



FLORIDA POLYTECHNIC
UNIVERSITY

**BOARD OF TRUSTEES
FINANCE & FACILITIES COMMITTEE MEETING**

Wednesday, February 28, 2018
9:00 AM-10:30 AM

Florida Polytechnic University
Student Development Center
4700 Research Way
Lakeland, FL 33805

Bob Stork, Chair
Dr. Jim Dewey

Henry McCance, Vice-Chair
Cliff Otto

Mark Bostick
Gary Wendt

AGENDA

- | | | |
|-------|--|------------------|
| I. | Call to Order | Bob Stork, Chair |
| II. | Roll Call | Maggie Mariucci |
| III. | Public Comment | Bob Stork, Chair |
| IV. | Approval of December 6, 2017 Minutes
Action Required | Bob Stork, Chair |
| V. | 2016-2018 Finance and Facilities Committee Work Plan
Action Required | Bob Stork, Chair |
| VI. | Financial Review | Mark Mroczkowski |
| VII. | Contracts for Review and Approval | Mark Mroczkowski |
| VIII. | Facilities & Campus Building Update
Construction Manager Recommendation
Action Required | David Calhoun |

- | | | |
|------|--|------------------|
| IX. | Foundation Report | Kevin Aspegren |
| X. | Foundation Naming Opportunity
Action Required | Kevin Aspegren |
| XI. | Regulation: FPU 8.001- Purchasing
Action Required | Gina Deiulio |
| XII. | Closing Remarks and Adjournment | Bob Stork, Chair |

DRAFT

**FLORIDA POLYTECHNIC UNIVERSITY
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE
MEETING MINUTES
Florida Polytechnic University Admissions Building
4700 Research Way, Lakeland, FL 33805**

December 6, 2017 @ 11:00 AM
or upon the conclusion of the previous meeting

I. Call to Order

Committee Chair Bob Stork called the meeting to order at 9:58 a.m.

II. Roll Call

Maggie Mariucci called the roll: Committee Chair Bob Stork, Vice Chair Henry McCance, Trustee Mark Bostick, Trustee Sandra Featherman, Trustee Cliff Otto, and Trustee Gary Wendt were present (Quorum).

Other Trustees present: Trustee Don Wilson, Trustee Jacob Livingston, Trustee Philip Dur, and Trustee Louis Saco.

Staff present: President Randy Avent, Dr. Terry Parker, Mr. Kevin Aspegren, Ms. Gina DeJulio, Mrs. Maggie Mariucci, Mr. Rick Maxey, and Mr. Mark Mroczkowski.

III. Public Comment

There were no requests received for public comment.

IV. Approval of Minutes

Trustee Henry McCance made a motion to approve the Finance and Facilities Committee meeting minutes of October 31, 2017. Trustee Sandra Featherman seconded the motion. A vote was taken, and the motion passed unanimously.

V. 2016-2018 Finance and Facilities Committee Work Plan

There was no discussion by the Committee regarding the Work Plan.

VI. Amended Regulation: FPU-1.003 Use of University Facilities and Property

Ms. Gina DeJulio stated this proposed amended regulation was presented to the Finance & Facilities Committee on October 31, 2017. The Committee asked that the regulation be further

revised to provide that the *Government Relations staff must be consulted before contacting or inviting any elected official **or candidate for political office** to an event sponsored by the University or a University Affiliated Group.* The changes were made to the draft regulation and it was reposted on November 3. No comments were received during the review and comment period.

Trustee Henry McCance made a motion to approve the Amended Regulation: FPU-1.003 Use of University Facilities and Property. Trustee Cliff Otto seconded the motion. A vote was taken, and the motion passed unanimously.

VII. Revision of Rule 6C13-1.003 Parking on University Property and creation of Rule 6C13-1.004 Schedule of Parking Fees and Fines

Ms. DeJulio provided comments regarding revising the existing rule on parking and creating a new rule on parking fines and fees.

Revising Rule 6C13-1.003- primary changes:

- Change from decals to digital parking passes,
- Add economy parking lot,
- Provide 24 hour enforcement of parking,
- Move fines and fees to separate rule.

6C13-1.004 is a new rule that would:

- Address all fees and fines currently in Parking rule 6C13-1.003,
- Create a vendor digital parking pass,
- Add fine for backing into parking space,
- Establish immobilization fee at \$50.00,
- Add fine for tampering with or removing immobilization device.

Trustee Henry McCance made a motion to approve the Revision of Rule 6C13-1.003 Parking on University Property and creation of Rule 6C13-1.004 Schedule of Parking Fees and Fines. Trustee Cliff Otto seconded the motion. A vote was taken, and the motion passed unanimously.

VIII. Amended Policy: Investment Policy

The Investment Policy was originally adopted by the Florida Polytechnic University Board of Trustees on September 9, 2015. The policy applies to cash and investments for University funds under the University's control in excess of those required to meet current expenses and is consistent with the relevant Florida Statutes. Mr. Mark Mroczkowski hired an investment advisor to review the policy and he made the following suggested changes:

- Adding investment portfolio language
- Removing Overnight Portfolio language
- Updating the Risk and Diversification section to including Mitigating Credit Risk in the Portfolio
- Updating the External investment managers and consultants section
- Updating the Authorized investment institutions and dealers section

Trustee Henry McCance made a motion to approve the Amended Investment policy as presented. Trustee Mark Bostick seconded the motion. A vote was taken, and the motion passed unanimously.

IX. Financial Review

Mr. Mroczkowski presented the financial review, including a new financial dashboard.

Trustee McCance requested the report include a quarterly budget that shows actuals to budget. The budget report should also include seasonality in quarterly projections so it shows real variances, not timing variances. Trustee McCance suggested adding two columns (quarterly and annual) that shows comparison to previous year.

X. Closing Remarks and Adjournment

Committee Chair Bob Stork adjourned the meeting at 10:57 a.m.

DRAFT

AGENDA ITEM: V

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
February 28, 2018**

Subject: 2016-2018 Finance and Facilities Committee Work Plan Review

Proposed Committee Action

Recommend approval of the revised 2016-2018 Finance and Facilities Committee Work Plan to the Board of Trustees.

Background Information

Committee Chair, Bob Stork, will discuss with the committee the revisions to the 2016-2018 Work Plan.

Supporting Documentation:

2016-2018 Revised Finance and Facilities Work Plan

Prepared by: Mark Mroczkowski, CFO and Vice President

Florida Polytechnic University

Finance & Facilities Committee

Work Plan 2016-2018

<p>March 15, 2017</p> <ul style="list-style-type: none"> • Workday Student Module • Development and University Foundation Planning • Educational Plant Survey • University Financial Update • Foundation Financial Update 	<p>June 7-8, 2017</p> <ul style="list-style-type: none"> • 2017 Legislative Session Appropriations • 2018-2019 Legislative Budget Request (Operating and Fixed Capital Outlay) • 2017-2018 University Operating Budget • 2017-2018 Foundation Operating Budget • University Financial Update • Foundation Financial Update 	<p>September 13, 2017</p> <ul style="list-style-type: none"> • Financial Workshop • SUS Performance Funding • University Financial Update • Foundation Financial Update 	<p>December 6, 2017</p> <ul style="list-style-type: none"> • University Financial Update • Foundation Financial Update
<p>February 28, 2018</p> <ul style="list-style-type: none"> • University Financial Update • Foundation Financial Update • Contract review and Approval • Construction Update • Approve changes to Procurement Regulation 	<p>May 22-23, 2018</p> <ul style="list-style-type: none"> • 2019-2020 Legislative Budget Request (Operating and Fixed Capital Outlay) • 2018-2019 University Operating Budget (Budget Proposal to be sent out in May) • 2018-2019 Foundation Operating Budget • Contract review and Approval • Construction Update 	<p>¹September 12, 2018</p> <ul style="list-style-type: none"> • University Financial Update • Foundation Financial Update • Contract review and Approval • Construction Update 	<p>¹December 5, 2018</p> <ul style="list-style-type: none"> • University Financial Update • Foundation Financial Update • Contract review and Approval • Construction Update
<p>¹Tentative until approved by the Board of Trustees</p>			

Florida Polytechnic University

Finance & Facilities Committee

Work Plan 2016-2018

March 15, 2017	June 7-8, 2017	September 13, 2017	December 6, 2017
<ul style="list-style-type: none"> • Workday Student Module • Development and University Foundation Planning • Educational Plant Survey • University Financial Update • Foundation Financial Update 	<ul style="list-style-type: none"> • 2017 Legislative Session Appropriations • 2018-2019 Legislative Budget Request (Operating and Fixed Capital Outlay) • 2017-2018 University Operating Budget • 2017-2018 Foundation Operating Budget • University Financial Update • Foundation Financial Update 	<ul style="list-style-type: none"> • Financial Workshop • SUS Performance Funding • University Financial Update • Foundation Financial Update 	<ul style="list-style-type: none"> • University Financial Update • Foundation Financial Update
February 28, 2018	May 22-23, 2018	¹ September 12, 2018	¹ December 5, 2018
<ul style="list-style-type: none"> • University Financial Update • Foundation Financial Update • Contract review and Approval • Construction Update • Approve changes to Procurement Regulation 	<ul style="list-style-type: none"> • 2019-2020 Legislative Budget Request (Operating and Fixed Capital Outlay) • 2018-2019 University Operating Budget (Budget Proposal to be sent out in May) • 2018-2019 Foundation Operating Budget • Contract review and Approval • Construction Update 	<ul style="list-style-type: none"> • University Financial Update • Foundation Financial Update • Contract review and Approval • Construction Update 	<ul style="list-style-type: none"> • University Financial Update • Foundation Financial Update • Contract review and Approval • Construction Update
¹ Tentative until approved by the Board of Trustees			

AGENDA ITEM: VI

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
February 28, 2018**

Subject: Financial Review

Proposed Board Action

No Action Required – Information Only

Background Information

Quarterly and annual review of the University's financial position and results of operations.

Supporting Documentation:

1. PowerPoint Presentation

Prepared by: Mark Mroczkowski, VP & CFO



FLORIDA POLYTECHNIC
UNIVERSITY

2nd Quarter Financial Review

Mark Mroczkowski
28 February 2018



Financial Dashboard

Q2 YOY Summary		
Revenue	\$30,594,723	+9.48%
Expenses	\$25,333,508	+8.19%
Investments	\$45,720,248	-6.54%
Carryforward	\$26,444,032	+31.85%
Unrestricted	\$8,475,403	+2.63%
Auxiliaries	\$799,408	+19.14%
Net Position	\$198,887,921	+3.89%

Financial Strength		
Metric	Florida Poly	Benchmark*
Primary Reserve Ratio	210.55%	40%
Net Income Ratio	15.29%	2-4%
Return on Net Assets	2.22%	3-4%
Viability Ratio	3,444.44%	125-200%

Florida Poly has enjoyed financial growth and has sustainable financial strength with a composite financial index score of 36.86 compared to the benchmark of 10

*National Association of Colleges & University Business Officers (NACUBO) performance benchmarks



Q2 Operating Budget

(by Sources and Uses)

	FY 17-18 Budget	Q2 Budget	Q2 Actual	Budget Variance	Q2 Actual Prior Year	YOY Change
Summary of Sources						
Education & General	36,473,591	18,236,796	18,236,796	0%	17,368,635	5%
Florida Industrial & Phosphate Research Institute	1,910,000	955,000	751,520	-21%	827,437	-9%
Public Education Capital Outlay	2,000,000	1,000,000	1,000,000	0%	2,541,177	-61%
Lottery	243,148	121,574	121,574	0%	146,351	-17%
Financial Aid	50,000	25,000	25,000	0%	25,000	0%
Tuition & Fees	2,368,638	1,184,319	6,070,699	413%	2,631,769	131%
SGA Fees	278,886	139,443	125,693	-10%	297,837	-58%
Athletic Fees	223,489	111,745	81,000	-28%	237,350	-66%
Health Fees	170,576	85,288	128,796	51%	159,447	-19%
Auxiliaries	5,698,372	2,849,186	3,423,544	20%	3,299,338	4%
Grants & Contracts	500,000	250,000	630,101	152%	411,355	53%
Total Revenue	49,916,700	24,958,350	30,594,723	23%	27,945,694	9%
E&G Carryforward	5,824,107	2,912,054	2,912,054	0%	0	0%
PECO Carryforward	5,000,000	2,500,000	2,500,000	0%	0	0%
Total Other	10,824,107	5,412,054	5,412,054	0%	0	0%
Total Sources	60,740,807	30,370,404	36,006,777	19%	27,945,694	29%

	FY 17-18 Budget	Q2 Budget	Q2 Actual	Budget Variance	Q2 Actual Prior Year	YOY Change
Summary of Uses						
Salary & Benefits	23,820,934	11,910,467	10,862,104	-9%	10,158,838	7%
Faculty Hiring Reserve	4,800,000	2,400,000	0	-100%	0	0%
Other Personal Services	2,157,285	1,078,643	1,162,290	8%	737,444	58%
General Expense	15,025,269	7,512,635	6,353,879	-15%	8,689,183	-27%
Capital and Other	14,426,830	7,213,415	6,955,235	-4%	3,829,322	82%
Total Uses	60,230,318	30,115,159	25,333,508	-16%	23,414,786	8%



Variance Analysis

- **Significant Budget Variances**

- FIPR severance tax is down, but expected to hit closer to target by year-end
- Tuition increase is due to increase in financial aid pass-through
- Student fee variances are attributable to fee waivers
- Grants & contracts is up due to research growth
- Faculty hiring is a multi-year plan and faculty reserve funds will roll-over

- **Significant YOY Variances**

- State appropriated less PECO & lottery funds this year
 - Tuition increase is due to increase in financial aid pass-through
 - Student fee variances are attributable to fee waivers
 - Grants & contracts is up due to research growth
 - OPS employment has increased as we've added more adjunct faculty and student workers
 - Capital projects and depreciation expense increased YOY consistent with campus growth
-



Q2 Operating Budget (by Division)

	FY 17-18 Budget	Q2 Budget	Q2 Actual	Budget Variance	Q2 Actual Prior Year	YOY Change
Board of Trustees	36,125	18,063	4,434	-75%	11,449	-61%
Office of the President	828,217	414,109	435,102	5%	290,812	50%
Division of Academic Affairs	23,173,812	11,586,906	8,567,389	-26%	7,298,250	17%
Division of Finance & Admin	16,824,869	8,412,435	6,734,075	-20%	8,636,766	-22%
Division of Advancement	3,406,414	1,703,207	1,207,629	-29%	1,939,233	-38%
Division of General Counsel	756,703	378,352	365,913	-3%	358,340	2%
University Wide	15,204,178	7,602,089	8,018,967	5%	4,879,939	64%
Total	60,230,318	30,115,159	25,333,509	-16%	23,414,786	8%



Variance Analysis

- **Significant Budget Variances**
 - BOT had no meeting or software expense in Q1
 - All other large variances are attributable to position vacancies
- **Significant YOY Variances**
 - BOT had no meeting expense in Q1
 - President's Office variance due to new positions (Chief Audit Executive, Ombudsperson and Title IX)
 - Academic Affairs salary increase is due to faculty growth
 - Finance expense reduction is due to completion of Workday implementation and transfer of shared services
 - Advancement salaries are lower due to position vacancies during Q1
 - Capital projects and depreciation expense increased YOY consistent with campus growth



Summary

- **Revenue growth continues to outpace expenditure growth**
 - **Investments continue to grow along with carryforward, unrestricted and auxiliary fund balances**
 - **Net position remains strong and we expect to meet our goal of a 5% increase**
 - **We are performing well on all key performance indicators**
 - **Revenue for Q2 is strong and we are operating within our approved budgeted expenditures**
-

FPU OVERALL FINANCIAL HEALTH

COMPOSITE FINANCIAL INDEX (CFI) –DECEMBER 31, 2017

NACUBO key benchmarks that help evaluate an institution's level of success

1st: Four core ratios calculated

- **PRIMARY RESERVE RATIO** = $\frac{\text{Expendable Net Assets}^*}{\text{Total Expenses}} = \frac{\$51,985,924}{\$24,690,818} = 2.1055$ (210.55%)
 - Measures financial strength by looking at the university's resources
 - Ratio should be at least .40x

- **NET INCOME RATIO** = $\frac{\text{Operating Revenue} - \text{Operating Expenses}}{\text{Operating Income}} = \frac{\$29,147,465 - \$24,690,818}{\$29,147,465} = 15.29\%$
 - Measures operating performance (ability to function within available resources)
 - Goal should be a 2-4% return over the long-term

- **RETURN ON NET ASSETS RATIO** = $\frac{\text{Change in net assets}}{\text{Total net assets}} = \frac{\$198,950,127 - \$194,626,706}{\$194,626,706} = 2.221\%$
 - Measures total economic return; Financial asset performance
 - Goal should be 3-4% return over the long-term

- **VIABILITY RATIO** = $\frac{\text{Expendable Net Assets}^*}{\text{Long-term debt}} = \frac{\$51,985,924}{\$1,509,271} = 34.444$ (3,444.44%)
 - Measures availability of expendable net assets to cover long-term debt
 - Ratio should be within the range of 1.25x – 2.00x

2nd: Converted to Strength Factors (Ratio divided by conversion factor equals strength factor)

- Divide Primary Reserve ratio by 0.133 2.1055/0.133 = 15.83
- Divide Net Income Ratio by 0.70% 15.29%/0.70% = 21.84
- Divide Return on Net Assets Ratio by 2.0% 2.221%/2.0% = 1.11
- Divide Viability Ratio by 0.417 34.444/0.417 = 82.60

3rd: Weighting of Strength Factors to calculate CFI for each ratio

- Multiply Primary Reserve Ratio's Strength Factor by 35% 15.83x.35 = 5.54
- Multiply Net Income Ratio's Strength Factor by 10% 21.84x.10 = 2.19
- Multiply Return on Net Assets Ratio's Strength Factor by 20% 1.11x.20 = 0.22
- Multiply Viability Ratio's Strength Factor by 35% 82.60x.35 = 28.91

4th: Total to reach Composite Financial Index

36.86

CFI Ranges

- | | |
|--|---|
| <ul style="list-style-type: none"> -1 to 1 = Assess viability to survive 0 to 3 = Reengineer 3 to 5 = Direct resources to allow Transformation. | <ul style="list-style-type: none"> 5 to 7 = Focus resources to compete in the future. 7 to 9 = Opportunities to experiment with new initiatives. 8 to 10 = Deploy resources to achieve a robust mission. |
|--|---|

* **Expendable net assets** = (Total net assets) – (permanently restricted net assets) – (PP&E, net) + (long-term debt)

AGENDA ITEM: VII

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
February 28, 2018**

Subject: Contracts for Review and Approval

Proposed Board Action

No Action Required – Information Only

Background Information

Mark Mroczkowski will review key procurement department contracts in progress as of February 2018. He will also review active Contracts over \$200,000 with spend-to-date as of February 2018.

Supporting Documentation:

Key Contracts Spreadsheet

Prepared by: Mark Mroczkowski, Vice President and CFO

Florida Polytechnic University
Key Procurement Department Contracts in Progress for BOT Approval or Information as of February 2018

Project Number/ Description	Vendor	Estimated Fiscal Impact	BOT Action
PQS # 17-005 Professional Qualifications Supplement Construction Manager at Risk Applied Research Center	13 initial responses. Committee short-listed 4 firms for presentations as Finalists. Skanska USA, Tampa, FL selected for contract award subject to successful negotiations and BOT approval.	Phase 1 Pre-Construction Services. Est. \$310,000 Phase 2 TBD Estimated Construction Budget \$31M	Approve Contract upon conclusion of negotiations estimated early March 2018.
RFP # 17-004 Network Infrastructure Support (Cisco SmartNet)	3 Responses received July 17, 2017. Presidio, Inc. Orlando, FL i-Tech Support, Inc., Ocoee, FL Buchanan Tech., Grapevine, TX	Solicitation Cancelled. Revised Scope & Qualifications Requirements	N/A Informational
RFQ # 18-001 Network Infrastructure Support (Cisco SmartNet)	4 responses received. Award to Presidio, Inc., Orlando FL	\$219,000.00	N/A Informational
RFI-18-004-P3 Office/Space Development	Request For Information issued in February 2018 to solicit Private Developers to create a mixed use low rise office building.	Developers/Partners to Design/Build/Finance/ Operate/Maintain. University Ground Lease term T.B.D. with transfer of ownership to FPU at lease	N/A Informational
RFP # 17-001 International Student Recruitment	RFP solicitation issued with (1) respondent chosen by Evaluation Committee. Global University Systems, London, England.	GUS could not agree to Indemnification of University. Negotiations Terminated.	N/A Informational BOT gave conditional approval based on staff obtaining concessions from GUS which could not be obtained.

**Florida Polytechnic University
Active Contracts over \$200,000
Approximate Spend to Date**

Vendor	Contract Type	Start Date	End Date	Original Amt	Spend
The Lunz Group Inc	Continuing Service Provider - Architectural Services	8/1/2014	7/31/2018	\$2,000,000	\$58,650
Straughn Trout Architects LLC	Continuing Service Provider - Architectural Services	8/1/2014	7/31/2018	\$2,000,000	\$221,358
Barnes & Noble Booksellers USA Inc	Bookstore Services	5/12/2014	5/11/2019	\$250,000	\$200,000
Presidio Networked Solutions Inc	Cisco SmartNet; Network equipment repair and maintenance	12/15/2017	6/30/2019	\$219,536	\$100,605
Clark Nikdel Inc	Creative Services	2/25/2014	2/24/2018	As budget allowed	\$320,494
Fuselideas LLC	Creative Services	7/14/2014	2/24/2018	As budget allowed	\$1,200
Indie Atlantic LLC	Creative Services	2/25/2014	2/24/2018	As budget allowed	\$244,845
Tucker Hall Inc	Creative Services	6/5/2014	6/4/2018	As budget allowed	\$137,458
WFF Facility Services	Custodial Services	1/25/2016	1/24/2019	\$831,528	\$400,568
SalesForce	Customer Relationship Management Software	6/20/2013	2/19/2019	\$360,766	\$321,133
Compass Group USA Inc (Chartwells)	Dining Services	5/1/2017	6/30/2027	\$15,000,000	\$1,059,254
PraxSoft Inc	FDOC Project - Grant	1/1/2017	6/30/2018	\$997,405	\$251,188
Liberty Lawn Care LLC	Grounds Maintenance	1/28/2016	1/27/2019	\$1,376,379	\$727,491
Bright House Networks LLC	High Speed Communications Service	10/28/2013	10/27/2023	\$1,444,400	\$293,556
Hellmuth Obata and Kassabaum Inc	HOK - Applied Research Center	10/1/2017	5/30/2022	\$2,762,795	-
International Business Machines Corporation	IBM Implementation Services - Workday Student	5/15/2017	11/15/2019	\$2,584,494	\$53,049
Ardaman & Associates Inc	Leaching Study - Water - Deep Injection Well	10/25/2016	7/25/2018	\$234,839	\$4,461
Clarke Environmental Mosquito Management Inc	Mosquito Control Services	7/1/2016	6/30/2021	\$222,915	\$89,166
Ricoh USA Inc	Printers/Copy Service	8/1/2014	6/30/2019	\$359,009	\$194,261
Lakeland Regional Medical Center	Student Health Care Services	8/20/2014	8/20/2019	\$275,000	\$225,000
Super Transportation of Florida LLC	TransDev Services Inc - Student Transportation Services	8/12/2016	7/31/2018	As budget allowed	\$206,524
Creative Enterprise Solutions LLC	University Ticketing System	1/13/2017	1/31/2020	\$341,838	\$71,188
Workday Inc	Workday Student Subscription	7/29/2016	7/28/2021	\$1,259,527	\$337,120
Workday Inc	Workday HR Finance Subscription	4/27/2015	4/26/2018	\$1,167,773	\$1,064,187

NOTES

1. As budget allowed means there was no firm fixed Total Value for the Agreement, only estimates based on budget availability.
2. Continuing Service Contracts are with pre-qualified architectural service providers and are based on multiple releases for minor projects limited to \$2M

AGENDA ITEM: VIII

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
February 28, 2018**

Subject: Facilities & Campus Building Update / Construction Manager Recommendation

Proposed Committee Action

Recommend approval of the selection recommendation for construction management services (Skanska Building) for the Applied Research Center (ARC).

Background Information

Mr. David Calhoun will present a campus development and facilities update and provide a selection recommendation for construction management services for the Applied Research Center (ARC). A competitive PQS was initiated for the selection of a Construction Manager, for the Applied Research Center. The Construction Manager will work in concert with the Design Team (HOK), to provide cost estimates, develop schedules, and construct the Applied Research Center. Short listed firms presented to the selection committee, and Skanska Building was ranked highest following the presentations.

Supporting Documentation:

PowerPoint presentation

Prepared by: David Calhoun, Director, Facilities and Safety Services



FLORIDA POLYTECHNIC
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Campus Development and Facilities Update

David Calhoun
28 February 2018



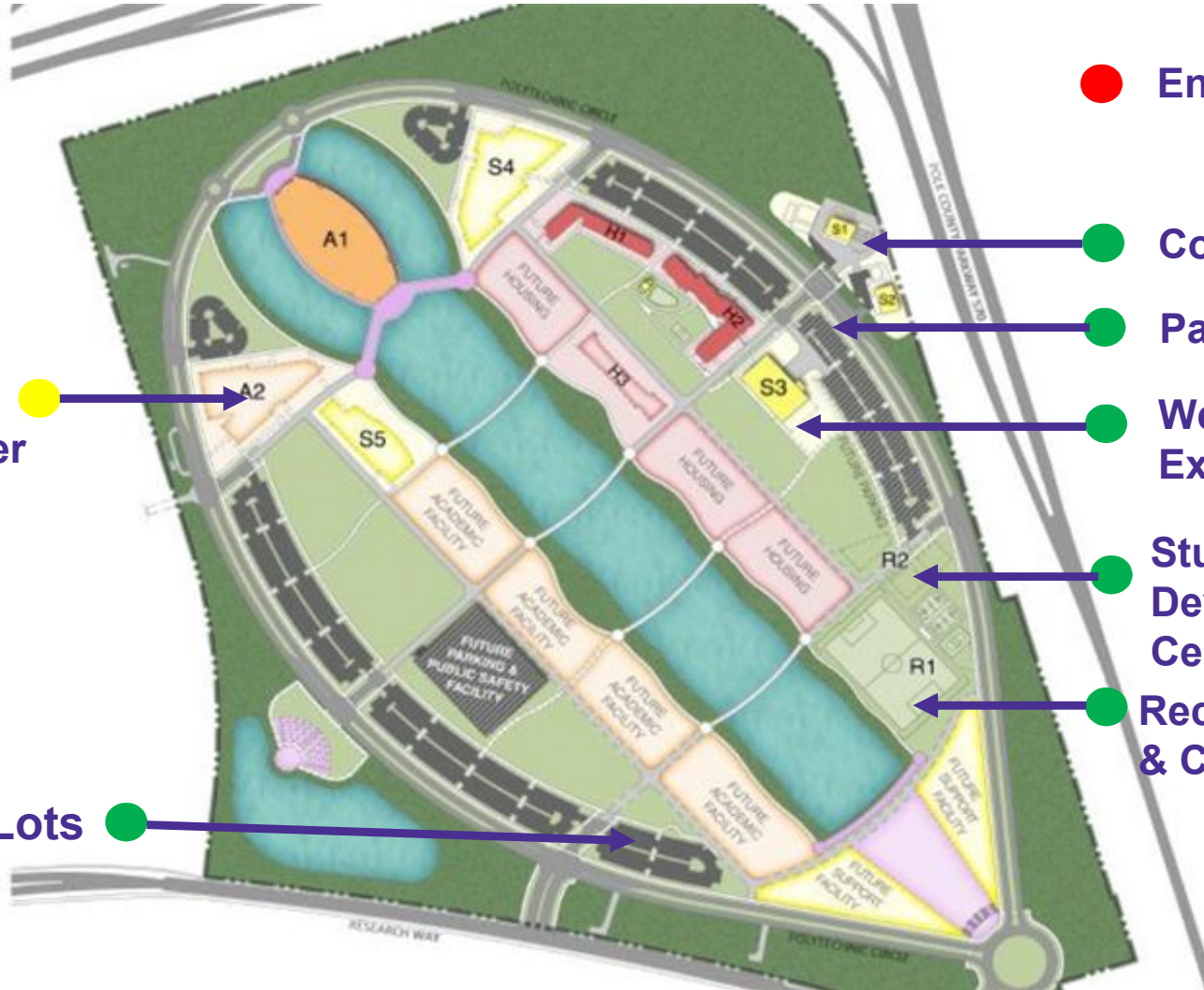
Project Updates

- Complete
- In Progress
- TBD

- Eng. Shop
- Cooling Tower
- Parking Lot
- Wellness Center Expansion
- Student Development Center
- Recreation Field & Courts

Applied Research Center

Parking Lots





Student Development Center

- **Recreation Building (8,600sf)**
 - Group fitness
 - Strength training
 - Office/Consulting/Classroom space
- **Pool Pavilion**
 - 8 Lanes at 25 yards
 - 7 Lanes at 25 meters
 - Lifeguard/Equipment pavilion
 - Bathrooms
- **Construction Progress**
 - Punch out
 - Project closeout





Student Development Center



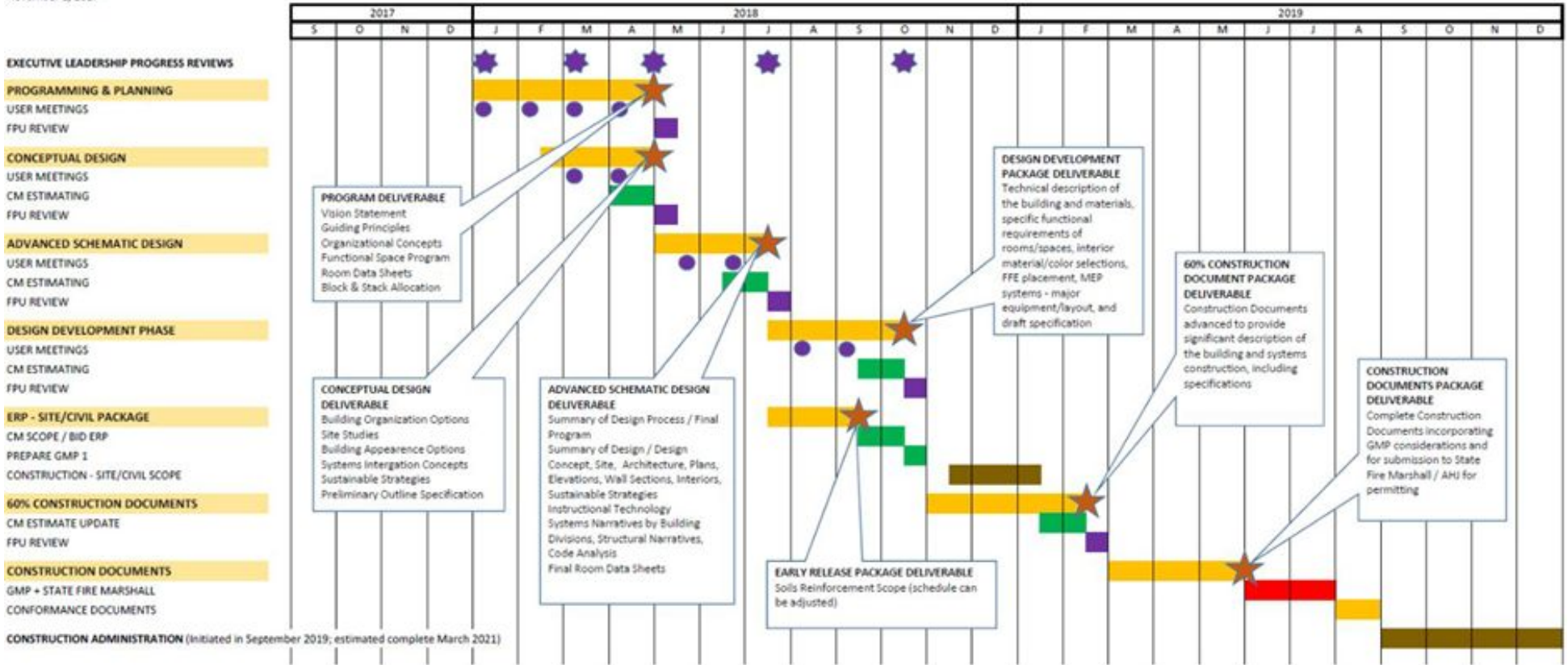
Student Development Center Gateway



Applied Research Center (ARC)

HOK PROPOSED DESIGN ACTIVITY SCHEDULE

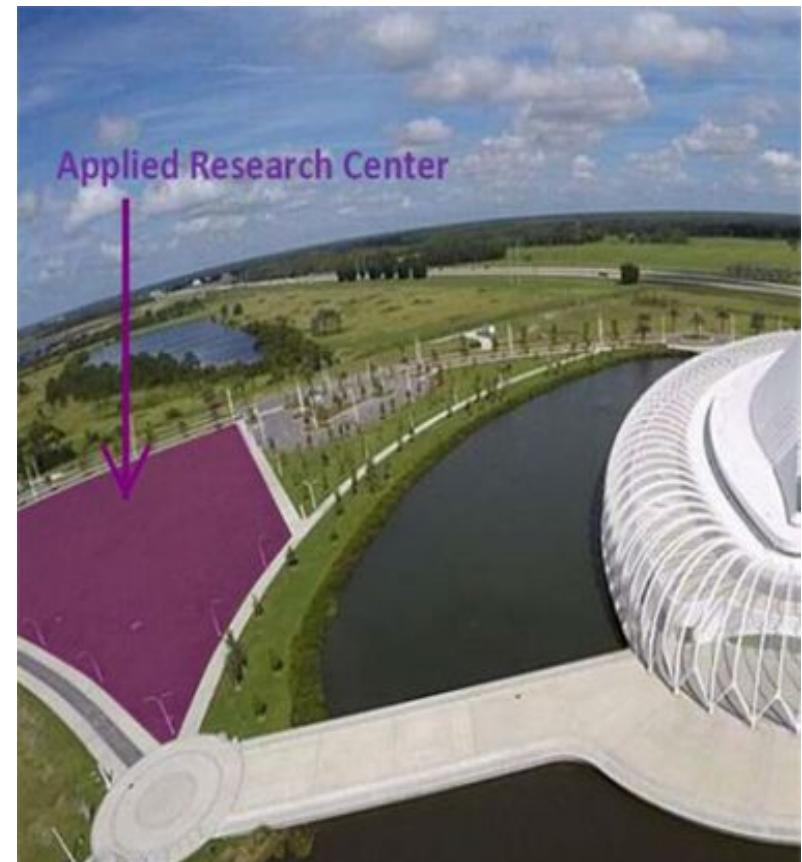
November 1, 2017





ARC Funding/Schedule

- **Total project budget (\$38.7)**
- **FY2018-19 LBR (\$22.2M)**
 - Prior funding (\$7.0M)
 - FY 18-19 request (\$22.2M)
 - FY 19-20 request (\$4.5M)
 - CFF 2016-17 (\$5.0M)
- **Projected PO&M (\$2.0M)**
- **Proposed completion date (8/2021)**
- **Project size**
 - NAS (60,786)
 - GSF (85,100)





ARC Design & Construction

- **Sitework and ground improvements**
 - Funded to date
- **Estimated building shell need**
 - Current funds \$12M
 - Required funds \$15.5 additional
- **Estimated building finish and FF&E**
 - Remaining balance \$11.2M
- **Total project cost \$38.7M**



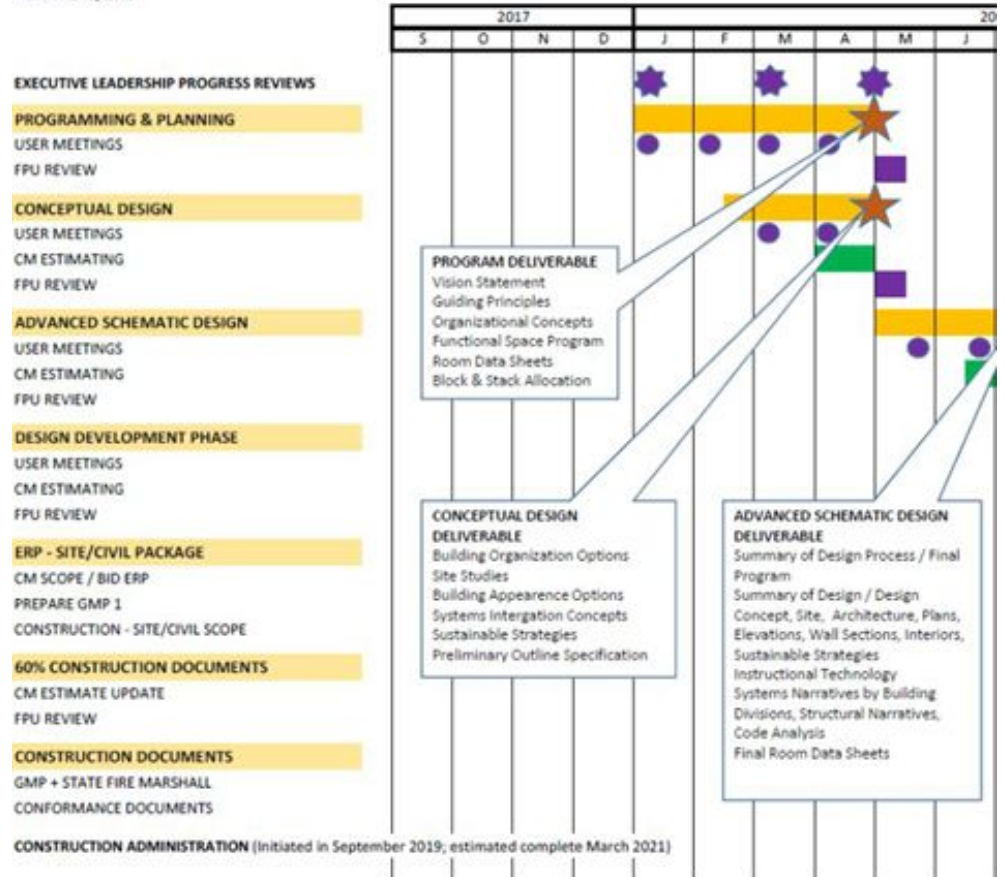
Applied Research Center (ARC)

- **Design**
 - RFQ complete
 - Contract negotiation complete
 - Design update
 - Programming in progress

- **Construction Manager**
 - RFQ complete
 - Selection recommendation Approval required
 - Contract negotiation - TBD
 - Preconstruction – March 2018

HOK PROPOSED DESIGN ACTIVITY SCHEDULE

November 1, 2017





Summary

- **Completed**
 - ARC Contract Negotiation Complete
 - ARC Construction Manager RFQ – In Progress
 - Student Development Center – Complete
 - Recreation Building
 - Equipment Storage and Control Building (Pool)

 - **Upcoming**
 - ARC Programming/Design
 - ARC Construction Manager Contract Negotiation
 - ARC Preconstruction

 - **Action Required**
 - ARC - Approval of Selection Recommendation for Construction Management Services
-

AGENDA ITEM: IX

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
February 28, 2018**

Subject: Foundation Report

Proposed Committee Action

Information only- No action required.

Background Information

Kevin Aspegren will provide the committee with an update on the University Foundation.

Supporting Documentation:

PowerPoint Presentation

Prepared by: Kevin Aspegren, Vice President of Advancement



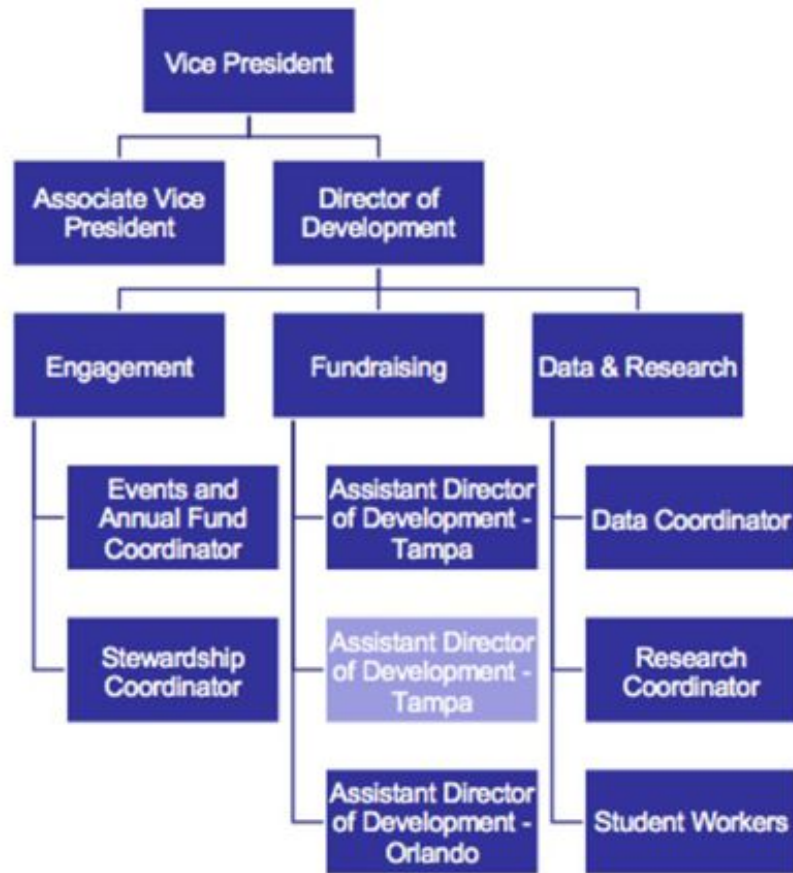
FLORIDA POLYTECHNIC
UNIVERSITY

Foundation & Development Department 2018

Kevin J. Aspegen
28 February 2018



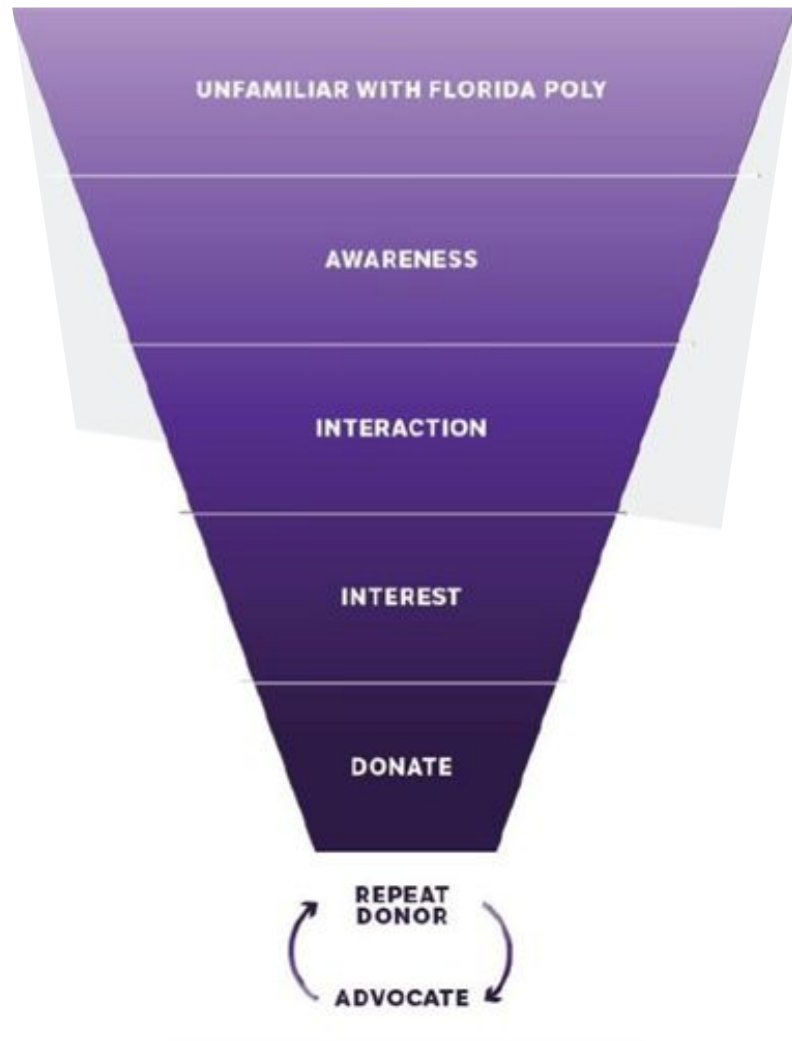
Development Department New Organizational Chart



Search is in process for a new Assistant Director of Development of Tampa



Prospect Conversion Funnel



- **Community, Industry, Legislators**
- **Prospective Students, Prospective Parents, Community, Industry, Legislators**
- **Students, Parents, Community, Industry, Legislators**
- **Industry, Community, Parents, Alumni, Faculty & Staff**
- **All**
- **All**



Development & Engagement Marketing

- **Contracted with CNP, Winter Haven FL**
- **Comprehensive marketing campaign to key constituents and others to increase their engagement with the university eventually resulting in a donation or repeated donations**
- **Automating systems so that Development Officers can become involved at the correct time increasing efficiency**
- **Continue feeding campaign as new contacts and databases are available**
- **Initial test sent out in early February**



Development & Engagement Events

- **Women in STEM Summit – March 14, 2018**
 - 3rd annual event focused on promoting women in STEM careers with regionally known panel and speaker
 - 300 estimated attendance
- **EXCErate – April 20, 2018**
 - One time event celebrating university achievements, the ChangeMakers that helped make it happen and president’s vision for the future
 - 300 estimated attendance
- **Poly Connects**
 - Small event with 15 to 20 key people spending time with President Avent and learning about Florida Poly
- **Presidential Dinner**
 - Dinner with 8 potential donors and/or influencers at the president’s home



Development & Engagement Activities

- **Activity since November 1, 2017**
 - 11,469 New accounts added to Salesforce through personal effort and acquiring databases from other departments at the university
 - 980 Contacts (phone, email, mail) with donors and potential donors
 - 135 New discover and ongoing engagement meetings
 - 86 Networking and engagement events attended
 - 10 Tours for new potential donors
 - 176 Donor thank you letters and notes sent
 - 165 Thank you mail to Faculty & Staff for participating in Fuel the Phoenix Campaign



Enterprise Software Update

- **2015**
 - NetSuite selected for Foundation moves management system
- **Late 2016**
 - Decision made to move to Salesforce CRM and eventually transition Foundation Funds Accounting to Workday.
 - Requires continuing with NetSuite Funds Account module for 2017-18
- **July 1, 2018**
 - “Go Live” – WorkDay integrated with Salesforce



Future Foundation Dashboard

- **Total Gifts or Commitments**
- **Number of Gifts**
- **Number of Donors**
- **Endowment Performance**
- **New Funds**
- **Total Funds**
- **Financial Position**
- **University Support**
- **Eventually, Campaign Progress**



New & Returning Donors

	2016-2017	2017-2018
New Donors	511	60
Returning	N/A	106
Total	511	166

Information prior to 2016-2017 is not available due to changes and tracking systems with out significant staff investment.



Endowment Investment Information

- **July through December 2017**
 - Interest Earned on Investments: \$100,437.13
 - Unrealized Gain on Investment: \$202,169.98 (6 month gain on equity investments)
 - Custodial Fees: \$12,085.17
- **Total Investment Balance as of December 21, 2017: \$6,595,666.01. By doing an average investment fund balance over the six months – our rate of return (if we realized our equity investment gain and subtracted our custodial fees) = 4.83%**



Total Cash Contribution by Year

Fiscal Year	13-14	14-15	15-16	16-17	17-18
Cash Received from Contributions	\$ 10,846,547	\$ 1,337,241	\$ 2,673,872	\$ 2,515,989	\$ 1,445,931

Transfer from USF occurred in 13-14 fiscal for approximately \$10,023,266. Transfer included 5 million for Wellness Center facility and 5 million from anonymous donor.



Upcoming Foundation Board Meetings

- **April 6, 2018 – Florida Polytechnic Campus**
- **September 7, 2018 – Potentially held in Tampa**
- **November 16, 2018 – Florida Polytechnic Campus**



Naming Opportunity

- **Naming Opportunity for the IST Building, Collaboration Room 2073**
- **The Gift – \$25,000 from Tim Campbell**
- **Collaboration Room 2073, in the future, will be known as – “The Campbell Family Collaboration Room”**

Action Item – The Foundation has presented the recommendation to President Randy K. Avent. Acceptance of gift and naming opportunity requires Board of Trustee approval.

AGENDA ITEM: X

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
February 28, 2018**

Subject: Foundation Naming Opportunity

Proposed Committee Action

Recommend approval of the naming of Collaboration Room 2073 in the Innovation, Science and Technology Building of Florida Polytechnic University as the “Campbell Family Collaboration Room” to the Board of Trustees.

Background Information

Mr. Kevin Aspegren will present information on the naming opportunity for IST Collaboration Room 2073. The recommendation has been present to University President Randy Avent and is now coming to the full Board for approval.

Supporting Documentation:

N/A

Prepared by: Kevin Aspegren, Vice President of Advancement

AGENDA ITEM: XI

**Florida Polytechnic University
Finance & Facilities Committee
February 28, 2018**

Subject: FPU-8.001 Purchasing (being renamed “Procurement”)

Proposed Action

Recommend approval of revised regulation **FPU-8.001 Purchasing (being renamed “Procurement”)** to the Board.

Background Information

University regulation **FPU-8.001 Purchasing** was initially approved by the Board of Trustees on August 28, 2013.

This regulation is supplemental to Florida Board of Governors regulations in Chapter 18 and provides the framework for making purchases of commodities and services, including motor vehicles. The regulation states the Procurement Department’s responsibilities, the competitive solicitation threshold and requirements, employee and contractor’s standards of conduct, and the requirements of contracts.

This regulation is being revised primarily to refer to the department and the title of the regulation as “procurement” rather than “purchasing”; to align more closely to the requirements and language used in the BOG’s 18.001 Procurement Regulation; to add the purchase of products with recycled content to the list of exceptional purchases; to recognize the Workday ERP system as the mechanism used for creating, approving and issuing purchase orders; and to inform as to the location of certain business processes.

The Notice of Proposed Amended Regulation and the regulation were published on the University’s website on January 26, 2018. No comments were received during the review and comment period.

Supporting Documentation:

DRAFT revised regulation FPU-8.001 Procurement

Prepared by: Gina DeIulio, VP & General Counsel

THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES

FPU-8.001 PurchasingProcurement.

(1) **Statement of Intent.** These Purchasing-Procurement regulations are supplemental to Chapter 18 of the Florida Board of Governors regulations (“Board of Governors Purchasing regulations”). It is the intent of Florida Polytechnic University (the “University”) to acquire quality goods and services within reasonable or required time frames, while promoting fair and open competition in the public procurement process. Responsible purchasing officials shall be protected from improper pressures of external political or business interests. The process shall reduce the appearance and opportunity for favoritism, ensure that contracts are awarded equitably and economically, and establish effective management oversight in the acquisition of commodities and contractual services, in order to preserve the integrity of public purchasing and contracting. The opportunity to respond to competitive solicitations and enter into contracts with the University is a privilege, not a right.

(2) **Definitions.**

- (a) **Commodity** - Any of the various supplies, materials, goods, merchandise, food, equipment or other personal property, including a mobile home, trailer or other portable structure, which are purchased, leased, lease-purchased or otherwise contracted for by the University. “Commodity” also includes interest on deferred-payment contracts entered into by the University for the purchase of other commodities.
- (b) **Competitive Response** - The response submitted to an Invitation to Bid, Invitation to Negotiate, or a Request for Proposal by a responsive and qualified bidder or offeror.
- (c) **Competitive Solicitation** - An Invitation to Bid, Request for Proposals or Invitation to Negotiate to competitively select a contractor/vendor.
- (d) **Contractor/Vendor/Supplier** - A person or firm who sells commodities or contractual services to the University.
- (e) **Contractual Service** - The rendering by a contractor of its time and effort rather than the furnishing of commodities. The term applies only to those services rendered by individuals and firms who are independent contractors. “Contractual service” does not include labor or materials or selection of professional services for the construction, renovation, repair or demolition of facilities.
- (f) **Independent Contractor** - A person or firm who provides a service to the University, but does not have any employment or other relationship or connection with the University, except as permitted by Florida law.
- (g) **Invitation to Bid** - A written solicitation for competitive bids with the title, date, and hour of the public bid opening designated and the commodity, group of commodities or services defined, for which competitive responses are sought.
- (h) **Invitation to Negotiate** - An invitation extended to prospective contractor/vendors by the University, whether by advertisement, written solicitation, electronic media or any other form of communication, to define the specifications, terms and conditions of a contract for commodities or contractual services. Cost may or may not be a consideration in the initial stages of negotiating.
- (i) **President** - The chief executive officer of the University or chief operating officer, responsible for its operation and administration.

(j) **Public Entity Crime** - A violation of any state or federal law by a person in the transaction of business with any public entity of any state or with the United States government involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy or material misrepresentation.

(k) **Purchase** - An acquisition of commodities and/or services obtained by purchase order or contract whether by rent, lease, installment- purchase or lease-purchase, outright purchase, or license.

(l) **Renewal** - Contracting with the same contractor/vendor for an additional period of time after the initial contract term, provided the original terms of the agreement specify an option to renew.

(m) **Request for Proposal** - A written solicitation for competitive proposals for commodities or contractual services with the title, date, and hour of the public opening designated. The request for proposal may be used when the scope of work is not clearly defined.

(n) **Responsive and Qualified Bidder or Offeror** - A contractor/vendor who has submitted a competitive response that conforms in all material respects to a competitive solicitation.

(3) **Purchasing-Procurement Department Duties.** The University Board of Trustees has authority to establish a system of coordinated procurement policies, procedures, and practices to be used in acquiring commodities and contractual services required by the University. The ~~Purchasing-Procurement Department/shared services provider~~ (the "~~Purchasing Department~~**Procurement Department**") has the duty to:

(a) Canvass sources of supply and contracting for the purchase or lease of all commodities and contractual services for the University, in any manner, including purchase by installment- or lease-purchase contracts. Installment- or lease- purchase contracts may provide for the payment of interest on unpaid portions of the purchase price.

(b) Remove any contractor/vendor from the University's competitive vendor list that fails to fulfill any of its duties specified in a contract with the University and to reinstate any such contractor/vendor when satisfied that further instances of default will not occur.

(c) Plan and coordinate purchases in volume and negotiate and execute agreements and contracts for commodities and contractual services under which the University may make purchases.

(d) Develop an Annual Certification List to serve as a waiver of the competitive solicitation requirement for commodities/services that are frequently purchased and are available from a single source.

(e) Evaluate and approve contracts ~~let that are entered into after a public and open competitive solicitation~~ by any State of Florida agency or department, the Federal Government, other states, political subdivisions, ~~not-for-profit~~ cooperatives or consortia, or any independent college or university for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University to make purchases under contracts let by such other entities. The ~~Purchasing Department~~**Procurement Department** shall review existing consortia and cooperative contracts to identify potential savings and, if there is the potential for

savings, enter into new consortia and cooperative contracts to achieve the savings, with the goal of achieving a five-percent savings on existing contract prices.

(f) Award contracts for commodities and contractual services to multiple suppliers, if it is determined to be in the best interest of the University. Such awards may be on a university, regional or State University System-wide basis and the contracts may be for multiple years.

(g) Reject or cancel any or all competitive solicitations when determined to be in the best interest of the University.

(h) Bar any contractor/vendor from doing business with the University for demonstrated cause, including previous unsatisfactory performance.

(i) Prohibit University employees and University direct-support organization employees participating on a procurement selection committee for commodities or services from soliciting donations from responding contractor/vendors during the selection process, except for donations or other benefits expressly stated in the procurement document.

(4) **Employee and Contractor/Vendor Standard of Conduct.** It shall be a breach of ethical standards for any University employee to accept, agree to accept, or solicit a gratuity of any kind, form or type in connection with any contract for commodities or services. It shall also be a breach of ethical standards for any potential contractor/vendor to offer a University employee of the University a gratuity of any kind, form or type to influence the development of a contract or potential contract for commodities or services.

(5) **Competitive Solicitations Threshold.** All contracts entered into by the University for the purchase of commodities or contractual services exceeding \$75,000 shall be awarded pursuant to a public and open competitive solicitation, unless otherwise authorized herein or in the Board of Governors Purchasing regulations.

(6) **Notice of Decision or Intended Decision.** A notice of decision or intended decision concerning a solicitation, contract award, or sole source purchase shall be electronically posted on the ~~Purchasing Department~~Procurement Department website.

(7) **Preferences for Florida-Based Contractors/Vendors.** The University will provide preferences to Florida-based contractors/vendors for contracts for personal property and printing in accordance with Florida Board of Governors Purchasing regulations.

(8) **Tie Responses.** When multiple responses that are equal in all respects are received to a competitive solicitation, the University will give preference to responses that include commodities manufactured in the state, Florida businesses, businesses with a drug-free workplace program, or foreign manufacturers located in the state to determine the contract award, or, if these conditions do not exist or are the equivalent between two or more responses, will use toss of the coin.

(9) **Extension Errors.** In the case of extension errors in quotes or competitive responses, the unit price will prevail.

(10) **Withdrawal of Competitive Response.** A contractor/vendor may withdraw his or her competitive response in writing if done within seventy-two (72) hours of the competitive response/bid opening, if the competitive response is clearly erroneous, and if the competitive response is withdrawn prior to final award or the purchase order being issued, whichever comes sooner.

(11) **Exceptional Purchases.** The University has the following exceptional purchases:

(a) **Purchase of Private Attorney Services.** Written approval from the Attorney General is not required for private attorney services acquired by the University.

(b) **Purchase of Insurance.** The University may purchase insurance as deemed necessary and appropriate for the operation and educational mission of the University. Examples of insurance coverage that may be acquired by the University include:

1. Physical damage on vehicles and boats
2. Camps insurance
3. Building and property damage
4. Equipment losses due to theft
5. Equipment subject to transportation
6. Loss of rental income
7. Commercial general liability insurance for scientific equipment
8. Excess general liability coverage

(c) Purchase of Products with Recycled Content.

~~(12)~~(d) **Purchase of Printing.** University purchases of printing are not subject to Florida Statutes Chapter 283. However, if the University decides to purchase printed materials through a competitive solicitation process, the preference provision in the Board of Governors Purchasing regulations shall apply.

~~(12)~~ **Types of Purchases Not Subject to the Competitive Solicitation Process.** Purchasing actions that are not subject to the competitive solicitation process include those types of purchases that are enumerated in the Florida Board of Governors Purchasing regulations or Florida Statutes and commodities to be incorporated into any public work (as that term is defined in Fla. Admin. Code R. 12A-1.094) which are procured by the University in accordance with the requirements of the University's direct purchase program.

~~(13)~~ **Purchases from small and disadvantaged business enterprises.** The University is an equal opportunity institution and encourages procurement contracting with small and disadvantaged businesses which includes minority business enterprises.

~~(14)~~ **Purchases from Contractors/Vendors Convicted of Public Entity Crimes.** The University shall not accept a competitive solicitation from, or purchase commodities or contractual services from, a person or affiliate who has been convicted of a public entity crime and has been placed on the State of Florida's convicted vendor list for a period of 36 months from the date of being added to the convicted vendor list. No federal funds may be used to pay any party who is listed on the federal excluded parties list system.

(1615) Contractors/Vendors Excluded from Competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations to bid and/or requests for proposals shall be excluded from competing for such procurements.

(1716) University Employees Involved in the Competitive Solicitation Process. All persons taking part in the development or selection of criteria for evaluation, the evaluation process, and the contract award process in any purchase shall follow all relevant portions of the State of Florida Code of Ethics for Public Employees, Chapter 112, Part 3, Florida Statutes, and the University's regulation on outside activities.

(1817) Bonds. The University may require solicitation security as a condition for a contractor/vendor's participation in a competitive solicitation and/or payment and performance bonds. An entity protesting a decision or intended decision pertaining to a competitive solicitation must post a solicitation protest bond. Requirements related to solicitation security, payment and performance bonds, and solicitation protest bonds must be in accordance with Board of Governors Purchasing regulations.

(1918) Contracts.

(a) **Form of Contract.** Contracts for commodities or contractual services or licenses shall consist of a purchase order or bilateral agreement signed by the President or designee prior to or within thirty (30) days of the goods or services being rendered by the contractor/vendor. This provision does not apply to appropriate ProCard Expense Card (University issued procurement card) purchases that are made in accordance with applicable policies and procedures.

(b) **Annual Appropriation.** Any contract for the purchase of services or tangible personal property for a period in excess of one fiscal year shall include the following statement: "The State of Florida's and University's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature."

(c) **Extension.** Extension of a contract shall be for a period not to exceed 12 months or until completion of the competitive solicitation and award or protest, whichever is longer, shall be in writing, shall be signed by both parties, and shall be subject to the same terms and conditions set forth in the original contract. There shall be only one extension of a contract.

(d) **Renewal.** A contract may contain provisions for renewal (s) - of a contract - entered into as a result of a competitive solicitation; may be renewed for a period that may not exceed 5 years or twice the term of the original contract, whichever is longer. This provision is not intended to apply retroactively; existing contracts entered into prior to January 1, 2017, including that included any specified renewal period(s) may continue in accordance with the existing contract terms. If the commodity or contractual service is purchased as a result of a competitive solicitation, the cost of any contemplated renewal must be included in the solicitation response. All contract renewals are subject to sufficient annual appropriations.

(e) **Deferred Payment.** The President has the authority to enter into deferred payment agreements utilizing the State of Florida Controller's Consolidated Equipment Financing Program. When a commodity contract requires deferred payments and the payment of

interest under that program, the contract will be submitted to the State of Florida Controller for the purpose of pre-audit review and approval prior to acceptance by the University. No agreement shall establish a debt of the State or shall be applied to the faith and credit of the State; nor shall any agreement be a liability or obligation of the State except from appropriated funds.

(f) **Limitation of Liability.** In order to promote cost-effective procurement of commodities and contractual services, the University may enter into contracts that limit the liability of a contractor/vendor consistent with Florida Statutes section 672.719.

(g) **Value of Contract.** The total value of a contract shall be the purchase price for the initial term of the contract plus all costs for the contemplated renewal terms.

(2019) Purchase of Motor Vehicles.

(a) The term “motor vehicle” includes any automobile, truck, watercraft or other vehicle designed primarily for transporting persons, and construction vehicles or farm equipment.

(b) The University has authority to:

1. Establish standard classes of motor vehicles to be leased, purchased or used by University personnel.
2. Obtain the most effective and efficient use of motor vehicles for state purposes.
3. Establish and operate facilities for the acquisition, disposal, operation, maintenance, repair, storage, control and regulation of University-owned motor vehicles. Acquisition may be by purchase, lease, installment-purchase, loan or by any other legal means and may include a trade-in. All motor vehicles purchased or leased shall be of a class that will safely transport University personnel and adequately meet the requirements of the University.
4. Contract for specialized maintenance services.

(c) Motor vehicles owned, leased or operated by the University shall be available for official University business only.

(20) Workday.

(a) Effective October 1, 2015, Workday, the University’s Enterprise Resource Planning (ERP) system, is the mechanism used for creating requisitions and issuing purchase orders.

(b) The Procurement Department must approve, in Workday, all requisitions and approve or issue all purchase orders on behalf of the University.

(21) Procedures

(a) The procedures necessary to initiate this regulation are supported by the business processes located at the following locations:

1. Purchasing Manual (Procurement Website)
2. Expense Card Manual (Procurement Website)
3. Workday Business Processes (Workday)
 - i. Login to Workday
 - ii. Select “Poly Workday Job Aids”
 - iii. Refer to “Procurement” Job Aids

Authority: FBOG regulations 1.001(7), 18.001, 18.002, and 18.003.

History--New 8.28.13; Amended:

DRAFT

**THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES
NOTICE OF PROPOSED AMENDED REGULATION**

REGULATION NUMBER AND TITLE: FPU-8.001 Purchasing (being renamed Procurement).

SUMMARY OF THE REGULATION: This regulation is supplemental to Florida Board of Governors regulations in Chapter 18 and provides the framework for making purchases of commodities and services, including motor vehicles. The regulation states the Procurement Department's responsibilities, the competitive solicitation threshold and requirements, employee and contractor's standards of conduct, and the requirements of contracts. This regulation is being revised primarily to refer to the department and the regulation as "procurement" rather than "purchasing", to align more closely to the requirements and language used in the BOG's 18.001 Procurement Regulation, to add the purchase of products with recycled content to the list of exceptional purchases, to recognize the Workday ERP system as the mechanism used for creating, approving and issuing purchase orders, and to inform as to the location of certain business processes.

TEXT OF REGULATION: The full text of the Proposed Regulation can be viewed below and on the Florida Polytechnic University Board of Trustees website, at <http://floridapoly.edu/board-of-trustees/university-policies-and-regulations/>.

If you would like a copy of the Proposed Regulation, please contact Melaine Schmiz, Assistant General Counsel at (863) 874-8489.

AUTHORITY: Board of Governors Regulations 1.001(7), 18.001, 18.002, and 18.003.

NAME OF PERSON INITIATING PROPOSED REGULATION: Mark Mroczkowski, VP & CFO.

ANY PERSON SEEKING TO COMMENT ON THE PROPOSED REGULATION MUST SUBMIT COMMENTS IN WRITING TO THE CONTACT PERSON LISTED BELOW. ALL WRITTEN COMMENTS MUST BE RECEIVED BY THE CONTACT PERSON WITHIN 14 CALENDAR DAYS OF THE DATE OF PUBLICATION OF THIS NOTICE.

THE CONTACT PERSON REGARDING THIS REGULATION IS: Melaine Schmiz, Assistant General Counsel at 4700 Research Way, Lakeland, Florida 33805, Email: mschmiz@floridapoly.edu, Phone: (863) 874-8489, Fax: (863) 874-8716.

DATE OF PUBLICATION: January 26, 2018

THE FULL TEXT OF THE PROPOSED REGULATION IS PROVIDED BELOW:

THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES

FPU-8.001 Purchasing/Procurement.

(1) **Statement of Intent.** These Purchasing/Procurement regulations are supplemental to Chapter 18 of the Florida Board of Governors regulations (“Board of Governors Purchasing regulations”). It is the intent of Florida Polytechnic University (the “University”) to acquire quality goods and services within reasonable or required time frames, while promoting fair and open competition in the public procurement process. Responsible purchasing officials shall be protected from improper pressures of external political or business interests. The process shall reduce the appearance and opportunity for favoritism, ensure that contracts are awarded equitably and economically, and establish effective management oversight in the acquisition of commodities and contractual services, in order to preserve the integrity of public purchasing and contracting. The opportunity to respond to competitive solicitations and enter into contracts with the University is a privilege, not a right.

(2) **Definitions.**

(a) **Commodity** - Any of the various supplies, materials, goods, merchandise, food, equipment or other personal property, including a mobile home, trailer or other portable structure, which are purchased, leased, lease-purchased or otherwise contracted for by the University. “Commodity” also includes interest on deferred-payment contracts entered into by the University for the purchase of other commodities.

(b) **Competitive Response** - The response submitted to an Invitation to Bid, Invitation to Negotiate, or a Request for Proposal by a responsive and qualified bidder or offeror.

(c) **Competitive Solicitation** - An Invitation to Bid, Request for Proposals or Invitation to Negotiate to competitively select a contractor/vendor.

(d) **Contractor/Vendor/Supplier** - A person or firm who sells commodities or contractual services to the University.

(e) **Contractual Service** - The rendering by a contractor of its time and effort rather than the furnishing of commodities. The term applies only to those services rendered by individuals and firms who are independent contractors. “Contractual service” does not include labor or materials or selection of professional services for the construction, renovation, repair or demolition of facilities.

(f) **Independent Contractor** - A person or firm who provides a service to the University, but does not have any employment or other relationship or connection with the University, except as permitted by Florida law.

(g) **Invitation to Bid** - A written solicitation for competitive bids with the title, date, and hour of the public bid opening designated and the commodity, group of commodities or services defined, for which competitive responses are sought.

(h) **Invitation to Negotiate** - An invitation extended to prospective contractor/vendors by the University, whether by advertisement, written solicitation, electronic media or any other form of communication, to define the specifications, terms and conditions of a contract for commodities or contractual services. Cost may or may not be a consideration in the initial stages of negotiating.

(i) **President** - The chief executive officer of the University or chief operating officer, responsible for its operation and administration.

(j) **Public Entity Crime** - A violation of any state or federal law by a person in the transaction of business with any public entity of any state or with the United States government involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy or material misrepresentation.

(k) **Purchase** - An acquisition of commodities and/or services obtained by purchase order or contract whether by rent, lease, installment- purchase or lease-purchase, outright purchase, or license.

(l) **Renewal** - Contracting with the same contractor/vendor for an additional period of time after the initial contract term, provided the original terms of the agreement specify an option to renew.

(m) **Request for Proposal** - A written solicitation for competitive proposals for commodities or contractual services with the title, date, and hour of the public opening designated. The request for proposal may be used when the scope of work is not clearly defined.

(n) **Responsive and Qualified Bidder or Offeror** - A contractor/vendor who has submitted a competitive response that conforms in all material respects to a competitive solicitation.

(3) **Purchasing-Procurement Department Duties.** The University Board of Trustees has authority to establish a system of coordinated procurement policies, procedures, and practices to be used in acquiring commodities and contractual services required by the University. The ~~Purchasing-Procurement Department/shared-services-provider~~ (the “~~Purchasing Department/Procurement Department~~”) has the duty to:

(a) Canvass sources of supply and contracting for the purchase or lease of all commodities and contractual services for the University, in any manner, including purchase by installment- or lease-purchase contracts. Installment- or lease- purchase contracts may provide for the payment of interest on unpaid portions of the purchase price.

(b) Remove any contractor/vendor from the University’s competitive vendor list that fails to fulfill any of its duties specified in a contract with the University and to reinstate any such contractor/vendor when satisfied that further instances of default will not occur.

(c) Plan and coordinate purchases in volume and negotiate and execute agreements and contracts for commodities and contractual services under which the University may make purchases.

(d) Develop an Annual Certification List to serve as a waiver of the competitive solicitation requirement for commodities/services that are frequently purchased and are available from a single source.

(e) Evaluate and approve contracts ~~let that are entered into after a public and open competitive solicitation~~ by any State of Florida agency or department, the Federal Government, other states, political subdivisions, ~~not for profit~~ cooperatives or consortia, or any independent college or university for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University to make purchases under contracts let by such other entities. The ~~Purchasing Department/Procurement Department~~ shall review existing consortia and cooperative contracts to identify potential savings and, if there is the potential for

savings, enter into new consortia and cooperative contracts to achieve the savings, with the goal of achieving a five-percent savings on existing contract prices.

(f) Award contracts for commodities and contractual services to multiple suppliers, if it is determined to be in the best interest of the University. Such awards may be on a university, regional or State University System-wide basis and the contracts may be for multiple years.

(g) Reject or cancel any or all competitive solicitations when determined to be in the best interest of the University.

(h) Bar any contractor/vendor from doing business with the University for demonstrated cause, including previous unsatisfactory performance.

(i) Prohibit University employees and University direct-support organization employees participating on a procurement selection committee for commodities or services from soliciting donations from responding contractor/vendors during the selection process, except for donations or other benefits expressly stated in the procurement document.

(4) **Employee and Contractor/Vendor Standard of Conduct.** It shall be a breach of ethical standards for any University employee to accept, agree to accept, or solicit a gratuity of any kind, form or type in connection with any contract for commodities or services. It shall also be a breach of ethical standards for any potential contractor/vendor to offer a University employee of the University a gratuity of any kind, form or type to influence the development of a contract or potential contract for commodities or services.

(5) **Competitive Solicitations Threshold.** All contracts entered into by the University for the purchase of commodities or contractual services exceeding \$75,000 shall be awarded pursuant to a public and open competitive solicitation, unless otherwise authorized herein or in the Board of Governors Purchasing regulations.

(6) **Notice of Decision or Intended Decision.** A notice of decision or intended decision concerning a solicitation, contract award, or sole source purchase shall be electronically posted on the ~~Purchasing Department~~Procurement Department website.

(7) **Preferences for Florida-Based Contractors/Vendors.** The University will provide preferences to Florida-based contractors/vendors for contracts for personal property and printing in accordance with Florida Board of Governors Purchasing regulations.

(8) **Tie Responses.** When multiple responses that are equal in all respects are received to a competitive solicitation, the University will give preference to responses that include commodities manufactured in the state, Florida businesses, businesses with a drug-free workplace program, or foreign manufacturers located in the state to determine the contract award, or, if these conditions do not exist or are the equivalent between two or more responses, will use toss of the coin.

(9) **Extension Errors.** In the case of extension errors in quotes or competitive responses, the unit price will prevail.

(10) **Withdrawal of Competitive Response.** A contractor/vendor may withdraw his or her competitive response in writing if done within seventy-two (72) hours of the competitive response/bid opening, if the competitive response is clearly erroneous, and if the competitive response is withdrawn prior to final award or the purchase order being issued, whichever comes sooner.

(11) **Exceptional Purchases.** The University has the following exceptional purchases:

(a) **Purchase of Private Attorney Services.** Written approval from the Attorney General is not required for private attorney services acquired by the University.

(b) **Purchase of Insurance.** The University may purchase insurance as deemed necessary and appropriate for the operation and educational mission of the University. Examples of insurance coverage that may be acquired by the University include:

1. Physical damage on vehicles and boats
2. Camps insurance
3. Building and property damage
4. Equipment losses due to theft
5. Equipment subject to transportation
6. Loss of rental income
7. Commercial general liability insurance for scientific equipment
8. Excess general liability coverage

(c) Purchase of Products with Recycled Content.

~~(12)~~(d) **Purchase of Printing.** University purchases of printing are not subject to Florida Statutes Chapter 283. However, if the University decides to purchase printed materials through a competitive solicitation process, the preference provision in the Board of Governors Purchasing regulations shall apply.

~~(13)~~**12) Types of Purchases Not Subject to the Competitive Solicitation Process.** Purchasing actions that are not subject to the competitive solicitation process include those types of purchases that are enumerated in the Florida Board of Governors Purchasing regulations or Florida Statutes and commodities to be incorporated into any public work (as that term is defined in Fla. Admin. Code R. 12A-1.094) which are procured by the University in accordance with the requirements of the University's direct purchase program.

~~(14)~~**13) Purchases from small and disadvantaged business enterprises.** The University is an equal opportunity institution and encourages procurement contracting with small and disadvantaged businesses which includes minority business enterprises.

~~(15)~~**14) Purchases from Contractors/Vendors Convicted of Public Entity Crimes.** The University shall not accept a competitive solicitation from, or purchase commodities or contractual services from, a person or affiliate who has been convicted of a public entity crime and has been placed on the State of Florida's convicted vendor list for a period of 36 months from the date of being added to the convicted vendor list. No federal funds may be used to pay any party who is listed on the federal excluded parties list system.

(4615) Contractors/Vendors Excluded from Competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations to bid and/or requests for proposals shall be excluded from competing for such procurements.

(4716) University Employees Involved in the Competitive Solicitation Process. All persons taking part in the development or selection of criteria for evaluation, the evaluation process, and the contract award process in any purchase shall follow all relevant portions of the State of Florida Code of Ethics for Public Employees, Chapter 112, Part 3, Florida Statutes, and the University's regulation on outside activities.

(4817) Bonds. The University may require solicitation security as a condition for a contractor/vendor's participation in a competitive solicitation and/or payment and performance bonds. An entity protesting a decision or intended decision pertaining to a competitive solicitation must post a solicitation protest bond. Requirements related to solicitation security, payment and performance bonds, and solicitation protest bonds must be in accordance with Board of Governors Purchasing regulations.

(4918) Contracts.

(a) **Form of Contract.** Contracts for commodities or contractual services or licenses shall consist of a purchase order or bilateral agreement signed by the President or designee prior to or within thirty (30) days of the goods or services being rendered by the contractor/vendor. This provision does not apply to appropriate ProCard-Expense Card (University issued procurement card) purchases that are made in accordance with applicable policies and procedures.

(b) **Annual Appropriation.** Any contract for the purchase of services or tangible personal property for a period in excess of one fiscal year shall include the following statement: "The State of Florida's and University's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature."

(c) **Extension.** Extension of a contract shall be for a period not to exceed 12 months or until completion of the competitive solicitation and award or protest, whichever is longer, shall be in writing, shall be signed by both parties, and shall be subject to the same terms and conditions set forth in the original contract. There shall be only one extension of a contract.

(d) **Renewal.** A contract may contain provisions for renewal(s) - of a contract - entered into as a result of a competitive solicitation; may be renewed for a period that may not exceed 5 years or twice the term of the original contract, whichever is longer. This provision is not intended to apply retroactively; existing contracts entered into prior to January 1, 2017, including that included any specified renewal period(s) may continue in accordance with the existing contract terms. If the commodity or contractual service is purchased as a result of a competitive solicitation, the cost of any contemplated renewal must be included in the solicitation response. All contract renewals are subject to sufficient annual appropriations.

(e) **Deferred Payment.** The President has the authority to enter into deferred payment agreements utilizing the State of Florida Controller's Consolidated Equipment Financing Program. When a commodity contract requires deferred payments and the payment of

interest under that program, the contract will be submitted to the State of Florida Controller for the purpose of pre-audit review and approval prior to acceptance by the University. No agreement shall establish a debt of the State or shall be applied to the faith and credit of the State; nor shall any agreement be a liability or obligation of the State except from appropriated funds.

(f) **Limitation of Liability.** In order to promote cost-effective procurement of commodities and contractual services, the University may enter into contracts that limit the liability of a contractor/vendor consistent with Florida Statutes section 672.719.

(g) **Value of Contract.** The total value of a contract shall be the purchase price for the initial term of the contract plus all costs for the contemplated renewal terms.

(2019) Purchase of Motor Vehicles.

(a) The term “motor vehicle” includes any automobile, truck, watercraft or other vehicle designed primarily for transporting persons, and construction vehicles or farm equipment.

(b) The University has authority to:

1. Establish standard classes of motor vehicles to be leased, purchased or used by University personnel.
2. Obtain the most effective and efficient use of motor vehicles for state purposes.
3. Establish and operate facilities for the acquisition, disposal, operation, maintenance, repair, storage, control and regulation of University-owned motor vehicles. Acquisition may be by purchase, lease, installment-purchase, loan or by any other legal means and may include a trade-in. All motor vehicles purchased or leased shall be of a class that will safely transport University personnel and adequately meet the requirements of the University.
4. Contract for specialized maintenance services.

(c) Motor vehicles owned, leased or operated by the University shall be available for official University business only.

(20) Workday.

(a) Effective October 1, 2015, Workday, the University’s Enterprise Resource Planning (ERP) system, is the mechanism used for creating requisitions and issuing purchase orders.

(b) The Procurement Department must approve, in Workday, all requisitions and approve or issue all purchase orders on behalf of the University.

(21) Procedures

(a) The procedures necessary to initiate this regulation are supported by the business processes located at the following locations:

1. Purchasing Manual (Procurement Website)
2. Expense Card Manual (Procurement Website)
3. Workday Business Processes (Workday)
 - i. Login to Workday
 - ii. Select “Poly Workday Job Aids”
 - iii. Refer to “Procurement” Job Aids

Authority: FBOG regulations 1.001(7), 18.001, 18.002, and 18.003.
History--New 8.28.13; Amended: