 Solicitation Response

At 2:00 p.m. on the Solicitation Response Due Date, University will review all timely submitted solicitation responses for Phase One of this ITN for the sole purpose of recording the names of the Respondents submitting solicitation responses.

4.0 SELECTION PROCESS

4.1 Evaluation Process

1. Each response will be reviewed by the Procurement Department to determine whether it is responsive to the submission requirements outlined in the ITN. A responsive submittal

is one which has followed the requirements of the ITN, includes all documentation (including, but not limited to, the signed Affidavit Form, **Attachment A**), is submitted in the format outlined in the ITN, was submitted prior to the due date and time and has the appropriate signatures as required on each document. Failure to comply with these requirements may put Respondent's response at risk of being rejected as "non-responsive".

- Responses found to be responsive shall be referred to an Evaluation Committee for review and further consideration. The responses to this ITN will be independently evaluated by an Evaluation Committee based on the written submittals.

4.2 Evaluation Criteria - Phase One (Shortlisted Respondents)

- The Evaluation Committee will review each submittal utilizing the following criteria:

Item #	Description	Tab Reference
1.	Support of the University Mission: Partnership meets the University's Mission, is in the University's Best Interest, and meets the SOW of this ITN.	C
2.	Financials: Financial Strength/Lease, Business Terms Proposal, Financing is available.	B, G
3.	Design, Planning and Construction: A clear picture that the design intent, project planning and construction will deliver a facility of innovative design, built to high standards, meeting the University Requirements, schedule for initial and completion of facility, and any other requirements specified in this ITN.	D
4.	Experience: Evidence that the Respondent's Private Partner Team has successfully developed, constructed, maintained and managed projects of similar scope with similar P3 projects	B, E, F
5.	Team: Evidence that the individuals within the team have the qualifications to timely and properly execute the proposed development, to operate and maintain a high-quality Facility, and to successfully partner with the University.	A, B, F, G, H

2. The Evaluation Committee will carefully review and evaluate the solicitation responses. Each member will independently review all responses and Respondent presentations (if requested by Evaluation Committee). The Committee will meet to collectively discuss their analyses of the responses in order to formulate a recommendation.
3. All Respondents are hereby advised that the University may determine that oral interviews, additional written information and/or any other information may be requested at any time during the evaluation process. Internal staff analysis and presentations, outside consultants and any other resources may be utilized to assist in the selection of the "Best Value" Respondent(s).
4. The Evaluation Committee determines a short list of Respondents to participate in further negotiations with the University. Those Shortlisted Respondents will continue in the process.

4.3 Evaluation Criteria - Phase Two (Negotiation)

1. Representatives of a Respondent(s) selected to participate in Phase Two negotiation(s) will be first required to submit written authorization from the company CEO or CFO attesting to the fact that the company's lead negotiator is authorized to bind the company to the terms and conditions agreed to during negotiations and as may be contained in the offeror's BAFO. Such authorization will be requested prior to meeting with the Negotiation Committee, and the provision of such authorization will be a prerequisite to continuing in the ITN process.
2. Negotiators will enter the negotiations prepared to speak on behalf of the Shortlisted Respondent. The University reserves the right to immediately terminate negotiations with any company whose representatives are not empowered to, or who will not, make decisions during the negotiation session. Companies are reminded that the University may elect not to solicit a BAFO from any company whose representative(s) have been unable or unwilling to commit to decisions reached during the verbal negotiation process.
3. Negotiations with Shortlisted Respondents may involve presentations, site visits, oral interviews, additional written information, internal staff analysis and presentations, feedback from outside consultants, discussions with the Shortlisted Respondents about their capabilities and plans for design and construction of the Facility, and/or any other information deemed helpful to more fully evaluate the Shortlisted Respondents.
4. The Negotiation Committee will evaluate each proposal within the context of each Shortlisted Respondent's complete response. The Negotiation Committee may enter into negotiations with multiple Shortlisted Respondents in order to achieve the contract that most supports the University's missions and objectives.
5. The University reserves the right to negotiate concurrently or separately with competing Respondents. The University reserves the right to reject any and all proposals or portions thereof.
6. The University reserves the right to withdraw this ITN or a portion of this ITN without making an award.
7. Negotiations offer an opportunity for the selected Shortlisted Respondents to discuss their offers with the University negotiators and ultimately present a BAFO and details

- that support their proposal and business model. The objectives of this negotiation process is to identify the optimal outcome or the solution that best meets the needs of University.
8. After negotiations have been completed to the satisfaction of the Negotiation Committee, selected Shortlisted Respondents will be given the opportunity to submit a BAFO.
 9. The following award selection criteria will apply for Phase Two:
 - a. The Shortlisted Respondent's ability and approach to meeting the objectives of the ITN, as stated in subsection 1.1.
 - b. The Shortlisted Respondent's demonstration of its prior relevant experience and financial position.
 - c. The Shortlisted Respondent's design and construction method of the proposed Facility aligns with the University's mission, cutting-edge innovation throughout the campus, and consistency with the other buildings on campus.
 10. Based on review of BAFOs and in light of all information gained during the ITN process, the Negotiation Committee will develop a recommendation of University's intend to award this ITN and negotiate the terms of a ground lease and other project agreements resulting from this competitive solicitation to the successful Respondent(s) whose Response(s) represent the best value to the University. Contract(s) will be awarded, if any award is made, to Shortlisted Respondent(s) whose BAFO is assessed as providing the best value to the University in accordance with the selection criteria of this ITN. The Negotiation Committee will then make a recommendation.

4.4 Contract Award

1. University may reject all solicitation responses if such action is in the University's best interest. University is not obligated to make an award under or as a result of this ITN and may make multiple awards if it, in its sole discretion, deems it is in the University's best interest to do so.
2. University reserves the right and sole discretion to reject any Response at any time on grounds that include, but are not limited to:
 - a. Response is found to be nonresponsive, incomplete, or irregular in any way; or
 - b. Response is not in University's best interest.

The University may waive informalities and minor irregularities in Responses.
3. If the University determines that an awarded Respondent does not honor all agreements reached during the negotiations, and as contained in the subsequent BAFO, the University reserves the right to immediately cancel the award.

5.0 LIST OF ATTACHMENTS, APPENDIX, AND EXHIBITS

5.1 Attachment A - ITN Certification Form (Affidavit)

5.2 Attachment B - Terms and Conditions

5.3 Attachment C - Proposed Location of Facilities

5.4 Attachment D - Florida Poly Construction Projects Guide

5.5 Attachment E - Supplemental Solicitation Response Sheet



ITN CERTIFICATION FORM (AFFIDAVIT)
FLORIDA POLYTECHNIC UNIVERSITY

Invitation to Negotiate # ITN-21-001

Public-Private Partnership (P3) to
Construct and Operate a Research Facility

SUBMITTAL DEADLINE: January 26, 2021 2:00p.m. ET

I understand that the Invitation to Negotiate (ITN) response is due no later than the due date and time as stated above, and that it is my responsibility for the response and all required documents to be received by the Florida Polytechnic University (Florida Poly) Procurement Department prior to this date and time. I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a proposal for the same materials, supplies or equipment and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this solicitation and certify that I am authorized to sign this proposal for the respondent and that the respondent is in compliance with all requirements of the ITN, including but not limited to certification requirements. In submitting a proposal to Florida Poly, the respondent offers and agrees that if the proposal is accepted, the respondent will convey, sell, assign or transfer to Florida Poly all rights, title and interest in and to all causes of action it may now or hereafter acquire under the Anti-Trust Laws of the U.S. and the State of Florida for price fixing relating to the particular commodities or services purchased or acquired by Florida Poly. At Florida Poly's discretion, such assignment shall be made and become effective at the time Florida Poly tenders final payment to the respondent. Furthermore, by responding to this solicitation, respondent agrees that the specifications, qualifications, evaluation criteria, terms and conditions are not restrictive and attests that he/she has no objection to any of the specifications, qualifications, evaluation criteria, terms or conditions.

Manual Authorized Signature: _____

Printed Authorized Name: _____

Company Name: _____

Federal Employer ID #: (9 digits) _____

Address: _____

City, State, Zip: _____

Phone: _____

Toll Free: _____

Fax: _____

Email Address: _____

Is your firm a Florida Certified Minority Business? YES _____ NO _____

NO RESPONSE - If not responding to this solicitation, please advise reason and return via email to bids@floridapoly.edu with reason for NO RESPONSE:



Attachment B
Terms and Conditions

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1. LEGAL AUTHORITY

The University is part of the State of Florida’s State University System, established by article IX, section 7, of the Florida Constitution and governed generally by the Florida K-20 Education Code, chapters 1000 through 1013, Florida Statutes. The proposed structure of the engagement is authorized by section 1001.72(1), Florida Statutes, which states each university “board of trustees shall be a public body corporate”...“with all the powers of a body corporate, including the power... to contract and be contracted with” and section 1013.171(1), which provides that “[e]ach university board of trustees is authorized to negotiate and enter into agreements to lease land under its jurisdiction to for-profit and nonprofit corporations, registered by the Secretary of State to do business in this state, for the purpose of erecting thereon facilities and accommodations necessary and desirable to serve the needs and purposes of the university...” and that “[s]uch agreement will be for a term not in excess of 99 years or the life expectancy of the permanent facilities constructed thereon, whichever is shorter, and shall include as a part of the consideration provisions for the eventual ownership of the completed facilities by the state.”

2. GENERAL TERMS

The following are the terms and conditions that will become part of any agreement consummated between the University and the awarded respondent. In the event of a conflict between any provisions contained in any of the documents governing this transaction, the following will be the order of precedence: the Agreement; Solicitation; Proposal.

2.1. Actions of Awarded Respondent.

The University is under no obligation whatsoever to be bound by the actions of any awarded respondent with respect to third parties. The awarded respondent is not an agent of the University.

2.2. Actions of Proposer.

The University is not bound by the actions of any proposer with respect to third parties. The proposer is not a division or agent of the University.

2.3. Americans with Disabilities Act.

The awarded respondent must comply with all applicable provisions of the Americans with Disabilities Act and applicable federal regulations under the Act.

2.4. Annual Appropriations.

The University’s performance and obligations under any agreements resulting from this ITN are subject to and contingent upon annual appropriations by the Florida Legislature and other funding sources.

2.5. Assignment.

The awarded respondent may not assign any obligations or rights under the agreement without express written permission from the University and any attempted assignment will be void.

2.6. Background Check.

All of proposer’s employees who enter the University campus or premises must have passed an employer background check and must not be listed on the Florida or National Sex Offenders Registry.

2.7. Collusion Prohibited.

Proposer's collusion with other proposers, other proposers' employees, or any employee of the University is prohibited and may result in rescission or cancellation of solicitation (or award) without liability to the University.

2.8. Conflict of Interest.

The award of this competitive solicitation is subject to the provisions of Florida Statutes, Chapter 112, and any other laws, regulations and/or policies concerning conflicts of interest in dealing with entities of the State of Florida (collectively, "Conflicts of Interest Rules"). Submission of a solicitation response, and acceptance of a Contract/lease resulting from this ITN, will require certification that Respondent is aware of and has complied with the requirements of the Conflicts of Interests Rules, including any requirement to file appropriate disclosures with the State of Florida Commission of Ethics prior to submission of a solicitation response.

Solely by way of example, Respondent must disclose in its solicitation response the name of any officer, director, or agent of the Respondent who is also an employee or public officer of Florida Poly, the State of Florida or of any of its agencies. Further, Respondent must disclose in its solicitation response the name of any Florida Poly or State employee or public officer (or his or her spouse or child) who owns, directly or indirectly, an interest of five (5%) or more of the Respondent's company or any of its affiliates or branches.

In addition, in accordance with Section 112.3185, Florida Statutes, by submitting a solicitation response, the Respondent certifies that no individual employed by the Respondent or subcontracted by the Respondent has an immediate relationship to any Florida Poly employee or public officer who was or is directly or indirectly involved in any way in the drafting, evaluating, or awarding of this competitive solicitation.

Failure to disclose the required information or violation of the Conflicts of Interest Rules will be grounds for rejection of Respondent's solicitation response, cancellation of an intent to award, and/or cancellation of any Contract/Lease with the Respondent.

2.9. Continuation of Performance through Termination.

The awarded Proposer shall continue to perform, in accordance with the requirements of agreement, up to the date of termination, as directed in the termination notice.

2.10. Covenant against Commissions, or Brokerage and Contingent Fees.

By submitting a Proposal, the Proposer warrants that the Proposer has not employed or retained any person or entity, other than a bona fide employee working solely for the Proposer, to solicit or secure any award, agreement, or any other advantage related to this solicitation. By signing an agreement with the University, the awarded respondent warrants that it has not paid or agreed to pay any individual or company (other than a bona fide employee working solely for the awarded respondent), any fee, commission, percentage, gift, or other consideration (contingent fee) upon or resulting from the award or making of the agreement. In the event of the awarded respondent's breach of this warranty, the University has the right to rescind any agreement with the awarded respondent resulting from this solicitation, without liability, and to deduct from any amounts otherwise payable to the awarded respondent under the agreement the full amount of contingent fee(s) and to pursue any other remedy available to the University.

2.11. Default.

The University reserves the right to terminate the agreement in whole or in part due to the failure of the awarded Proposer to comply with any term or condition of the agreement, to

acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the agreement. The University shall provide written notice of the termination and the reasons for it to the awarded Proposer. Upon termination under this provision, all goods, materials, documents, data and reports prepared by the awarded Proposer under the agreement shall become the property of and be delivered to the University on demand. The University may, upon termination of the agreement, procure, on terms and in the manner that it deems appropriate, materials, or services to replace those under the agreement. The awarded Proposer shall be liable to the University for any excess cost incurred by the University in re-procuring the materials or services.

2.12. Defective Tender.

Every tender of goods must fully comply with all provisions of the agreement as to time of delivery, quantity, and the like. Tender which does not fully conform, may constitute a breach and the awarded respondent may not have the right to substitute a conforming tender.

2.13. Disposition of Proposals.

All proposals become the property of the University, and the University has the right to use all ideas, and/or adaptations of those ideas, contained in any proposal received in response to this solicitation. Any parts of a proposal, and any other material(s) submitted to the University with the proposal that are copyrighted or expressly marked as “confidential,” “proprietary,” “trade secret,” or similar marking, (proprietary designation) will be exempt from the public records disclosure requirements of chapter 119, Florida Statutes, only to the extent expressly authorized by Florida law. The mere use of a propriety designation, while necessary, by a supplier does not itself ensure that such materials will be exempt from disclosure. In the absence of a specific Florida statute exempting material from the public records law, the University is legally obligated to produce all public records produced or received in the course of conducting university business, irrespective of any proprietary designation by the supplier. The University, or potentially a court, will make the ultimate determination of whether a supplier’s claim of a proprietary designation will support an exemption from disclosure. The University’s selection or rejection of an offer will not affect this provision.

2.14. Employment of Unauthorized Aliens.

Employment of unauthorized aliens is considered a violation of the Immigration and Nationality Act. If the proposer knowingly violates the act, the University may rescind the award or terminate any contract. If any agreement is reached and executed with proposer on or after January 1, 2021, the requirements of section 448.095, Florida Statutes requiring the use of the federal E-Verify system will be obligatory.

2.15. Equal Opportunity Statement.

This proposer (and subsequent awarded respondent(s)) and any subcontractors must abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as qualified protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or veteran status.

2.16. Federal, State, Local Laws, and Regulation.

The proposer and any subcontractors must comply with all laws, ordinances, and regulations that apply to the University, and any policies regarding sexual harassment, infectious disease transmission and protocols (expressly including but not limited to SARS-CoV-2/COVID19) and smoking on campus. In the event a violation occurs, University reserves the right to rescind the award. If any agreement is reached and executed with proposer on or after January 1, 2021, the requirements of section 448.095, Florida Statutes requiring the use of the federal E-Verify system will be obligatory. The Proposer is solely responsible for keeping itself fully informed of and faithfully observing all laws, ordinances, and regulations and shall protect and indemnify the University, its officers and agents against any claims of liability arising from or based on any violation thereof.

2.17. Force Majeure.

In the event compliance with any obligation under this solicitation is impractical or impossible due to any Event of Force Majeure, then the time for performance of such obligation shall be extended for a period equivalent to the duration of the Event of Force Majeure. The provisions of this section shall not operate to excuse either party's inability to perform its obligations hereunder because of inadequate finances. "Event of Force Majeure:" means any strike, lockout, labor dispute, embargo, flood, earthquake, storm, dust storm, lightning, fire, epidemic, act of God, war, national emergency, civil disturbance or disobedience, riot, sabotage, terrorism, restraint by governmental order or any other occurrence beyond the reasonable control of the party in question.

2.18. Gratuities.

The University may, by written notice to the awarded Proposer, cancel the agreement if it is discovered by the University that gratuities, in the form of entertainment, gifts or other, were offered or given by the awarded Proposer, or any agent or representative of the awarded Proposer, to any officer or employee of the University with a view toward securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such agreement. In the event the agreement is canceled by the University pursuant to this provision, University shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by awarded Proposer in providing such gratuities.

2.19. Indemnification/Hold Harmless.

The Proposer shall indemnify, defend, and hold harmless the Board of Trustees, Florida Polytechnic University, the State of Florida and the Florida Board of Governors, and their officers, agents, and employees from any and all claims, demands, suits, actions, proceedings, loss, cost, and damages of every kind and description, including attorneys' fees and/or litigation expenses, which may be brought or made against or incurred on account of loss of or damage to any property or for injuries to or death of any person, caused by, arising out of, or contributed to, in whole or in part, by reasons of any act, omission, professional error, fault, mistake, or negligence of Proposer, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives in connection with or incident to the performance of the Agreement.

The Proposer's obligation under this provision shall not extend to any liability caused by the sole negligence of the Florida Polytechnic University, or its officers, agents, and employees. Such indemnification shall specifically include infringement claims made against any and all intellectual property supplied by the Proposer and third-party infringement under the Agreement.

2.20. Insolvency.

The University shall have the right to terminate the agreement at any time in the event awarded Proposer files a petition in bankruptcy; or is adjudicated bankrupt; or if a petition in bankruptcy is filed against awarded Proposer and not discharged within 30 days; or if awarded Proposer becomes insolvent or makes an assignment for the benefit of its creditors or an arrangement pursuant to any bankruptcy law; or if a receiver is appointed for awarded Proposer or its business.

2.21. Inspection and Audit.

All books, accounts, reports, files, and other records relating to an agreement will be subject at all reasonable times to inspection and audit by the University or other relevant state entities.

2.22. Labor Disputes.

A Proposer shall give prompt notice to the University of any actual or potential labor dispute which delays or may delay performance of the agreement.

2.23. Lack of Funds.

The agreement may be canceled without further obligation on the part of the Florida Polytechnic University in the event that sufficient appropriated funding is unavailable to assure full performance of the terms. The awarded Proposer shall be notified in writing of such non-appropriation as soon as reasonably possible. No penalty shall accrue to the University in the event this cancellation provision is exercised. This cancellation provision shall not be construed so as to permit the University to terminate the agreement in order to acquire similar equipment, material, supplies or services from another party.

2.24. Prior Course of Dealings.

No trade usage, prior course of dealings, or course of performance under other agreements shall be a part of any agreement resulting from this ITN; nor shall such trade usage, prior course of dealing, or course of performance be used in the interpretation or construction of such resulting agreement.

2.25. Public Records Laws; Trade Secret Certification.

As a public body corporate of the State of the Florida, Florida Poly is subject to Chapter 119 of Florida Statutes, commonly known as the Florida Public Records Law. This competitive solicitation is a public record. Any documents Respondent submits to Florida Poly in response to this competitive solicitation will also become a public record, which will similarly be subject to the Florida Public Records Law. As required by law, Florida Poly will respond to public records requests without providing Respondents whose documents have been requested any notice.

Should Respondents seek to assert trade secret protection for any document the Respondent submits in response to this competitive solicitation under Florida Statutes Section 688.002(4), Section 812.081(1)(c), Section 815.04(3), and/or Section 815.045, for each document that trade secret protection is claimed, Respondent must comply with both of the following:

1. Segregate and separately label the document(s) claimed as trade secrets: documents produced electronically should be produced on separate CD or electronic media clearly-labeled "Trade Secret" on the physical media as well in the title of the electronic folder or file; documents produced in hard copy should be separated and each clearly labeled "Trade Secret." Inserting the words "Confidential" and/or "Proprietary" to the front of or the footer of a document does not automatically entitle

- the document to be a trade secret under Florida law and thus is insufficient to comply with this requirement; and
2. Provide a sworn affidavit (form is Attachment A) signed by a high-level officer of the Respondent to Florida Poly's Procurement Department, certifying the following for each separate claimed trade secret document:
 - a. Identify with specificity the document(s) for which trade secrets protection is claimed;
 - b. Provide a description of the document sufficient to determine the application of the trade secret exemption; and
 - c. Explain in detail the specific element(s) or provision(s) of Florida Statutes Section 688.002(4) or Section 812.081(c) that render the document at issue a trade secret exempted from public records under applicable Florida law.
 3. A Respondent's failure to fully comply with the above and/or submit a sworn affidavit with its solicitation response is an affirmation acknowledgement by such Respondent that none of its documents are trade secrets.
 4. If a Respondent properly complies and submits a sworn affidavit with its Solicitation Response and Florida Poly later receives a public records request for a document or information that is marked and certified with an affidavit to be a trade secret, we will provide the requestor a copy of the Respondent's sworn affidavit. Any challenge to the affidavit and the application of the trade secret exemption will be rebutted, if at all, only by the Respondent; Florida Poly's only obligation will be to provide Respondent notice that such a challenge has been received. The notice will serve as formal notice to the Respondent that such Respondent has thirty (30) calendar days following receipt of such notice from Florida Poly to file an action with a court of competent jurisdiction seeking an order barring public disclosure of the document(s). If Respondent files an action within thirty (30) calendar days after receipt of notice of a challenge to its trade secret certification, Florida Poly will not release the documents at issue pending the outcome of the legal action. The failure to file an action within thirty (30) calendar days constitutes a waiver of any claim of confidentiality, and Florida Poly will release the document as requested.

2.26. Licensing Requirements.

To the extent applicable, Respondent will have all appropriate licenses to conduct business in the State of Florida and Polk County at or prior to award of a Contract/Lease resulting from this competitive solicitation; Respondent must provide proof of such to Florida Poly as a condition of award of a Contract/Lease Agreement.

2.27. Modifications.

The University can reasonably modify or rescind the solicitation at any time.

2.28. Payment Card Industry Data Security Standard.

For e-commerce business and/or credit card transactions, the Proposer agrees to be bound by the requirements and terms of the rules of all applicable payment card associations, as amended from time to time, and be solely responsible for security and maintaining confidentiality of the payment card transactions processed by means of electronic commerce up to the point of receipt of such transactions by the bank. The Proposer is required to be in compliance with the requisites of the SAS 70 and/or payment card industry data security standard and provide written attestation of compliance annually.

2.29. Parking.

The Successful Respondent will ensure that all of the Respondent's and Respondent's employees', agents', and subcontractors' vehicles parked on the University premises have proper parking permits. All vehicles must be registered with and have parking permits purchased from Florida Poly's Parking and Transportation Services properly displayed. Respondent and Respondent's employees, agents and subcontractors will observe all parking regulations. The failure to purchase parking permits, properly display them, and otherwise comply with all Florida Poly's parking regulations could result in the ticketing and/or the towing of Respondent's or Respondent's employees', agents' and/or subcontractors' vehicles. For additional parking information, contact Florida Poly's Parking and Transportation at (863) 874-8432.

2.30. Protection of Property.

The Proposer shall at all times guard against damage or loss to the property of the University or of others and shall be held responsible for replacing or repairing any such loss or damage. The University may bill the Proposer or make such deductions as deemed necessary to insure reimbursement or replacement for loss or damage to property through negligence of the Proposer or their agents. The Proposer shall provide all barricades and take all necessary precautions to protect University buildings, University premises, students, personnel, and visitors.

2.31. Public Entity Crimes.

In accordance with section 287.133(2)(a), Florida Statutes, a Vendor who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal; may not perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity, including Florida Poly; and may not transact business with Florida Poly in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date being placed on the convicted vendor list. By submitting a solicitation response, Vendor is certifying that Vendor is not on the convicted vendor list maintained by the Florida Department of Management Services, and Vendor is also certifying that any subcontractor listed in Vendor's solicitation response is not on the convicted vendor list.

2.32. Referencing of Orders.

For any order issued resulting from this solicitation, the University, in good faith references this solicitation for pricing, terms and conditions, delivery location, and other particulars. However, in the event the University fails to do so, the University's right to such terms and conditions are not affected, and no liability of any kind or amount will accrue to the University.

2.33. Remedies and Applicable Law.

This ITN and resulting contract/lease, if any, and any disputes thereunder will be governed by the laws of the State of Florida and will be deemed to have been executed and entered into in the State of Florida. Any such contract/lease will be construed, performed and enforced in all respects in accordance with the laws and rules of the State of Florida, and any provision in such contract in conflict with Florida law and rules will be void and of no effect. Florida Poly and the Respondent hereby agree that this ITN and resulting contract/lease, if any, will be enforced in the courts of the State of Florida and that venue will always be in Polk County, Florida.

2.34. Right of Offset.

The University will be entitled to offset against any amount due the awarded respondent,

any expenses or costs incurred by the University, or damages assessed by the University concerning the awarded respondent's non-conforming performance or failure to perform the agreement, or any other debt owed the University, including **expenses, costs, and damages.**

2.35. Safety.

Florida Poly seeks to furnish its students and employees with a place of work and study that is free from recognized hazards that are causing or are likely to cause death or serious physical harm, and one that complies with occupational health and safety standards promulgated under Occupational Safety and Health Act of 1970 (OSH ACT). Therefore, the Successful Respondent is required to comply with the occupational safety and health standards and all rules, regulations and orders issued pursuant to the OSH ACT while on the University's premises. Florida Poly has not found and is not aware of any hazardous materials on the site; however, Florida Poly recommends Successful Respondent perform an environmental assessment prior to the pre-development phase of the project to investigate subsurface soil conditions in order to ascertain if any hazardous materials may exist. Florida Poly will make available any of its geotechnical engineering reports upon request. Florida Poly accepts no liability for any hazards on the land; Successful Respondent accepts all risks.

2.36. Sales and Use Tax.

The State of Florida and its agencies (including the University) are tax-immune and exempt from the payment of taxes. The awarded respondent will be responsible to pay any such taxes imposed on taxable activities/services under the contract/lease, if any, resulting from this solicitation.

2.37. Software Warranty and Back up.

If Successful Respondent is providing software to Florida Poly, Respondent warrants that:

1. the media on which the product software is distributed is free from defects in materials and workmanship, and
2. the product performs the functions described in the documentation for the product.

In addition, Florida Poly may create and retain a copy of the software and related documentation for back up and disaster recovery purposes and for archival purposes. This provision will survive termination or expiration of the Contract/lease.

2.38. Subcontractors.

If Respondent contemplates the use of subcontractors, as a further condition of award of a contract/lease, the Respondent must certify in writing that all of its subcontractors are appropriately licensed and are registered with the State of Florida in accordance with Florida Statutes Chapters 607 or 620, and such statement will include any subcontractors' corporate charter numbers. For additional information on registering, respondent(s) should contact the Florida Poly Procurement Department.

The Successful Respondent is fully responsible for all work performed under the Contract/lease resulting from this competitive solicitation. The Successful Respondent may, with the prior written consent of Florida Poly, as applicable, enter into written subcontract(s) for performance of certain of its functions under such Contract/lease, subject to the terms and provisions of the Contract/lease. The subcontractors and the amount of the subcontracts will be identified in the Respondent's solicitation response. Respondent's subcontracts will not be implemented or effective until and unless approved

in writing by Florida Poly, as applicable. No subcontract which the Respondent enters into related to the contract/lease will in any way relieve the Respondent of any responsibility for performance of its duties under the contract/lease. Respondent will fully notify any subcontractors of Respondent's responsibilities pursuant to the Contract/lease in Respondent's subcontract(s) with a subcontractor(s) for work related to this competitive solicitation. Respondent is solely responsible for all payments to its subcontractors.

Respondent will require all of its subcontractors to provide aforementioned insurance coverage as well as any other coverage that the Respondent may consider necessary, and any deficiency in coverage or policy limits of said subcontractor will be the sole responsibility of the Respondent.

2.39. Suspension or Debarment.

The University may by written notice to the awarded Proposer immediately terminate the agreement if the University determines that the awarded Proposer has been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor respondent of any public procurement unit or other governmental body.

2.40. Term of Ground Lease.

Based on negotiations between University and awarded Respondent.

2.41. Termination for Convenience.

The University reserves the right to terminate the agreement in whole or part at any time when in the best interests of the University without penalty or cause. Upon receipt of the written notice, the awarded Proposer shall immediately stop all work as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the University. In the event of termination under this provision, all documents, data and reports prepared by the awarded Proposer under the agreement shall become the property of and delivered to the University. The awarded Proposer shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of termination. Such compensation shall be the awarded Proposer's sole remedy against the University in the event of termination under this provision.

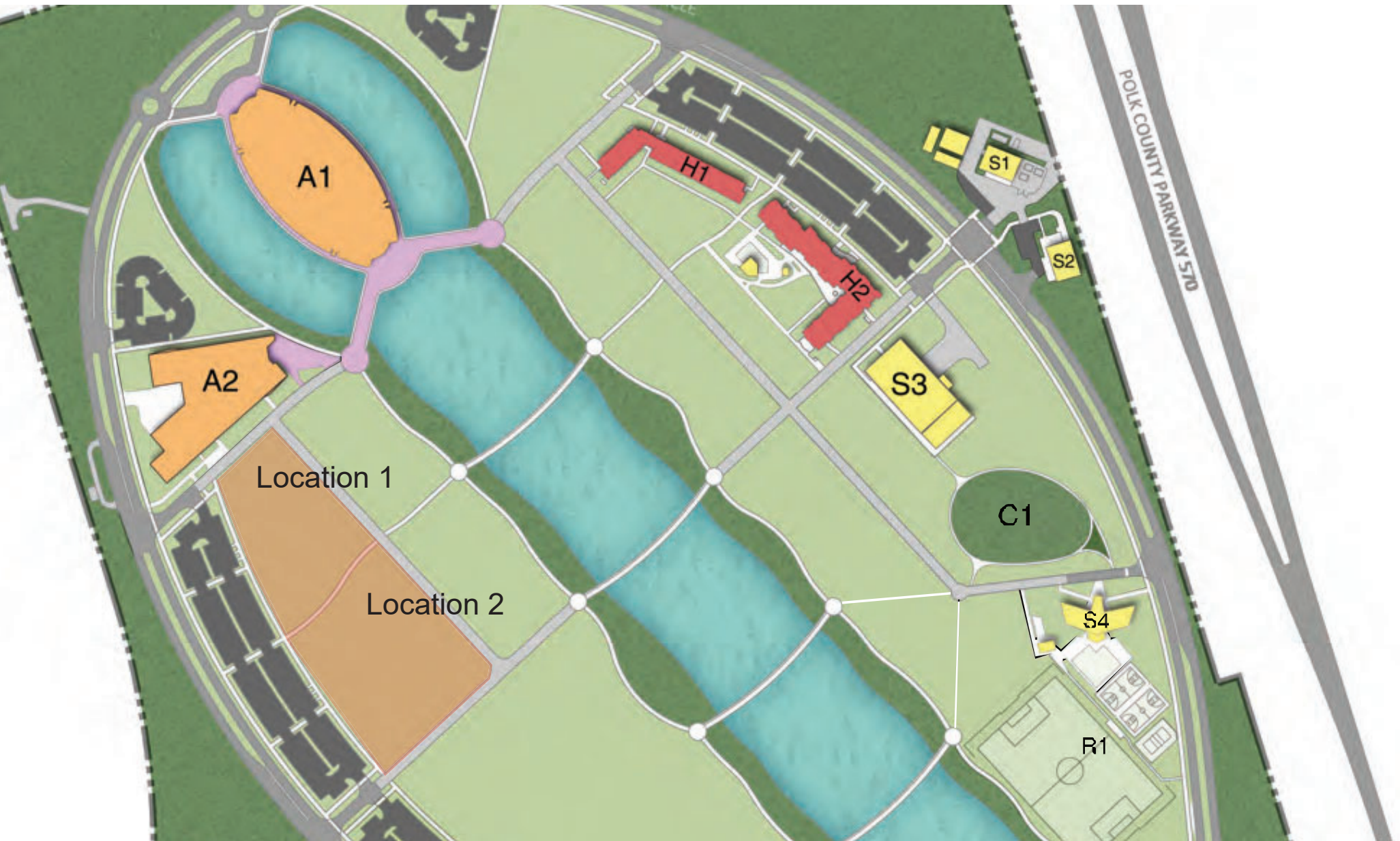
2.42. Waiver of Rights and Breaches.

No right conferred on the University by this solicitation or resulting agreement, if any, will be deemed waived and no breach of any such agreement excused, unless such waiver of right or excuse of breach is in writing and signed by the University. The University's waiver of a right or breach does not constitute a waiver or excuse of any other right or breach.

2.43. Warranties.

In addition to any implied warranties, the awarded Proposer warrants that the goods furnished will conform to the specs, drawings and descriptions listed herein and to the sample or samples furnished by the awarded Proposer.

ATTACHMENT C - PROPOSED LOCATIONS OF FACILITY(S)





FLORIDA POLYTECHNIC
UNIVERSITY

CONSTRUCTION PROJECTS GUIDE

FOR
CONSTRUCTION MANAGER AGREEMENTS
GENERAL CONTRACTORS
DESIGN/CONSTRUCTION SERVICES TEAM
CONSTRUCTION ADMINISTRATION

Revised, March 2018
Facilities & Safety Services

CONSTRUCTION PROJECTS GUIDE

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Section II	Preconstruction Phase
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Section V	University Project Campus Procedures

All references to an “Article” within the body of this guide, relate to the Agreement for Construction Manager Services for those Construction Manager’s that are under contract with The Florida Polytechnic University Board of Trustees.

CONSTRUCTION PROJECTS GUIDE

FORMS

- CM Preconstruction Invoice
- Preparation of Guaranteed Maximum Price
- CM Bid - Tabulation By Scope/Award Analysis/Summary
- Schedule of Contract Values/CM Invoice
- Notice to Proceed
- Building Permit Application
- Inspection Request and Report
- Hot Work Permit
- State Fire Marshall Plans Review Process
- State Fire Marshall Request for Inspection
- State Fire Marshall Service Guide – March 2017
- Adjusted Services Authorization
- Change Order
- FPU Supplier Application
- DOPO Request
- Contingency Log
- Closeout/Table of Contents
- Certificate of Substantial Completion
- Certificate of Contract Completion
- Full Waiver of Liens Form
- S/M/L/W Business Enterprise Tracking
- Insurance Coverage Request

*Please request construction project forms from the Department of Facilities & Safety Services.
Thank you.

CONSTRUCTION PROJECTS GUIDE

SECTION I - CONSTRUCTION MANAGER CONTRACT

This Construction Projects Guide provides information in the execution of an agreement with The Florida Polytechnic Board of Trustees for Construction Management Services or for General Contractors and to establish procedures for the administration of construction projects, including negotiation, contracting and payments. This guide coincides with the Agreement for Construction Manager Services contract (if applicable).

The terms “Construction Manager” and “Contractor” used herein and attached Exhibits and References have the same meaning and describe the same party to the Agreement and are used interchangeably. The terms “University” and “Owner” have the same meaning and describe the same party to the Agreement and are used interchangeably.

Upon approval of the selection, the University schedules the negotiation meeting with representatives of the selected firm and the University. The University transmits to the selected firm the standard Agreement, the General Conditions of the Contract for Construction and a copy of this procedure. Or, if the University is utilizing a Continuing Service Provider under contract with Florida Polytechnic University, the “Construction Manager” will be contacted to bid on the project. The University directs the selected firm to prepare a proposal for preconstruction services.

Representatives of the University meet with the selected firm to negotiate the preconstruction portion of the contract. If negotiation with the first ranked firm is unsuccessful, the University may terminate negotiations with that firm and begin negotiation with the second ranked firm. If negotiation with the second ranked firm is unsuccessful, the University may terminate negotiations with that firm and begin negotiation with the third ranked firm. If negotiation with the third ranked firm is unsuccessful, the University may terminate negotiation with the third ranked firm, and may select additional firms from the original pool or re-advertise the project. At any time during the negotiation process, the University may terminate negotiations entirely and reconsider the use of Construction Manager or Design/Construction Services Team services for the project.

The Construction Manager shall comply with the general restrictions on access to and use of university sites, building and surroundings, and security procedures for tools, materials and individuals within the work place. No exterior lay-down of storage of materials will be allowed at FPU Campus on-site trailers.

Facilities and Safety Services has guidelines, standards and expectations when providing services for capital projects for the University. This document is to be used in conjunction with other FPU documents in the provision of services to the University and is subordinate in the order of precedent as follows:

- FPU Design Services Guide
- FPU Campus Design & Construction Standards
- FPU General Terms & Conditions
- FPU Administration Manual/ Building Code & Safety

If a potential difference is observed, the direction provided within the order of precedent above shall take precedence and it should be brought to the attention to of the University Project Manager.

SECTION II - PRECONSTRUCTION PHASE

Preconstruction Phase fees are negotiated as a lump sum amount, with fees associated with individual deliverables. Upon approval of the deliverable, the contracted firm may invoice the amount stated in the contract for that deliverable. The form to be used is [Pre-Construction Invoice](#). One original invoice and an electronic copy, are to be submitted to the University Project Manager & Project Administrator. If any additional services have been authorized in writing by the University, a copy of the authorization (and supporting documentation, if required by the authorization) must be attached to the invoice.

The (CM) shall provide pre-construction deliverables for each Project, consisting of a proposal with project milestones mutually agreed to by the parties, at Schematics, Design Development, 50% Construction Documents, or 100% Construction Documents together with a Guaranteed Maximum Price proposal as written in the CM Agreement (Article 3.2.1 – 3.2.10), including a Project construction schedule, detailed cost estimate and review of designs during their development. The (CM) shall work with the A/E and Owner regarding construction documents as they are prepared and recommend alternative solutions whenever design details affect construction feasibility, cost or schedules. The CM shall run all conduit, cabling and terminations for all minor projects unless agreed to by the University Project Manager.

The Construction Manager shall develop detailed “scopes of work” for each division that the project will need for the bid process to assist the supplier in providing an accurate proposal. As the scopes are written, the CM will send to both the Owner and A/E for review and comment.

The Construction Manager shall develop Trade Contractor interest in the project and conduct pre-bid meeting with interested bidders to review the documents and take competitive bids on the Work of the various Trade Contractors; or, if authorized by the owner in writing, negotiate for the performance of that Work (Article 3.3.3). Owner reserves the right to attend any pre-bid meetings and must be informed in advance of the date/time/location. The University ensures that the contracted firm publicly advertises for each bid package (unless otherwise agreed upon).

The Construction Manager shall take Trade Contractor bids for all Work except as follows: (dollar value for each Trade Contractor, not total project cost)

- | | |
|------------------------------|--|
| A. \$0 to \$4,999 | one written quote, confirmed as reasonable in scope, pricing and detail |
| B. \$5,000 - \$74,999 | two written quotes, confirmed as reasonable in scope, pricing & detail |
| C. \$75,000 | Two (2) sealed, formal competitive bids confirmed as reasonable in scope, pricing and detail. |

- The University requires the CM to pre-qualify all bidders and develop bidders’ interest in the Project.
- The CM must write scopes as they relate to the Project and submit to the University and A/E for review and approval.
- A bid close date and time must be established in writing and advertised. Advertisement shall be provided to the University Project Manager.
- Advertisement time frame is dependent upon scope of project and will be determined between

Owner and Construction Manager; however, a minimum of three days is mandatory.

- All bids must be sent to the Construction Manager of Record - main address.
- While the bid openings are not required to be public, a University Project Manager or representative must be present when the Construction Manager opens bid packages.
- All bids that are received after the posted bid date and time will be rejected.

Pre-Bid Meetings:

Pre-bid meetings and/or site visits may be held for certain trade packages depending on the scope, complexity, schedule and other demands of the project. The Construction Manager shall make the determination in consultation with the Design Professional and the University's Project Manager, each of whom may attend such meetings.

Self-Performed Work:

The contracted firm must make its request to self-perform Work to the University. If the University concurs, the University Project Manager, shall send written authorization to the contracted firm. Consent may be given for the contracted firm to bid on a specific portion of the Work, or for the contracted firm to submit a proposal for self-performance of the Work, together with quotes from other contractors for performance of that same Work. If the contracted firm is unable to secure three quotes due to insufficient trade contractor interest, the contracted firm shall provide documentation of its efforts to secure the required quotes.

University Building Code Administration:

The Construction Manager shall comply with the University's Building Code Administration Program Policies and Procedures.

A construction permit will be issued by the Department's Facilities & Safety Services Building Code Official (BCO), prior to the start of any construction activity. Only the BCO has the authority to determine whether the scope of work warrants a construction permit or requires further review and permitting by the State Fire Marshal's (SFM) office or any other governing authority. Only the BCO has the authority and the sole discretion to authorize the early start of limited scope of work pending final issue of a construction permit. No other University representative may authorize or direct the Contractor to start any construction activity.

In order for construction to commence, the Construction Manager fills out the [Building Permit Application](#) form and submits to safetyservices@floridapoly.edu The BCO will then issue the construction permit directly to the Contractor; no other University representative may convey, or issue construction permits. The CM may pay all permit fees, including the SFM through the GMP. The CM will submit the [SFM Application for Plans Review](#) form directly to Tallahassee or to the University Fire Safety Inspector. All inspection requests, (including final for a TCO/CO issuance), must be filled out utilizing our [Inspection Request and Report](#) form and sent via email to: safetyservices@floridapoly.edu Any "Hot Work" permit is required for any operation involving open flames or producing heat and/or sparks. Please fill out and submit the [Hot Work Permit](#) form 48 hours prior to work being performed.

The University BCO is the only authority that can issue a TCO/CO in concert with the State Fire Marshall's or University Fire Safety Inspector's inspection and approval. A final inspection request must be submitted on our [Inspection Request and Report](#) form and emailed to: safetyservices@floridapoly.edu, for the BCO to schedule the inspection.

Preparation of Guaranteed Maximum Price Proposal:

The Construction Manager (CM) shall follow the [CM Guideline Preparation](#) form utilizing the University's Facilities & Safety Services department forms for construction projects to prepare the GMP. The CM will utilize the University's [Guaranteed Maximum Price Proposal](#) form and the University's [Bid Tab/Bid Award/Bid Tab Summary](#) form with the GMP proposal, which will be signed by the CM, A/E and Owner as recommendation for award of each Trade Subcontractor bid package. The University will maintain this contract information on file for audit purposes with the GMP proposal.

- After the Construction Manager develops the GMP proposal binder as outlined in the [CM Guideline Preparation](#) form and delivers *two original copies* to the University Project Manager, the University Project Manager will review the proposal and backup documentation for accuracy. The University will ensure that the Architect/Engineer receives a copy for review and recommendation, also.
- Should the University and Construction Manager not reach a contract agreement, the University reserves the right to cease negotiations and perform the work by other means.

SECTION III - CONSTRUCTION PHASE

GMP Contract

Upon successful negotiation of the Guaranteed Maximum Price proposal and the University receives approval by the Office of the General Counsel/Procurement Department; the Department of Campus Development & Facilities, will execute a Purchase Order and the University Project Manager will issue a written recommendation to proceed, utilizing the department's, [Notice to Proceed](#) (NTP) form. The NTP will not be issued prior to the University BCO issuing the Building Permit. The NTP shall establish the GMP amount, the project name and project number, the substantial completion date and final completion date, and shall reference any applicable supplements to the University's [Construction Projects Guide](#) (for CM or DCST agreements). The CM or DCST provides the Performance Bond and the Labor and Materials Payment Bond to the University.

The Construction Manager shall not transfer any portions of the Work to another Construction Manager or General Contractor, without written approval of the University Project Manager.

The (CM) will schedule and conduct weekly *and/or* bi-weekly meetings with Owner, A/E and Trade Contractors to review construction progress, schedule, shop drawings and other information that is pertinent to the completion of the project. Meeting minutes shall be prepared by the CM and distributed within three business days from the meeting for comments. A two week project look ahead shall be distributed at each OAC meeting along with any schedule updates to the Project Manager and BCO at the meeting.

Communications, Meetings and Minutes:

Prior to or immediately following the issuance of the Notice to Proceed, the University Project Manager will provide a list of those persons who shall be routinely copied on all written communications (Owner's Distribution List) to the Architect/Engineer. All written communications must include the University project name and number along with the subject matter.

It is recommended that the CM review the Professional Services Guide to assist with the responsibilities of each party; as the CM and Design Professionals intersect from preconstruction through final close-out.

All email transmissions must include the Owner, Design Team and CM Team. All emails subject line must start with FPU Project Name and then the subject of the email.

Once construction has commenced, OAC meetings must be scheduled by the CM (either weekly or bi-weekly) and include the Design team, Owner's team and whomever the CM deems important to attend. Meeting minutes shall be submitted within two business days after scheduled meeting for review and comment.

Submittals shall be sent directly to the Architect/Engineer and saved via pdf as follows:

Division#.Revision#_Submittal Title i.e. 031000.001_Concrete Forming & Accessories. Owner Distribution List to be copied on all Submittals sent via email. Architect/Engineer shall return the submittal with the same naming convention with the word, "reviewed" at the end. RFI's to be handled in the same manner. Must be submitted within 30 days of the engagement of the trade subcontractor(s). *All hard copies of documents or samples must include a transmittal letter for acceptance.*

Project Warranty:

The Construction Manager shall include within the CM Fee all warranty and guarantee work required by the University during the Warranty Period. For all projects with an issued Certificate of Substantial Completion, the Construction Manager shall schedule with the Architect/Engineer and the University Project Manager a One-year Inspection prior to the end of the one-year warranty period.

Performance & Payment Bonds:

Sub-projects with a construction cost of one-hundred-thousand dollars (\$100,000.00) and above require a performance and payment bond. Provide Payment Bond and Performance Bond prior to commencement of the project and issuance of the purchase order and notice to proceed.

Adjusted Services Authorization (ASA):

Prior to approval by the University, ASA's (utilizing contingency funds, sales tax savings funds and/or remaining general conditions) must be supported by the CM filling out an [Adjusted Services Request and Approval](#) Form. Backup must be provided for A/E and University review and approval. CM Fee for ASA's is 5%.

Change Orders (CO):

Prior to approval by the University, change orders must be supported by bids or by the unit prices established in the original bid with a breakdown of materials, labor and OH&P. All Change Orders must be executed and supported by time and material written documentation, utilizing the [Construction Change Order](#) form.

Direct Owner Purchase (DOPO)

This process enables the Owner to purchase materials in order to realize savings of sales tax on certain tangible personal property needed for project's, the Construction Manager (CM) will recommend direct purchases for items where those direct purchases will result in significant tax savings to the Owner (Minimum purchase of \$25,000.00 is required to initiate the Direct Owner Purchase Orders Program). The Owner agrees to accept recommendations that will result in sales tax savings and purchases will be made accordingly. (See Article 3.3.10 of Continuing Service Provider Agreement).

The Sub's contracts with the CM will be reduced to reflect the exclusion of materials that the Owner chooses to purchase. The owner will purchase from the same Supplier that the Sub would have purchased

from, at the same price and on the same terms as the Supplier extended to the Sub or CM. The Owner will issue a purchase order directly to the Supplier and copy the CM and the Sub. Tax savings is either accrued in the tax/bid savings allowance in the Pay Application/SOV or as otherwise modified in the Agreement.

The CM, prior to initiating the DOPO Request, shall work with the University's Construction Project Administrator to determine if DOPO Supplier is in the University's system. If not, the CM shall submit to the DOPO Supplier the University's [Supplier Application](#) forms and return to the Project Administrator to get said Supplier set up in the system for a PO issuance. The CM will prepare and submit to the Owner a deductive change to the Contract or Proposal (GMP) for the amount of the materials to be purchased. The deductive change to the Contract or Proposal (GMP) will allow the CM to adjust the Sub's contract which will account for the value of the material and the sales tax as it pertains to the Sub's contract. The [DOPO Request](#) Form (with backup) and the request for the DOPO's can be submitted at the same time, however, the DOPO will not be processed until deductive change has been completed.

The documentation to issue the DOPO includes:

- [DOPO Request](#) Form with backup
- The Supplier Itemized Quote or Proposal for the Materials
- The Supplier to return the FPU Supplier Application form to Owner for setup in FPU system.

A minimum of ten (10) calendar days prior to the date of ordering for materials the Owner has elected to purchase and to ensure timely delivery, the Sub-Contractor/Construction Manager shall provide the Owner the CM DOPO Request form (signed by the CM Project Manager) so that the Owner can process it and issue its own Purchase Order to the Supplier. The Purchase Order shall identify the Owner as the Purchaser and the University Project Administrator will send to the CM to distribute to the DOPO Supplier, Florida Polytechnic University's Consumer's Certificate of Exemption, along with a Certificate of Entitlement.

The Sub-Contractor and Construction Manager will inspect all materials purchased pursuant to these procedures upon their delivery to the project site or other designated delivery point approved by the Owner, and shall verify the correctness of the delivery and the lack of defects in the materials. Sub-Contracts will remain responsible for coordination of material purchases, protection, warranties, and installation. The Supplier shall submit Invoice for Owner, through the CM. If the Supplier has a question regarding the status of payment, the Supplier will contact the CM directly, as the CM will verify delivery of good and services and will then approve for Owner payment.

The Owner shall take title upon delivery and shall retain title to all materials it purchases and assumes liability for the materials when they are delivered to the job site. The Construction manager shall act as responsible Bailee as to all Owner purchases materials in their possession. Said materials shall be stored and safeguarded by the Subcontractors/Construction Manager for the Owner during the period of bailment until returned to the Owner through incorporation into the project under construction. The Construction Manager shall be liable for loss or damage to Owner-Purchased materials in their possession if such loss or damage results from the Subcontractors/Construction Manager's negligence. Construction Manager shall be liable for obtaining any warranties on such materials as required by the contract and for managing any such warranties during the project warranty period.

Upon certification by the CM of inspection of materials, the CM will approve the material delivered; and will certify to the University Project Manager for processing. Certification shall be in writing, signed by

the CM's Project Manager, which shall be attached by the Owner to the invoice. The Owner shall make payment and issue checks directly to the Supplier.

The Owner shall assume risk of loss for the direct purchase materials/equipment upon delivery by being named as an additional insured on the CM Builder's Risk Insurance, which shall continue to cover the direct purchase materials and paying for the cost of such insurance, or the Owner may purchase and maintain other/additional insurance sufficient to protect against any loss of, or damage to owner-purchases materials. The insurance shall cover the full value of such materials from the time the owner takes title until they are incorporated into the project at which time the CM's Builder's Risk Insurance provides coverage per the agreement.

The Owner does hereby undertake to indemnify the CM from any and all liability for unpaid sales tax which the CM may suffer as a result of claims, demands, costs or judgments against the CM made by or in favor of the State of Florida on occasion by any such claim on account of failure to pay Florida State Sales Taxes on materials purchased by the Owner. The Owner agrees to defend against any such claims or actions brought against the CM and the Owner whether rightfully or wrongfully brought or filed. The Construction Manger agrees that it will promptly notify the Owner of any such claim, demand or action.

Pay Applications

Construction Phase payments are made using the [Schedule of Values/CM Invoice](#) Form as provided by the University Project Manager, and is sent directly to the Architect/Engineer (A/E) for review and signature. The University after approval by the A/E approves these payments. The actual construction is paid based upon percentage completed as supported by the schedule of values with supporting backup.

In order to insure timely processing of your invoices, the following steps must be completed prior to submitting your invoice payment:

- A minimum of seven days prior to the submission of the first invoice, provide a complete schedule of values for review and approval. Use the University's [Schedule of Contract Values/CM Invoice](#) Form, itemized with the line items and values accepted by the A/E, and values and percentages for each line item completed.
- Prior to submitting each invoice, schedule and complete a walk-thru with the University Project Manager and the Architect/Engineer to establish and record the level of completion of the work. both the University PM and Design Firm Representative must sign the pay application for processing.
- A minimum of seven days prior to the submission of the final invoice, the Construction Manager shall submit a complete accounting of all expenses for the project. For portions of the work that have been subcontracted, this accounting shall include all subcontractor invoices. For self-performed work include an itemized accounting of all labor, materials and equipment use to complete the work.

For all GMP projects, this is a Construction Manager at Risk project, unless noted otherwise by the University Project Manager. Final payment shall not exceed the amount of the GMP plus approved change orders.

With the **final payment request**, provide an executed [Full Waiver of Liens](#) form. The **final payment request** must be submitted with the [Certificate of Substantial Completion](#) form for each project. To release Retainage, the [Certificate of Contract Completion](#) form must be submitted at the same time in order to

process the invoice. Failure to provide this form will delay payment.

CM Fee and General Conditions Pay Request Documentation:

CM Fee and generally, the overhead and profit portion of the proposal approved during the negotiations as a percentage shall be invoiced in proportion to the percentage of Work completed.

General Condition items and Cost of the Work items, which were awarded based on competitive bidding, are paid based on percentage completed as supported by the Schedule of Values for labor, Permit and PP Bond.

Backup documentation for any line item that is listed on the Schedule of Values during the pay application period, must be provided in order to process payment.

On-Site staff: A calculation showing hours times the hourly rate for the days worked during the pay period. Line item amounts from the GMP for these costs shall not be exceeded without approval.

General Condition's items not Self-Performed by the CM: e.g. utilities to the project trailer, custodial service, office equipment rental or purchase, bonds, etc. A copy of the invoice or rental agreement from the provider must be included in the pay request. Note: All equipment purchased as a part of the Work shall be turned over to the University Project Manager at Substantial Completion or termination of the Agreement, (see Article 9.2.16 in Continuing Service Provider Agreement).

General Condition items Self-Performed by the CM: e.g. site cleanup (if not provided by a subcontractor and if approved for self- performance under the procedures established herein). A calculation showing hours times the hourly rate for the days worked during the pay period. Include time sheets. Line item amounts from the Contract Sum Proposal or the *Project GMP* for these costs shall not be exceeded without approval of the University.

Tax Savings, General Conditions and Fee:

All GMP savings accrue to the contingency, utilizing the [Adjusted Services Authorization](#) form. The CM will provide the [Contingency Log](#) form with each monthly progress report outlining the ASA's to date along with the current contingency amount in the GMP.

General Conditions and Fee for Pay Request Documentation: items budgeted as part of the fee, as identified, or as General Conditions line item budgets, are not interchangeable without specific approval of the University by CM submitting the [Adjusted Services Authorization](#) Form to the University Project Manager. A change or increase to field staff or home office support staff must be approved in writing by the University Project Manager.

The overhead and profit portion of the fee, approved during the negotiations as a percentage of cost of Work, may be invoiced in proportion to the percentage of Work completed.

General Condition's items which were awarded based on competitive bidding are paid based on percentage completed as supported by the schedule of values.

Full-time site staff: A calculation showing hours times the hourly rate for the days worked during the pay period. Line item amounts from the GMP for these costs shall not be exceeded without prior approval of the University.

General conditions and fee items not provided by the contracted firm: e.g. utilities to the site trailer, custodial service, office equipment rental or purchase, bonds, etc; a copy of the invoice or rental agreement from the provider must be included with each pay request.

Fee or General Conditions items provided by the contracted firm: e.g.; site cleanup (if not provided by a subcontractor and if approved for self-performance under the procedures established herein). A calculation showing hours times the hourly rate for the days worked during the pay period. Include time sheets. Line item amounts from the GMP for these costs shall not be exceeded without prior approval of the University.

If a bid package exceeds the line item amount provided in the GMP, the entire cost is payable to the contracted firm, provided that the GMP is not exceeded. Savings in trade contracts accrue in accordance with the provisions of the Agreement.

Items budgeted as part of the fee as identified in the Continuing Service Provider contract between Owner and Supplier are line item budgets, and are not interchangeable without specific approval of the University.

Items budgeted as part of the fee as identified in the Continuing Service Provider contract between Owner and Supplier are line item budgets, and are not interchangeable without specific approval of the University.

A change or increase to field staff or home office support staff must have prior approval of the University saving in general conditions and fee accrue in according with the provisions of the Agreement.

Reports:

The Construction Manager shall be responsible for the timely submittal of a Monthly Project Report for projects over 90 days or as determined by the University Project Manager. These reports are due on the 1st of each month, to the FPU Facilities & Safety Services Project Manager. Owner may withhold payments due and/or reject payment requests for failure of Consultant to submit current forms each month. With the reports, updated "As-Built Documents" shall be on-site.

The Construction Manager's overall job performance will be evaluated by the University's Project Manager and by the Director of Facilities and Safety Services department.

Record Documents:

The Construction Manager is to maintain in good order a minimum of one complete set of plans and specifications, one complete set of current shop drawings and job related correspondence in the jobsite office. The A/E will review these documents each month as part of the pay request review process, at which time they must be up to date. Payment may be delayed until records are brought up to date.

No later than thirty calendar days after the substantial completion date, the CM will turn the record as-builts over to the A/E. Failure to furnish record documents in good order, satisfactory to the Owner and A/E, within stated timeframe, may result in Owner withholding project retainage until such time as record document submission is complete.

Supplier/Supplier Diversity:

The University is committed to encouraging the use of Small, Minority, Local or Women's Business Enterprise's into the marketplace by lawfully providing a fair and equal opportunity to compete for design

and/or construction related services.

The University has a [S/M/L/W/BE Tracking Form](#) that will be provided to the contractor to fill out and return to the University when the GMP is submitted. The Contractor's support to ensure the diversity and participation in University design and construction projects is highly valued and anticipated by the University.

SECTION IV SUBSTANTIAL COMPLETION & CLOSEOUT PHASE

Substantial Completion:

The CM will prepare the application for the [Certificate of Substantial Completion](#) Form accompanied by a list of items to be completed or corrected (punch list), and will submit Certificate to the A/E and to Owner for signature with an accounting of Liquidated Damages due, if any, when the A/E verifies that:

- Work is Substantially Complete based on an inspection conducted pursuant to an appropriate request for close out inspection.
- [Insurance Coverage Request](#) Form has been completed in conjunction with the University Project Manager and the CM.

Results of Close Out Inspection: The CM will schedule an inspection meeting with the A/E, the University Project Manager, BCO and Campus Architect to review the punch list provided by the CM to determine the status of completion.

Should the A/E determine that Work is not complete to the degree asserted by the CM, the A/E will promptly notify CM in writing stating the deficiencies. The CM shall take immediate steps to remedy deficiencies and make a request for Re-Inspection.

Construction Completion:

The A/E will certify that the Work is Complete (that the Punch list is complete), and will initiate Final Adjustments, when the A/E verifies with the Owner that:

- Work is complete in accordance with Contract Documents based on an inspection conducted pursuant to an appropriate request for close out inspection.
- Orientation and training for facility maintenance personnel is complete.
- Operating & Maintenance Data Binders are complete and delivered to the University Project Manager.
- Additional materials necessary to augment the Operating & Maintenance Data Binders with instructions for adding these to the Binders, or full replacement Binders, are complete and delivered to the University Project Manager.
- Project Data Binders and Construction Record Documents are complete and have been delivered to the University Project Manager.

Warranty Inspection:

A Warranty Inspection will be scheduled and conducted at project site prior to one year from date Substantial Completion was achieved, but as close to the end of that year as is reasonably possible.

Warranty Inspection will be attended by at least one representative each of the Owner/AE/CM. Warranty Inspection is intended to be an opportunity for CM to become aware of any outstanding corrections needed pursuant to the basic first-year warranty of Work.

Closeout Binder:

CM to provide to Owner a closeout binder with tabs for each closeout item, utilizing the [Closeout Table of Contents](#) Form along with an electronic copy on a thumb drive (no cd). If an item does not apply, label as N/A.

**Release of final retainage will not be processed until the University receives the closeout binder and all training and maintenance manuals.*

SECTION V - UNIVERSITY PROJECT PROCEDURES

General restrictions on access to and use of site and surroundings, and security procedures for tools, materials, and individuals within the work force.

Quality Assurance:

Promptly upon award of the Contract, notify all pertinent construction related personnel regarding the requirements of this Section.

Require that all personnel who will enter upon the University's property certify their awareness of and familiarity with the requirements of this Section.

Work Sequence:

Work shall be executed to minimize disruption of activities at the project site(s) or building. Contractor shall submit to the Designer and University Project Manager, if requested by the University Project manager, a written plan for staging of work, material staging areas, dust prevention, and any required outages within seven (7) calendar days from the Notice to Proceed date. The Plan shall be reviewed, revised as required and approved by FPU prior to initiation of work at site.

Seven Calendar Days must be given to the Department of Facilities & Safety Services Project Manager, prior to any Utility, Communication Device(s) and HVAC system cut-off, to all or any portion of the project site and/or adjacent university sites, required by the progress of the Work, the Contractor shall notify the University Project Manager in writing and await a response. The notification shall include, but not be limited to, service(s) to be cut-off, the date and time of the cut-off and the anticipated duration of the cut-off.

Contractor Use of Premises:

Use of the University's premises by contractor will be limited to the area identified within the "Project Limits" as established within the Construction Documents, temporary facilities, and reasonable access thereto. Space for staging work and related operations of Contractor and Contractor's employees will be provided, subject to availability. Coordinate use of premises under direction of University Project Manager. Develop plan for staging of work, locations of storage areas, layout areas, and temporary offices, and submit for approval by University Project Manager seven (7) calendar days prior to the Notice to Proceed.

Contractor will have limited use of premises during course of Work during the designated work times (7:00 AM to 5:00 PM, Monday through Friday); and must coordinate use of surrounding building areas with the University Project Manager. Use of other nearby site or floor areas or buildings for staging or other purposes must be pre-approved by the University Project Manager and other University representatives. *All weekend and after normal business hours Work shall be approved by the University Project Manager a minimum of seventy-two (72) hours in advance.*

The Contractor will not be allowed to work within occupied university residence halls and teaching buildings during the week of University established "Finals Week" unless with prior written approval of the University Project Manager. This scheduled stoppage of the Work has been included as a part of the Contract Time and no further adjustment of Contract Time will be allowed.

The Contractor is advised that the project site(s) are in active University student living and learning areas or University related areas, and that all necessary provisions shall be taken to assure the safety of the students, University employees, visitors and other contractors day and night. The Contractor shall at all times conduct its operations as to insure the least inconvenience and the greatest amount of safety and security for the student, the university's use of other nearby areas, university employees, and the general public.

Provide and erect before any work begins, and maintain during the progress of the Work, all necessary protective barriers, warning signals, signs and lights. The extent of this work and details of construction shall be in accordance with the requirements of all Federal, State, University and local ordinances, codes and requirements; and shall be to the approval of authorities having jurisdiction. Exercise the utmost care to protect from damage to existing landscaping, equipment, furniture, building finishes, etc.

Any portion of the existing buildings or existing utility services not included as part of the Work of this Contract or any portion of the Work damaged because of failure to provide the protection required, shall be removed and replaced with new materials and construction at the Contractor's expense. The work shall be accomplished subject to the University's approval.

Logistics Plan:

The Construction Manager will provide prior to the start of the project a logistics plan outlining the following:

- Site Layout (Construction Access, Parking, Construction Lay-Down, Job Site Trailer, Etc.)
- Fencing
- Contact Personnel Information
- Working Hours

Transportation/Parking:

If Contractor makes arrangements for closure of a corridor, hallway, egress route, etc. that provides access to other floor areas, Contractor shall make provisions for alternative access to such other nearby areas that are acceptable to the University Project Manager and Building Code Administrator.

Parking permits are required for all personnel and business vehicles.

Do not permit such vehicles to park on any street, parking lot or other area of the University's property except in the area(s) so designated by the University Project Manager and the University's Parking and Transportation Services Division. Secure all required Parking Decals and/or permits as required by the University.

Safety and Security:

Safety for students, faculty and staff, as well as construction workers, is paramount. The safety program is to be reviewed with the University Project Manager, in conjunction with the BCO. The University Project Manager is to be provided copies of all safety reports prepared monthly by the CM.

Any construction sites located on any of the Florida Polytechnic University campuses come under the jurisdiction of the Florida Polytechnic University Public Safety and Police Department. Any incident requiring police service should be reported to the **University Police (863) 874-8472** or 911 immediately.

- *Construction companies are required to provide the University with proof of criminal background check on all persons working on site, (if person(s) has a criminal record of any kind, the results must be provided to the Chief of Police before starting work), and to keep on hand the names, social security numbers and date of birth of all their employees so that it may be available to the University Police Department. The cost for background checks shall be a line item under the General Conditions portion of the SOV.*
- Restrict the access of all persons entering upon the University's property in connection with the Work to the agreed upon access route and to the actual site of the Work.
- Restrict activities of employees to authorized areas. Employee shall not be allowed to mingle in student or public areas, or to enter other University building unless it is directly related to the Work of this project.
- Individuals, vehicles, and facilities are subject to search and seizure of any times determined by the proper authorities to pose a danger to the safety and security of faculty, staff, or students.
- Provide University Project Manager and the University Police keys to all construction gates and building entrances.
- Posted Project Contact List, to include 24-hour telephone numbers, for all key project staff members. Post list at major access points to the project site(s) and outside at the project office. Update as necessary.

CM's Personnel:

The Construction Manager shall employ a competent Superintendent who shall be in attendance full time at the Project Site during the performance of the Work. In addition to the Superintendent and other qualified administrative and supervisory personnel, the CM shall provide a Project Manager who is experienced in the administration and supervision of building construction including mechanical and electrical work.

Personnel Rules:

Provide all construction related **Personnel Photo Badge Identification** and/or uniform with company and employee names easily identifiable. Photo identification badges must be worn in plain sight at all times. *Hard hats, safety glasses, safety vests and proper footwear must be worn at all times.*

All contractors shall provide the University Police Department and the University Project Manager with a list of the names and telephone numbers (including beepers and pages) of supervisors of construction at the project site(s).

Association with Students is Not Permitted.

Trafficking or Trading in Goods or Services with Students is Not Permitted.

Students, staff and faculty of the University are not to be disturbed or in any way disrupted in their pursuits. Construction employees are to refrain from unsavory or unwanted comments or gestures towards students, staff or faculty, particularly female students, staff or faculty.

Criminal Records and Work Release:

Construction employers are required to take adequate measures to ensure that the employees they send to the project site on campus are not wanted for criminal offenses. All contractors who employ WORK RELEASE employees shall notify the University Public Safety and Police Department of such practice and provide the names of all persons employed under the Work Release Program.

Prohibited Personal Items:

Do not bring items which are not required for performance of work; neither in personal vehicles nor on one's person. Alcoholic beverages, weapons of any kind, and illegal drugs are not allowed on site, in vehicles, on person or in trailers. Persons caught introducing illegal or banned items onto the University grounds are subject to prosecution.

Contractors and their employees are to obey all laws as well as rules of the Florida Polytechnic University when they are on University property.

Meals: Workers should bring their lunch or leave the University to obtain meals. Food service for construction workers will not be provided at the University.

Visitors: On site visitors of construction workers are prohibited. Persons not working on the Project are required to first seek approval of the University Project Manager before visiting site.

Tools and Materials:

Contractor shall endeavor to introduce only necessary tools into the project site, and in the least possible number. Construction companies and their employees are requested to secure all property as much as feasible to reduce theft or damage to equipment or property. Do not give or loan tools or supplies to students. Do not accept anything from students. Do not permit students' access to Construction Documents and related papers. Report thefts immediately.

Construction Site Trailers:

Provide adequate space for field office personnel plus one space work station for incidental use by subcontractors and the Designer's representative. The space shall be suitably finished, furnished, equipped, and conditioned. Provide space for meetings (with table and chairs) and an adequate space for storage of approved samples.

Sanitary and Water Facilities:

Provide type acceptable to governing authorities and adequate (at all stages of construction) for use of personnel at project site. Provide separate facilities for male and female personnel when both sexes are working (in any capacity) at project site. Connection to FPU underground sanitary lines is not allowed. Contractor to provide holding tanks. Connection to FPU underground water system shall only be as directed by the University Project Manager. Contractor to remove connections to FPU utilities at end of project and replace/re-build/repair existing lines to the satisfaction of the University Physical Plant.

Exterior Materials/Finishes Sample Mock-up/Walls:

In addition to mockups specified elsewhere, the Contractor, if required, shall provide a mockup to the University Project Manager, of all exterior materials, finishes, components, assemblies, surfaces, trim, accessories, etc. Include, but not limited to, brick, stucco, window and door framing, glazing, exterior trim, pre-cast items, expansion/control joints, sealants, roofing materials, and any and all other visual items. Provide mockup in full range of all colors and finishes proposed. No exterior material, finish, component,

assembly, surface, trim or accessory shall be approved for purchase, order or installation until the completed mockup has been approved by the Owner. The approved mockup shall be used as a quality standard for materials, finishes and construction, and shall remain in-place until substantial completion.

***Please request construction project forms from the Department of Facilities & Safety Services.**

ATTACHMENT E - SUPPLEMENTAL SOLICITATION RESPONSE SHEET

Those items in the following Sections of this competitive solicitation must each be initialed under either YES to indicate that the Respondent understands and agrees to the entire Section or NO to indicate that the Respondent does not agree to the entire Section. Any section checked NO should include feedback, including, if possible, proposed revision to said section. Failure to complete and return this document with your solicitation response could result in rejection of your solicitation response.

Respondent will not check items as YES (understood and agreed to) for purposes of submitting a solicitation response with the hopes of later negotiating a change of those conditions and requirements. If a Respondent does not understand any of the conditions or requirements, the Respondent should submit its questions to the Authorized Florida Poly Representative prior to the Solicitation Response Due Date. Respondent's failure to accept said conditions and requirements is grounds for Florida Poly's rejection of Respondent's solicitation response.

<u>SECTION</u>	<u>YES</u>	<u>NO</u>	<u>RESPONDENT'S INTIALS</u>
1.0	_____	_____	_____
1.1	_____	_____	_____
1.2	_____	_____	_____
1.3	_____	_____	_____
1.4	_____	_____	_____
2.0	_____	_____	_____
2.1	_____	_____	_____
2.2	_____	_____	_____
2.3	_____	_____	_____
2.4	_____	_____	_____
2.5	_____	_____	_____
3.0	_____	_____	_____
3.1	_____	_____	_____
3.2	_____	_____	_____
3.3	_____	_____	_____
3.4	_____	_____	_____

3.5	_____	_____	_____
3.6	_____	_____	_____
3.7	_____	_____	_____
4.0	_____	_____	_____
4.1	_____	_____	_____
4.2	_____	_____	_____
4.3	_____	_____	_____
4.4	_____	_____	_____
5.0	_____	_____	_____
5.1	_____	_____	_____
5.2	_____	_____	_____
5.3	_____	_____	_____
5.4	_____	_____	_____
5.5	_____	_____	_____

Respondent Name: _____

Authorized Signature: _____

Title: _____

Date: _____

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: Applied Research Center (ARC) Update

Proposed Committee Action

Information only – no action required.

Background Information

ARC is 55% complete with the construction currently under contract. The current contracted work affords the University a fully enclosed building with a completed exterior shell, portions of interior framed walls, and a portion of the mechanical, electrical, and plumbing. When the work currently under contract is complete, the total project will be approximately 68% complete at a cost of \$32.3 million with an interim completion date of May 2021. The 32% work remaining to be completed after May 2021 consists primarily of finishes, landscaping, furniture, fixtures, and equipment. Completion is contingent upon \$14.9 million of additional funding from the State of Florida. The amounts or timing of such funding is unknown.

The supporting documentation included gives a brief overview of the construction, schedule, and budget for the Applied Research Center.

Supporting Documentation: ARC Update

Prepared by: David Calhoun, Assistant Vice President of Facilities and Safety Services



**FLORIDA POLYTECHNIC
UNIVERSITY**

Applied Research Center Update (ARC)

David Calhoun

November 10, 2020



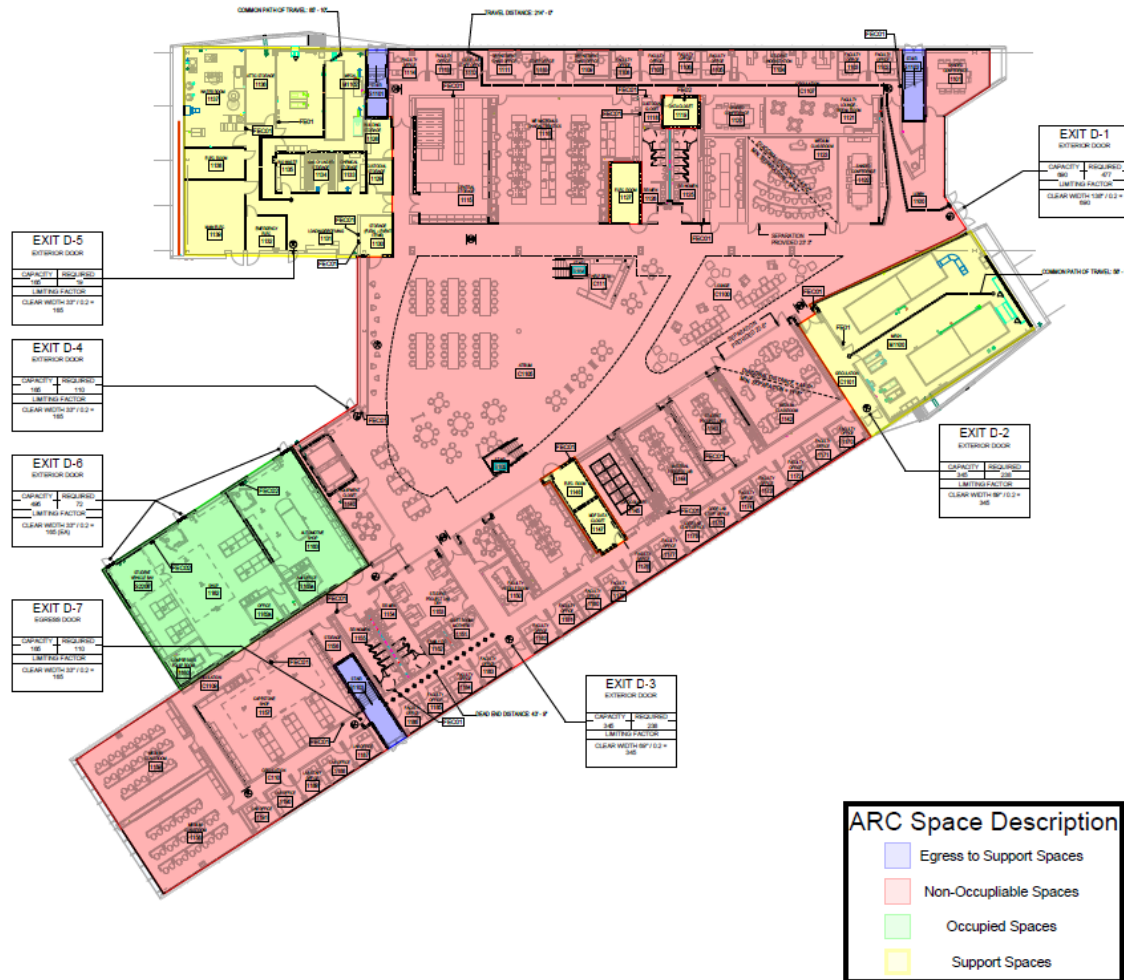
ARC Overview

- **Project budget \$47.2M**
- **Funded to Date**
 - PECO funding 16-17 (\$5.0M)
 - PECO funding 17-18 (\$2.0M)
 - CF funding 16-17 (\$5.0M)
 - CF funding 18-19 (\$17.9M)
 - CF funding 19-20 (\$2.4M)
- **Current request (\$14.9M)**
- **Est. Operation (\$2.0M)**
- **Completion**
 - Under Contract - May 31, 2021
 - Remainder contingent upon funding
- **Building size**
 - New NAS (66,861) vs. (60,786)
 - New GSF (96,600) vs. (85,100)



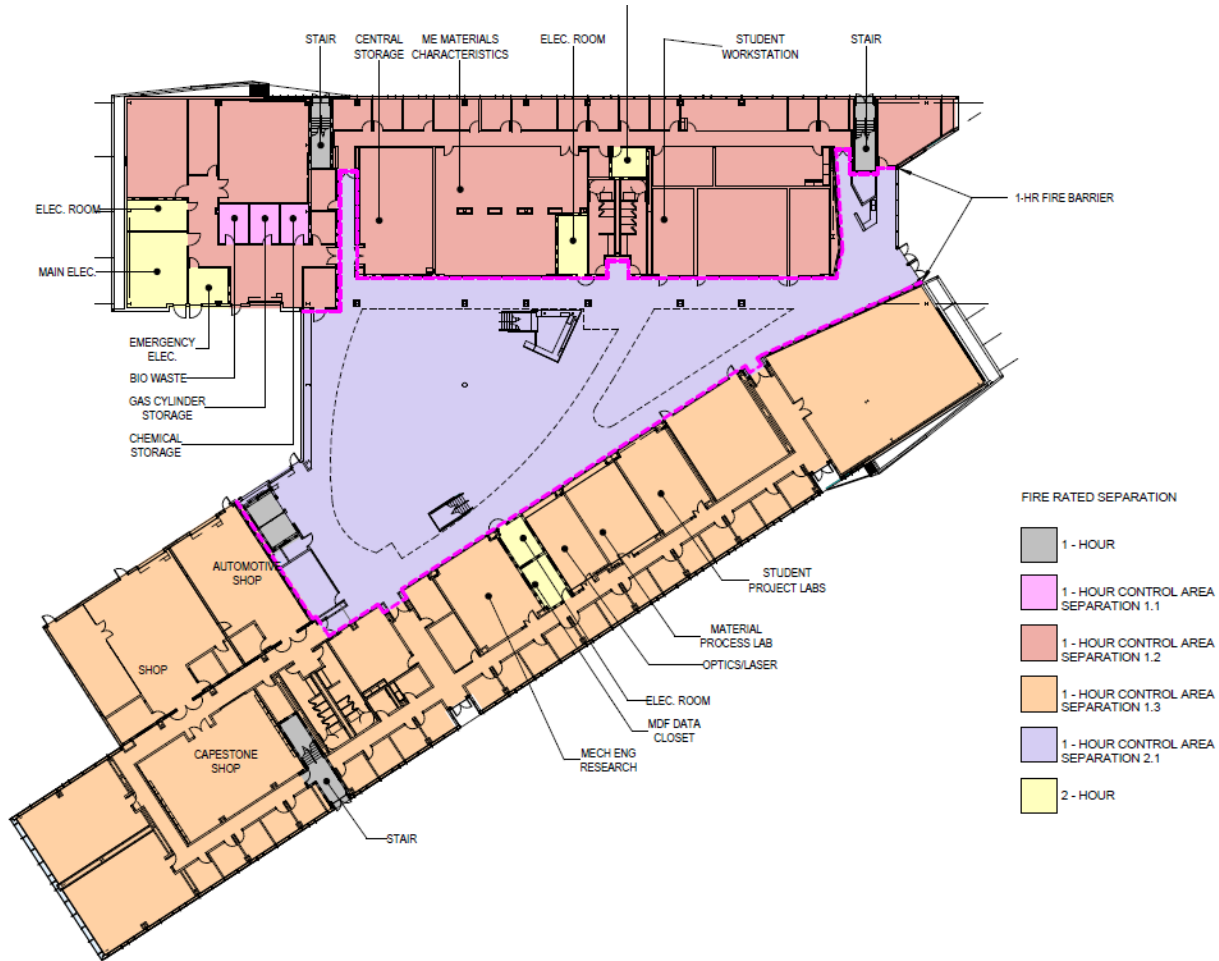
ARC Completed

OPTION A - SHOP SPACE OCCUPIED





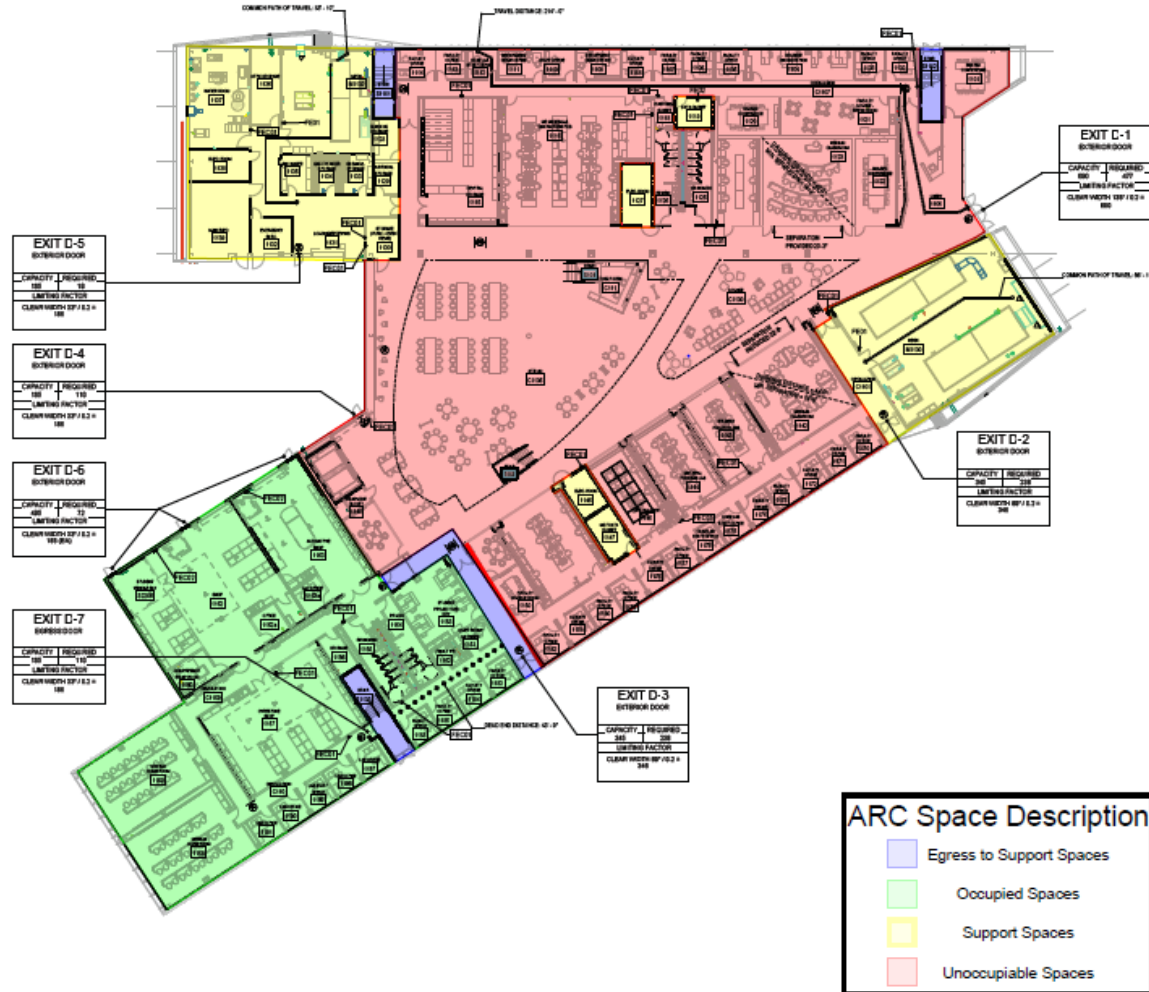
ARC Strategies





ARC Strategies

OPTION B - SHOP AND INTERIOR SPACE OCCUPIED



AGENDA ITEM: XIII.

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: Foundation Pipeline Report, Net Production Report, Key University metrics, and Advancement Report and Update

Proposed Committee Action

Information only – no action required.

Background Information

Kathy Bowman will present a review of the Foundation's Pipeline, Net Production Chart, key University metrics and Advancement software update.

Supporting Documentation: Advancement Update

Prepared by: Kathy Bowman, VP of Advancement and CEO



FLORIDA POLYTECHNIC
UNIVERSITY

Advancement Update

Kathy Bowman

November 18, 2020

Advancement Update

- **Pipeline YTD**
 - **Net Production YTD**
 - **Net Production Goal for FY21**
 - **Endowment Fund Update**
 - **Unrestricted Funds Update**
 - **Blackbaud Update**
 - **Raiser's Edge NXT**
 - **Financial Edge NXT**
-

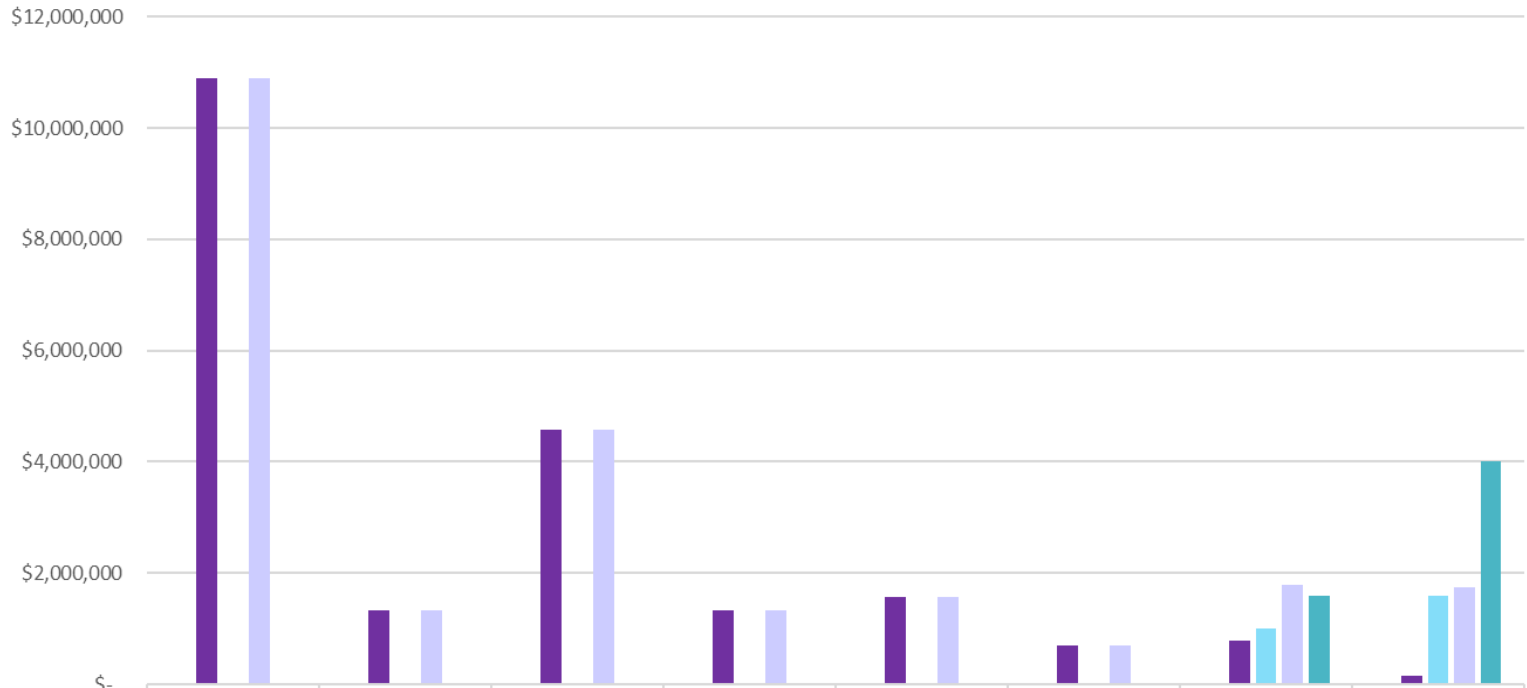
Pipeline Update





Net Production

GIVING HISTORY



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY21
Total Planned Gifts	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Current/Pledge Payments/GIK/GIS	\$10,891,546	\$1,337,241	\$4,576,011	\$1,322,719	\$1,579,190	\$692,382	\$790,109	\$150,120
Pledges	\$-	\$-	\$-	\$-	\$-	\$-	\$1,000,000	\$1,590,000
Net Production	\$10,891,546	\$1,337,241	\$4,576,011	\$1,322,719	\$1,579,190	\$692,382	\$1,790,109	\$1,740,120
FY Goal							\$1,600,000	\$4,000,000

■ Total Planned Gifts
 ■ Current/Pledge Payments/GIK/GIS
 ■ Pledges
 ■ Net Production
 ■ FY Goal

Key University Goals

Foundation Endowment **\$2,249,773**

Foundation Unrestricted **\$1,268,893**

Key University Goals = Increased the Foundation Endowment and increase unrestricted funding to support scholarships, advocacy, and retention of key university leadership.

Blackbaud Update

- **Raiser's Edge NXT**

- Migration completed 10/30
- Next meeting will have additional data on database gift capacity from Blackbaud Wealth Analysis
- One area I am aware of:
 - Parent Gift Capacity \$60 Million
 - In process of obtaining parent data for future campaign

- **Financial Edge NXT**

- Go live date – 10/1/2020
- Seamless integration between Raisers Edge (donor relation software) and Financial Edge (accounting software)
- Easier reporting, faster turnaround for reporting, payment processing, purchase order approval, i.e.
- Separation from University Finance/Accounting aligned with best practices for university foundations.

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
November 10, 2020**

Subject: Foundation First Quarter Financial Review

Proposed Committee Action

Information only – no action required.

Background Information

Larry Locke, Director of Finance and Development Operations, will present a review of the Foundation's first quarter financials.

Supporting Documentation:

- Statement of Activities
- TIAA Market Analysis
- Cash Summary Statement

Prepared by: Larry Locke, Director of Finance and Development Operations

Florida Polytechnic University Foundation Inc.

FY21 1st Quarter Statement of Activities - All Funds

July 1, 2020 - September 30, 2020

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	FY21 Budget	Variance
Revenues						
<i>Grants And Donations</i>	\$2,401.53	\$48,983.05	\$56,650.00	\$108,034.58	\$688,795.37	\$580,760.79
<i>Interest on Investments</i>	\$19,085.30	\$0.00	\$0.00	\$19,085.30	\$64,704.63	\$45,619.33
Total Revenues	\$21,486.83	\$48,983.05	\$56,650.00	\$127,119.88	\$753,500.00	\$626,380.12
Expenses						
<i>Advocates</i>	\$30,000.00	\$0.00	\$0.00	\$30,000.00		
<i>Catering</i>	\$681.30	\$0.00	\$0.00	\$681.30		
<i>Community Engagement</i>	\$2,873.95	\$0.00	\$0.00	\$2,873.95		
<i>Contracted Services</i>	\$646.81	\$0.00	\$0.00	\$646.81		
<i>Educational /Office Supplies</i>	(\$9.95)	\$0.00	\$0.00	(\$9.95)		
<i>Food and beverage products and supplies</i>	\$126.22	\$0.00	\$0.00	\$126.22		
<i>Misc. Operating Expense</i>	(\$421.97)	\$0.00	\$0.00	(\$421.97)		
<i>Services</i>	\$27,863.25	\$0.00	\$0.00	\$27,863.25		
<i>Expend.-Operating Capital Outlay</i>	\$6,482.60	\$0.00	\$0.00	\$6,482.60		
<i>Consultant fees</i>	\$5,900.00	\$0.00	\$0.00	\$5,900.00		
<i>Contracted Services</i>	\$4,721.62	\$0.00	\$0.00	\$4,721.62		
Total Operating Expense	\$78,863.83	\$0.00	\$0.00	\$78,863.83	\$353,500.00	\$274,636.17
<i>Scholarships And Fellowships</i>	\$0.00	\$116,307.53	\$0.00	\$116,307.53	\$150,000.00	\$33,692.47
<i>Executive Salary</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$250,000.00	\$250,000.00
Total Expenses	\$78,863.83	\$116,307.53	\$0.00	\$195,171.36	\$753,500.00	\$558,328.64
Profit(Loss)	(\$57,377.00)	(\$67,324.48)	\$56,650.00	(\$68,051.48)		
Investment Unrealized G/L	\$273,918.69	\$0.00	\$0.00	\$ 273,918.69		

Florida Polytechnic University Foundation, Inc.

CASH SUMMARY for FY21 1st Quarter

July 1, 2020 - September 30, 2020

<i>TIAA Cref Investment Fund balance</i>		<i>Cash in Investment</i>	
			<i>Sep-20</i>
* Book value	\$ 5,538,435.71	1101 - Endowment Fund less Quasi-Endowment	\$ 1,715,368.26
		1101 - Quasi -Endowment Unrestricted	\$ 534,404.82
* Accrued interest	\$ 5,391.37	1101 - Total Endowment Fund:	\$ 2,249,773.08
Total Book Value	\$ 5,543,827.08	1103 - Facility Fund	\$ -
* Unrealized gain or loss	\$ 273,918.69	1104 - Scholarship Fund	\$ 392,733.09
Total TIAA Cref Market Value - Sept. 30, 2020	\$ 5,817,745.77	1105 - Restricted Donation *	\$ 2,859,738.35
		1106 - Restricted Interest	\$ (1,740.74)
		1102 - Unrestricted/Oper. Fund	\$ 43,323.30
		Total Cash in Investment	\$ 5,543,827.08
		Adj. Wells Fargo Oper. Fund Check Bal. Sept. 30, 2020:	\$ 315,137.64
		Adj. BoCF Oper. Fund Check Bal. Sept. 30, 2020:	\$ 593,207.00
		Total FOUNDATION Cash Balance Sept. 30, 2020:	\$ 6,452,171.72

** \$2,750,000.00 - Health and Infomatics restricted money*