



FLORIDA POLYTECHNIC
UNIVERSITY

Board of Trustees Finance & Facilities Committee Meeting

Wednesday, September 11, 2019
12:45 PM – 1:45 PM

Florida Polytechnic University, 4700 Research Way, Lakeland, FL

Dial In Number: 415-655-0001 | Access Code: 648625684#

Frank Martin, Chair
Dr. Victoria Astley

Henry McCance, Vice-Chair
Rear Admiral Philip Dur

Bob Stork
Gary Wendt

AGENDA

- | | |
|---|---------------------|
| I. Call to Order | Frank Martin, Chair |
| II. Roll Call | Winnie Hall |
| III. Public Comment | Frank Martin, Chair |
| IV. Approval of the May 22, 2019 Minutes
Action Required | Frank Martin, Chair |
| V. 2018-2020 Finance and Facilities Committee Work Plan Review | Frank Martin, Chair |
| VI. University and Foundation Financial Review | Mark Mroczkowski |
| VII. Approval of Revised Carry Forward and Fixed Capital Outlay Budgets
Action Required | Mark Mroczkowski |
| VIII. Approval of University Resources Used by the Foundation in 2018-19
Action Required | Mark Mroczkowski |
| IX. Approval of Revision to Policy Number FPU-7.001P Electronic Funds Transfer
Action Required | Mark Mroczkowski |

- | | | |
|-------|--|---------------------|
| X. | <u>Applied Research Center (ARC) Update</u> | David Calhoun |
| XI. | <u>Approval of Contracts Over \$500,000</u>
Action Required | Mark Mroczkowski |
| XII. | <u>Review of Contracts Over \$200,000</u> | Mark Mroczkowski |
| XIII. | <u>Approval of Foundation Board Reappointment</u>
Action Required | Mark Mroczkowski |
| XIV. | Closing Remarks and Adjournment | Frank Martin, Chair |



FLORIDA POLYTECHNIC
UNIVERSITY

Board of Trustees Finance & Facilities Committee Meeting

DRAFT MEETING MINUTES

Wednesday, May 22, 2019
9:15 AM – 11:00 AM

SUN 'n FUN Fly-In, 4175 Medulla Road, Lakeland, FL

I. Call to Order

Committee Chair Frank Martin called the Finance & Facilities Committee meeting to order at 09:45 a.m.

II. Roll Call

Julie Ann Hudson called the roll: Committee Chair Frank Martin, Committee Vice-Chair Henry McCance, Trustee Bob Stork, Trustee Victoria Astley, and Trustee Gary Wendt were present (Quorum).

Other trustees present: Chair Don Wilson, Vice Chair Otto, Trustee Perry, Trustee Perez, Trustee Saco, Trustee Hallion, and Trustee Bostick.

Staff present: Provost Terry Parker, Mr. Mark Mroczkowski, Mrs. Regina Deulio, Mr. David Blanton, Mr. Derek Horton, Mr. John Sprenkle, Mr. David Calhoun, Mr. David O'Brien, Mr. Ben Beachy, Mr. Rick Maxey, Mrs. Maggie Mariucci, Mrs. Kris Wharton, Mr. David Brunell, Mr. Bob Kennedy, Ms. Michele Rush, Mrs. Kimberly Abels, and Mrs. Julie Ann Hudson were present.

III. Public Comment

There were no requests received for public comment.

IV. Approval of the March 13, 2019 Minutes

Trustee Bob Stork made a motion to approve the Finance & Facilities Committee meeting minutes of March 13, 2018. Committee Vice-Chair Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2018-2020 Finance and Facilities Committee Work Plan Review

The 2018 -2020 Finance and Facilities Committee Work Plan remains unchanged and no discussion occurred.

VI. University and Foundation Financial Reviews

Mr. Mark Mroczkowski presented the 2018-2019 Third Quarter Financial Review of the University's and the Foundation's financial results for the quarter ended March 31, 2019.

Mr. Mroczkowski shared the University continues to enjoy a strong financial position and liquidity; and operations are consistent with the prior year with no significant budget variances. University carryforward, unrestricted and auxiliary fund balances grew by 30%, 7% and 5%, respectively. University's composite financial index remains strong at 97%.

Mr. Mroczkowski stated the University Foundation has not performed well this year. Budgeted revenues have been reduced to \$1.4 million for the current fiscal. The Foundation is working towards improving it's productivity.

VII. Anticipated Use of University Resources by the Foundation for 2019-20

Mr. Mark Mroczkowski reviewed the estimate of University resources to be provided to the Foundation for the 2019-2020 Fiscal Year. Mr. Mroczkowski stated the Board of Trustees must approve use of University personnel and facilities for Foundation use.

Committee Chair Frank Martin requested future reports providing the anticipated use of University Resources identify employees serving full time vs part time. Mr. Mroczkowski responded they would provide that information as well as a report reflecting actual costs after the fiscal year closes.

Trustee Bob Stork made a motion to approve the request for \$257,551 in estimated resources to be provided to the Foundation for the 2019-2020 Fiscal Year. Trustee Victoria Astley seconded the motion; a vote was taken, and the motion passed unanimously.

VIII. Approval of Contracts Over \$500,000

Mr. Mark Mroczkowski presented one new (renewal) contract \$500,000 to the committee for board approval. Super Transportation of Florida LLC. This vendor provides student transportation services using the University owned shuttle. The agreement between TransDev and Florida Poly has one remaining renewal, August 1, 2019 – June 30, 2020 at \$140,000 for the Fiscal Year 2020, which increase the total value of the contract from \$418,000 to \$558, 002. There are no further renewals available under this agreement.

Trustee Bob Stork made a motion to approve the Super Transportation of Florida renewal contract at \$140,000 for the Fiscal Year 2020, increasing the total value of the contract from \$418,000 to \$558,002. Vice Chair Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

IX. Review of Contracts over \$200,000

Mr. Mark Mrozkowski reviewed three new contracts in excess of \$200,000 as well as the list of current contracts excess of \$200,000. The three new contracts reviewed were:

- (1) NuPark by Passport; a University Parking Management System.
- (2) Hall Arbery Gilligan Roberts and Shanlever LLP; legal consultant for Office of General Counsel for Union related legal services.
- (3) Higher One, Inc.; cashiering functionality for the University.

No further discussion occurred.

X. 2019-20 University Operating and Capital Budgets

Mr. Mark Mroczkowski presented seven recommendations from Florida House Public Integrity and Ethics Committee related to budgeting and funds management and made the committee aware of the University's compliance with those recommendations.

Mr. Mroczkowski reviewed three proposed budgets for the 2019-2020 Fiscal Year for the committee's approval: \$59.6 million Operating Budget, \$22.5 Capital Outlay Budget, and \$8.1 million Carryforward Budget.

President Randy Avent initiated a discussion regarding the Applied Research Center (ARC) funding. President Avent stated the University had the 72.5% required to begin construction on the ARC but did not receive the additional funding necessary to complete the building. President Avent added there is no guarantee the University will receive the additional funding from the state needed to complete the building. Present Avent shared the University has committed a large portion of the Carry Forward budget to the building and recommended to move forward with construction. The committee agreed they had previously voted on this matter and unanimously agreed to move forward.

Committee Chair Frank Martin urged the Foundation to renew efforts to locate potential donors and assist with a faculty building and student achievement center on the main campus. Chair Martin inquired whether we are encouraging the Board of Governors, Chancellor, and the Chair to tour the campus and understand the University's needs. Mr. Rick Maxey responded his office has been actively working on scheduling the vice chair, incoming chair, two committee members, and facilities chair for a campus tour.

Vice Chair Henry McCance made a motion to approve three proposed budgets for the 2019-2020 Fiscal Year: \$59.6 million Operating Budget, \$22.5 Capital Outlay Budget, and \$8.0 million Carryforward Budget. Trustee Bob Stork seconded the motion; a vote was taken, and the motion passed unanimously.

XI. 2019-20 Foundation Operating Budget

Mr. Mark Mroczkowski presented the Foundation's \$1.6 million Operating Budget for the 2019-20 Fiscal Year beginning July 1, 2019. The Florida Polytechnic University Foundation Board of Directors unanimously approved the 2019-2020 Foundation Operating Budget during their April 5, 2019 meeting. The 2019-2020 Foundation Operating Budget reflects 2019-budget revisions and the fiscal year 2020-proposed budget. Mr. Mroczkowski presented the budget to the committee for secondary oversight approval.

Trustee Bob Stork made a motion to approve the Foundation's Fiscal Year 2019-budget revisions and the Fiscal Year 2020-budget proposal. Trustee Victoria Astley seconded the motion; a vote was taken, and the motion passed unanimously.

XII. Applied Research Center (ARC) Update

Mr. David Calhoun provided an update on the Applied Research Center to the committee. The project budget is \$38.7 million with an estimated project cost of \$10.8 million remaining to be funded from PECO. However, price increases are expected to drive up the total cost by approximately \$2.0 million. The proposed completion date is August 2021.

Discussion and questions ensued but no further action was taken.

XIII. Approval of Foundation Board New Appointment

Trustee Bob Stork made a motion to approve the appointment of Cindy Alexander for service to the Florida Polytechnic University Foundation, Board of Directors for a two-year term. Vice Chair Henry McCance seconded the motion; a vote was taken, and the motion passed unanimously.

XIV. Approval of Foundation Board Reappointments

Trustee Bob Stork made a motion to approve the reappointments of Shelley Robinson and Seretha Tinsley for service to the Florida Polytechnic University Foundation, Board of Directors for a two-year term. Trustee Gary Wendy 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 11:45AM.

**Florida Polytechnic University
Finance & Facilities Committee
Work Plan 2018-2020**

September 5 , 2018	December 5. 2018	March 13, 2019	May 21-22, 2019
<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • Educational Plant Survey • University & Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • 2018 Legislative Session Appropriations • 2019-2020 Legislative Budget Request (Operating and Fixed Capital Outlay) • 2019-2020 University Operating Budget • 2019-2020 Foundation Operating Budget • University & Foundation Financial Update • Contract Review • Construction Update
September 11, 2019	December 11, 2019	February, 2020	May, 2020
<ul style="list-style-type: none"> • University & Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • University & Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • 2019 Legislative Session Appropriations • 2020-2021 Legislative Budget Request (Operating and Fixed Capital Outlay) • 2020-2021 University Operating Budget • 2020-2021 Foundation Operating Budget • University & Foundation Financial Update • Contract Review • Construction Update
September, 2020	December, 2020		
<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 	<ul style="list-style-type: none"> • University and Foundation Financial Update • Contract Review • Construction Update 		

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
September 11, 2019**

Subject: University and Foundation Financial Review

Proposed Committee Action

No action required – information only.

Background Information

Mark Mroczkowski, Vice President and Chief Financial Officer will provide the Committee with an update of the following:

- 2018-2019 Year-End Financial Review

Supporting Documentation:

1. 2018-2019 Year-End Financial Review

Prepared by: Mark Mroczkowski, Vice President & CFO



FLORIDA POLYTECHNIC
UNIVERSITY

2018-2019
4th Quarter Financial Review

Mark Mroczkowski



University Financial Dashboard

12 Months YOY Summary			Financial Ratios		
Revenue	\$68,373,039	+18.36%	Metric	University	Benchmark*
Expenses	\$67,784,792	+22.92%	Primary Reserve Ratio	76.38%	40%
Net Income	\$588,247	-77.60%	Net Income Ratio	0.86%	2-4%
Assets	\$220,368,439	+1.26%	Return on Net Assets	0.18%	3-4%
Liabilities	\$23,911,391	+11.04%	Viability Ratio	13,856.50%	125-200%
Net Position	\$196,457,048	+0.18%			

Florida Poly has enjoyed financial growth and has sustainable financial strength with a composite financial index score of 118.45 compared to the benchmark of 10. However, it is also important to note that we received revenue from an insurance recovery of approx. \$8.2mm this year for which we have not accrued the related expense. We anticipate this could reduce the CFI to 94.31.

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

Outline

- Introduction
- **University Q4 Financial Review**
- **Foundation Q4 Financial Review**
- **Summary**



University Q4 Balance Sheet

	12 Months Actual 06/30/19	12 Months Actual Prior Year	\$ Variance	% Variance
Assets:				
Cash & Investments	57,593,699	46,345,458	11,248,241	25.99%
Receivables	7,583,069	13,267,130	(5,684,061)	-42.84%
Total Current Assets	65,176,768	59,612,588	5,564,180	9.97%
Property, Plant and Equipment (Net)	145,059,577	148,650,943	(3,591,366)	-2.42%
Other Non Current Assets	10,132,094	9,370,873	761,221	8.12%
Total Assets	220,368,439	217,634,404	2,734,035	1.26%
Liabilities:				
Current Liabilities	5,170,388	3,292,135	1,878,253	57.05%
Other Non Current Liabilities	18,741,003	18,242,434	498,569	2.73%
Total Liabilities	23,911,391	21,534,569	2,376,822	11.04%
Net Position	196,457,048	196,099,835	357,213	0.18%
Total Liabilities and Net Position	220,368,439	217,634,404	2,734,035	1.26%



Variance Analysis

- **Significant YOY Variances (over 10%)**
 - Cash and investments are up 25% primarily due to insurance recovery of \$8.2mm from the State of Florida.
 - Accounts receivable is down 42% due to the release of the pledge from the Foundation.
 - The accrual of a \$2.1mm construction payment to Skanska is the primary reason for the 57% variance in current liabilities.
 - Other non-current assets are deferred outflows related to pensions.
 - Other non-current liabilities includes deferred inflows, compensated absences and net pension liability.



University Q4 Budget Update

	12 Months Budget 06/30/19	12 Months Actual 06/30/19	Budget Variance	12 Months Actual Prior Year	YOY Change
Summary of Sources					
Education & General (E&G)	37,180,747	37,267,972	0.23%	36,473,591	2.18%
Florida Industrial & Phosphate Research Institute (FIPR)	1,800,000	1,598,422	-11.20%	1,739,443	-8.11%
Public Education Capital Outlay (PECO)	0	31,109	0.00%	1,951,049	0.00%
Educational Enhancement Trust Fund (Lottery)	290,790	290,790	0.00%	243,148	19.59%
Financial Aid	7,000,000	9,590,395	37.01%	8,823,392	8.69%
Tuition & Fees	3,124,429	2,408,661	-22.91%	924,505	160.54%
Activity & Service Fees	305,289	285,489	-6.49%	377,645	-24.40%
Athletic Fees	244,644	228,934	-6.42%	301,940	-24.18%
Health Fees	165,973	152,988	-7.82%	215,023	-28.85%
Auxiliaries (Dining, Bookstore, Parking etc.)	4,664,672	6,835,475	46.54%	5,007,794	36.50%
Other Capital Construction	0	8,283,772	100.00%	903,071	817.29%
Grants & Contracts	1,654,569	1,399,031	-15.44%	805,333	73.72%
Total Revenue	56,431,113	68,373,039	21.16%	57,765,934	18.36%
Education & General (E&G) Carryforward	25,802,667	25,802,667	0.00%	5,659,107	355.95%
Florida Industrial & Phosphate Research Institute Trust Fund	1,145,111	1,145,111	0.00%	1,145,111	0.00%
Public Education Capital Outlay (PECO) Carryforward	7,000,000	7,000,000	0.00%	7,000,000	0.00%
Total Other	33,947,778	33,947,778	0.00%	13,804,218	145.92%
Total Sources	90,378,891	102,320,817	13.21%	71,570,152	42.97%
Summary of Uses					
Salary & Benefits	28,923,465	25,117,033	-13.16%	25,397,857	-1.11%
Part-Time Employment (adjunct faculty, student workers etc.)	2,265,033	2,416,295	6.68%	2,218,913	8.90%
Operating Expense (instructional supplies, equipment, utilities etc.)	19,150,492	23,208,225	21.19%	12,424,377	86.80%
Projects	27,746,000	1,567,355	-94.35%	1,425,535	9.95%
Scholarships/Federal Aid	7,000,000	9,924,947	41.78%	8,303,367	19.53%
Depreciation/Other	5,293,901	5,550,937	4.86%	5,373,745	3.30%
Total Uses	90,378,891	67,784,792	-25.00%	55,143,795	22.92%



Variance Analysis

- **Significant Budget and YOY Variances (over 10%)**

- FIPR received \$1.6 million of severance tax, which was 11.2% below the \$1.8 million estimates.
- Lottery revenue of \$290,790 is on budget and is a 19.6% increase over last year's receipts of \$243,148 due to the increase in appropriation.
- Financial aid received exceeded budget estimates by \$2.6 million or 37%. Students are increasingly taking advantage of available programs as shown by the \$767,003 increase that is 8.7% greater than last year. Expenses exceeded revenue by \$334k due to timing of awards compared to drawing of federal aid.
- Tuition revenue fell below budget estimates by 22.9% or \$715,768 due to an increase in out-of-state fee waivers, which disproportionately waive more tuition than student fees. Tuition and student fees of \$2.4 million are \$1.5 million or 160.5% higher than prior year due to a decrease in the overall discount rate.
- Auxiliaries business revenue has grown YOY by \$1.8 million or 36.5% and exceeded budget estimates by \$2.2 million or 46.5%. The growth was due to investment earnings and increases in dining, parking and other sources.
- Other capital construction includes \$8.2 million of new funds received from the State Department of Financial Services self-insurance fund as reimbursement for damages to IST suffered during Hurricane Irma.
- Grants and contracts were below budget estimates by \$315,538 or 15.4% primarily because of the discontinuance of a large grant with the Florida Department of Transportation. However, revenue increased over the prior year by \$533,698 or 73.7% due to increased productivity and greater yield in terms of proposals from the pipeline.



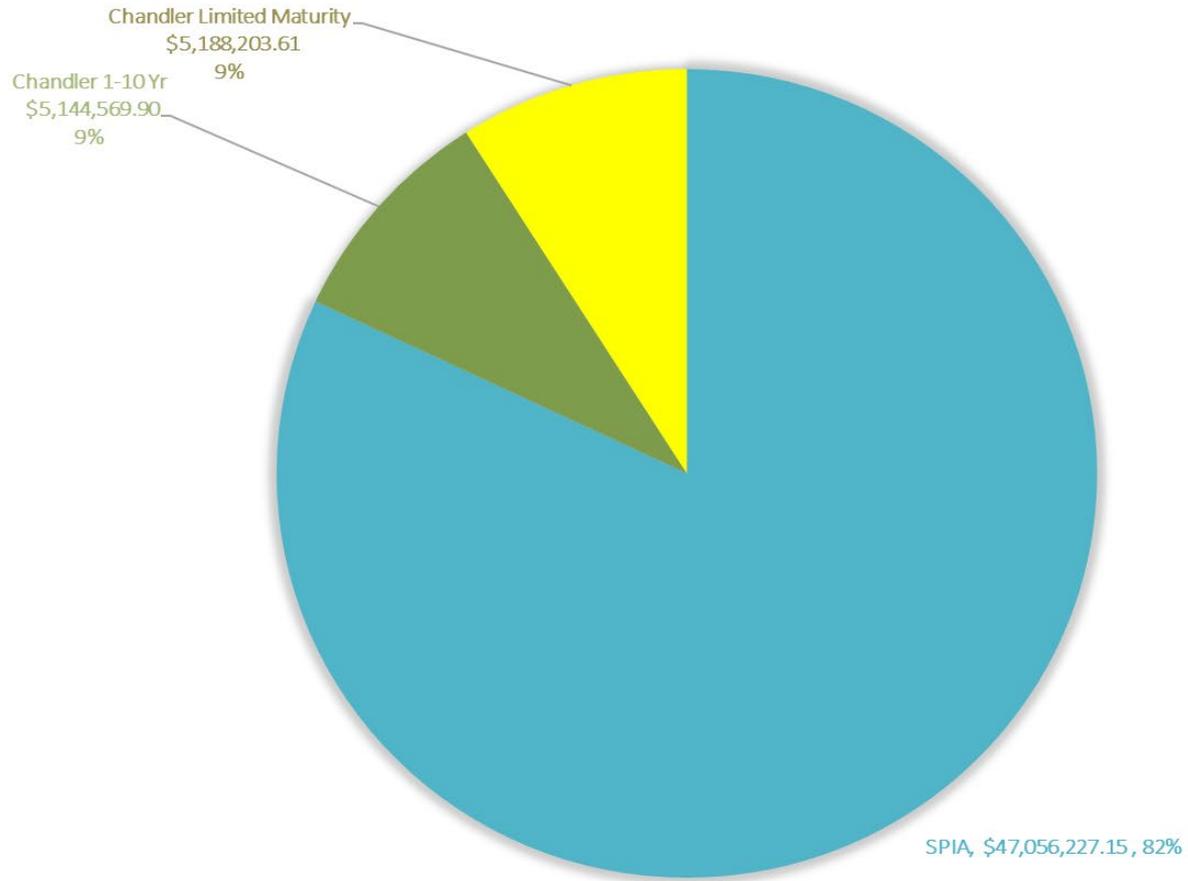
Variance Analysis (Continued)

- **Significant Budget and YOY Variances (over 10%)**
 - ARC commitments of \$20.8mm increased budgeted uses of carryforward over the prior year by 356%.
 - FIPR budgeted an additional \$1.1mm from the trust fund to cover expenses above what they generated in severance tax.
 - Faculty hiring increased over the prior year by \$1.9mm, but remained 13.16% below budget for the year. Hiring for the 19-20 academic year is expected to increase by 14 personnel and \$1.4mm.
 - Operating expenses exceeded budget by \$4.0 million or 21.2% as a result of the Board approved \$5.7 million non-cash, one-time charge to release the Foundation from its pledge. Excluding this charge, operating expenses were \$17.5 million which was \$1.6 million under budget and a \$5.1 million or 41.1% increase over the prior year. The increase in expenses is attributable to pergola repairs, legal costs related to the Union, computer and software replacements and enhancements, new website, executive search fees and other consulting fees.
 - Variance for capital projects is driven by the ARC construction timeline. Construction is expected to begin September, 2019 and completed by August, 2021.



Investment Analysis

INVESTMENTS SUMMARY JUNE 2019





Investment Analysis

Florida Polytechnic University	
SPIA Return on Investment	
For the Year Ended June 30, 2019	
YTD Average Daily Balance	\$ 42,019,352
YTD Interest Earned	993,948
YTD Interest Rate	2.32%
Cash & Investment Summary	
SPIA	\$ 47,056,227
Chandler	\$ 10,332,774
Cash	\$ 204,698
Total	\$ 57,593,699

Special Purpose Investment Account (SPIA)

The Florida State Treasury operates a special investment program for public entities. This program is authorized in [Section 17.61\(1\), Florida Statutes](#) and is called the Special Purpose Investment Account (SPIA). Component Units of the State, Universities, or Colleges that are created by the Florida Constitution or Florida Statutes are eligible to invest in SPIA.

SPIA funds are combined with State funds and are invested as part of the Treasury Investment Pool. The Treasury Investment Pool invests in a combination of short-term liquid instruments and intermediate term fixed income securities.

Outline

- Introduction
- University Q4 Financial Review
- **Foundation Q4 Financial Review**
- **Summary**



FLORIDAPOLY

Foundation Financial Dashboard

Accrual Basis As of June 30, 2019			Cash Basis As of June 30, 2019		
Revenue (donations, interest)	\$6,709,852	+209.31%	Revenue (donations, interest)	\$1,192,965	-47.82%
Operating Expenses (advocacy, events, travel, etc..)	\$520,117	-39.91%	Operating Expenses (advocacy, events, travel, etc..)	\$483,142	-25.74%
University Support (scholarships, salaries)	\$731,725	-53.68%	University Support (scholarships, salaries)	\$374,866	-83.12%
Investments (TIAA)	\$6,032,750	+5.27%	Investments (TIAA)	\$6,032,750	+5.27%
Permanently Restricted Funds (endowments)	\$1,422,338	+18.64%	Permanently Restricted Funds (endowments)	\$1,422,338	+66.88%
Temporarily Restricted Funds (scholarships, health informatics)	\$1,235,226	+76.44%	Temporarily Restricted Funds (scholarships, health informatics)	\$3,838,518	+0.35%
Unrestricted Funds	\$1,452,096	+149.61%	Unrestricted Funds	\$1,306,292	-16.07%
Total Net Position	\$4,109,660	+499.71%	Total Net Position	\$6,657,148	+5.35%



Foundation Q4 Balance Sheet

	12 Months Actual 06/30/19	12 Months Actual Prior Year	\$ Variance	% Variance
Assets:				
Cash & Investments	6,567,148	6,233,758	333,390	5.35%
Receivables	302,725	857,574	(554,849)	-64.70%
Total Assets	6,869,873	7,091,332	(221,459)	-3.12%
Liabilities:				
Current Liabilities	2,760,214	4,215,095	(1,454,881)	-34.52%
Non Current Liabilities	-	3,904,384	(3,904,384)	-100.00%
Total Liabilities	2,760,214	8,119,479	(5,359,265)	-66.01%
Net Position	4,109,660	(1,028,147)	5,137,807	-499.72%
Total Liabilities and Net Position	6,869,873	7,091,332	(221,459)	-3.12%



Variance Analysis

- **Significant Budget and YOY Variances (over 10%)**
 - Accounts receivable decreased by \$555k or 64.70% due to receipts on outstanding pledges.
 - Current liabilities decreased by \$1.4mm or 34.52% due to release of the current portion of the pledge to the University.
 - Non-current liabilities decreased \$3.9mm or 100% due to release of the long-term portion of the pledge to the University.
 - As a result of the release of the pledges to the University, net position grew by \$5.1mm or 499.72%.



Foundation Q4 Budget Update

	12 Months Budget 06/30/19	12 Months Actual 6/30/19	Budget Variance	12 Months Actual Prior Year	YOY Change
REVENUE					
Donations	1,053,981	888,983	-15.65%	2,068,952	-57.03%
Interest	354,296	303,757	-14.26%	217,360	39.75%
Other Revenue	5,863	225	-96.16%	0	100.00%
Total Revenue	1,414,140	1,192,965	-15.64%	2,286,312	-47.82%
	12 Months Budget 06/30/19	12 Months Actual 6/30/19	Budget Variance	12 Months Actual Prior Year	YOY Change
EXPENSES					
Salary & Benefits	0	249,560	100.00%	413,716	-39.68%
Operating Expense	500,000	483,142	-3.37%	650,612	-25.74%
Scholarships	1,263,000	125,307	-90.08%	1,806,713	-93.06%
Total Expenses	1,763,000	858,009	-51.33%	2,871,041	-70.12%



Variance Analysis

- **Significant Budget and YOY Variances (over 10%)**
 - Cash receipts were 15.65% lower than expected for the current year and 57.03% lower than the prior year when a large anonymous gift was received.
 - Investment activity was below budget by 14.26%, but increased year-over-year by \$86,000 or 39.75% due to favorable market conditions.
 - Although not budgeted, cash flow allowed for the payment of \$250,000 in salaries, which was still 39.68% less than the prior year actual amount.
 - Operating expense was slightly below budget this year and 25.74% less than the prior year as a result of reducing expenses in response to lower revenues.
 - Scholarships were below budget estimates by 90.08% and 93.06% less than the prior year due to the reduction in cash flows from donations.

Outline

- Introduction
- University Q3 Financial Review
- Foundation Q3 Financial Review
- **Summary**

Summary

- **The University's primary reserve ratio remains high due to significant resources on-hand.**
- **Net income and return on net asset ratios are low due to release of the pledge receivable from the Foundation.**
- **Viability ratio remains high due to very low debt levels.**
- **University's composite financial index remains strong at 118.45.**
- **The Foundation has a much-improved balance sheet as a result of the release of the pledge liability.**
- **The Foundation has a renewed emphasis on improving fundraising results.**

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
September 11, 2019**

Subject: 2019-20 University Amended Carryforward and Fixed Capital Outlay Budgets

Proposed Committee Action

Recommend approval of the revised University Carryforward and Fixed Capital Outlay Budgets for the 2019-2020 fiscal year to the Board of Trustees.

Review and acknowledge the President and CFO certification.

Background Information

The Board of Governors requires that the University's fixed capital outlay, operating and carryforward budget information be approved by the Board of Trustees and provided to the Board of Governors who will review and approve each budget.

The President and the CFO in accordance with their fiduciary responsibility to the University must certify that the budgets are true and materially correct to the best of their knowledge. The President and the CFO must further certify that these budgets have been reviewed and approved by the board of trustees at its meeting held on May 22, 2019, and that funds will only be expended in accordance with the approved budget as well as all applicable Statutes, Board of Governors Regulations, and university regulations.

The Board of Trustees did at its May 22, 2019 meeting, review and approve the University Operating, Carryforward, and Fixed Capital Outlay Budgets. At that time, the Carryforward Budget contained estimates for year-end operating results and certain recurring technology expenses that were later prohibited when S.B. 190 was enacted, and substituted an equal amount of non-recurring OPS expenses. The Board of Governors also modified the reporting requirements to include a prescribed report format with additional details that are incorporated into this amended report.

After the June 30, 2019, fiscal year-end close, the rollover increased by \$1.7 million over our initial estimate. The annual rollover still contains an estimate for pension expense because we have not received the actual pension expense from the State.

Additionally, we now request an additional \$2 million of Carryforward Funds to expand the size and function of the ARC to include a 7,000 sq. ft. shop.

Accordingly, we have updated the Carryforward Budget and the Fixed Capital Outlay Budgets to reflect these changes and now seek approval for the amended budgets that includes the following monetary changes:

Description	As Previously Approved	Increase (Decrease)	Proposed Amended Budget
Annual Rollover (Est.)	5,587,626	1,688,919	7,276,545
ARC Expansion	27,864,000	(2,000,000)	29,864,000
Carryforward Balance	2,451,223	(311,081)	2,140,142

Supporting Documentation:

1. 2019-20 Amended Carryforward Budget
2. 2019-20 Amended Fixed Capital Outlay Budget
3. 2019-20 Amended Operating Budget (Amended only as to the crossreference to the Carryforward and Fixed Capital Outlay Budgets)
4. 2019-20 President and CFO Certification

Prepared by: Mark Mroczkowski, Vice President and CFO

FLORIDA POLYTECHNIC UNIVERSITY
Education and General
Carryforward Spending Plan Summary
Approved by University Board of Trustees
September 1, 2019

	<u>University E&G</u>	<u>Special Unit or Campus (FIPR)</u>
A. Beginning E&G Carryforward Fund Balance - July 1, 2019 :		
Cash	\$ 503,969	\$ 88,776
Investments (a)	\$ 11,646,951	\$ 6,438,839
Accounts Receivable	\$ -	\$ -
Less: Accounts Payable	\$ -	\$ -
Less: Deferred Student Tuition & Fees	\$ -	\$ -
Beginning E&G Fund Balance (Net of Payables/Receivables/Deferred Fees) :	\$ 12,150,920	\$ 6,527,615
7% Statutory Reserve Requirement (per SB 190, 1011.45(1) F.S.)	\$ 2,614,311	\$ -
E. E&G Carryforward Fund Balance Less 7% Statutory Reserve Requirement (Amount Requiring Approved Spending Plan) :	\$ 9,536,609	\$ 6,527,615
F. * <u>Restricted/ Contractual Obligations</u>		
Restricted by Appropriations	\$ 250,000	\$ 6,527,615
University Board of Trustees Reserve Requirement	\$ -	\$ -
Restricted by Contractual Obligations :		
Compliance Program Enhancements	\$ -	\$ -
Audit Program Enhancements	\$ -	\$ -
Campus Security and Safety Enhancements	\$ -	\$ -
Student Services, Enrollment, and Retention Efforts	\$ 100,000	\$ -
Student Financial Aid	\$ -	\$ -
Faculty/Staff, Instructional and Advising Support and Start-up Funding	\$ -	\$ -
Faculty Research and Public Service Support and Start-Up Funding	\$ -	\$ -
Library Resources	\$ -	\$ -
Utilities	\$ -	\$ -
Information Technology (ERP, Equipment, etc.)	\$ 2,289,103	\$ -
Other Operating Requirements (University Board of Trustees-Approved That Support the University Mission)	\$ -	\$ -
USF St. Pete Restricted Reserve-USC Funding Guarantee	\$ -	\$ -
PECO Projects - Supplemental Funds to Complete Projects That Received Previous Appropriation (SB 190)	\$ 2,000,000	\$ -
Completion of Renovation, Repair, or Maintenance Project up to \$5M (SB 190)	\$ 1,400,000	\$ -
Replacement of Minor Facility (< or = 10,000 gsf) up to \$2M (SB 190)	\$ 155,864	\$ -
Complete Survey-Recommended Remodeling or Infrastructure Project (Including DRS Schools) up to \$10M (SB 190)	\$ -	\$ -
Total Restricted Funds : (Should agree with restricted column total on "Planned Expenditure Details" tab)	\$ 6,194,967	\$ 6,527,615
G. * <u>Commitments</u>		
Compliance, Audit, and Security		
Compliance Program Enhancements	\$ -	\$ -
Audit Program Enhancements	\$ -	\$ -
Campus Security and Safety Enhancements	\$ -	\$ -

FLORIDA POLYTECHNIC UNIVERSITY
Education and General
Carryforward Spending Plan Summary
Approved by University Board of Trustees
September 1, 2019

	<u>University E&G</u>	<u>Special Unit or Campus (FIPR)</u>
Academic and Student Affairs		
Student Services, Enrollment, and Retention Efforts	\$ -	\$ -
Student Financial Aid	\$ -	\$ -
Faculty/Staff, Instructional and Advising Support and Start-up Funding	\$ -	\$ -
Faculty Research and Public Service Support and Start-Up Funding	\$ -	\$ -
Library Resources	\$ -	\$ -
 Facilities, Infrastructure, and Information Technology		
Utilities	\$ -	\$ -
Information Technology (ERP, Equipment, etc.)	\$ -	\$ -
PECO Projects - Supplemental Funds to Complete Projects That Received Previous Appropriation (SB 190)	\$ -	\$ -
Completion of Renovation, Repair, or Maintenance Project up to \$5M (SB 190)	\$ -	\$ -
Replacement of Minor Facility (< or = 10,000 gsf) up to \$2M (SB 190)	\$ -	\$ -
Complete Survey-Recommended Remodeling or Infrastructure Project (Including DRS Schools) up to \$10M (SB 190)	\$ -	\$ -
 Other UBOT Approved Operating Requirements		
Other Operating Requirements (University Board of Trustees-Approved That Support the University Mission)	\$ 1,201,500	\$ -
 Total Commitments : (Should agree with committed column total on "Planned Expenditure Details" tab)		
	\$ 1,201,500	\$ -
H. Available E&G Carryforward Balance as of September 1, 2019 :	\$ 2,140,142	\$ -
(a) Estimated amount rolled over from FY 2018-19. Incl in Investment amt.	\$ 7,276,545	

* Please provide supplemental **detailed descriptions** for these multiple-item categories in sections F and G using Board of Governors template (use worksheet tab "Planned Expenditure Detail" included with this file).

Notes :

1. Florida Polytechnic University amounts include the Phosphate Research Trust Fund.
2. **2019 Senate Bill 190 amends 1011.45 F.S.** regarding university Education & General carryforward minimum reserve balances, reporting requirements, and allowable uses. 1011.45(2) states that "Each university that retains a state operating fund carry forward balance in excess of the 7 percent minimum shall submit a spending plan for it's excess carry forward balance. The spending plan shall be submitted to the university's board of trustees for review, approval, or if necessary, amendment by September 1, 2020, and each September 1 thereafter. The Board of Governors shall review, approve, and amend if necessary, each university's carry forward spending plan by October 1, 2020, and each October 1 thereafter." 1011.45(3) adds "A university's carry forward spending plan shall include the *estimated cost per planned expenditure and a timeline for completion of the expenditure.*" An additional tab is provided with this file to allow reporting of university detailed expenditure plans for each planned expenditure, a completion timeline, and amount budgeted for expenditure during the current fiscal year.

**Supplemental Detail - University E&G Carryforward Spending Plans for Fund Balances Amount Exceeding 7% Statutory Reserve
Senate Bill 190 / 1011.45 F.S. Requirement
September 1, 2019**

Carryforward Spending Plan Category	Specific Expenditure/Project Title	Budget				Estimated Timeline for Completion			Tie to Fixed Capital Outlay		Comments/Explanations
		RESTRICED	COMMITTED	Amount Budgeted for Expenditure FY 2019-2020	Estimated Completion Date (Year)	Current Expenditure Year, #	Total Years of Expenditure / Project, #	Capital Outlay			
		Estimated/Planned to be Funded from E&G Carryforward - Total Cost	Remaining Balance as of September 1, 2019					Remaining Balance as of September 1, 2019	Project Included in FY 2019-2020 University Fixed Capital Outlay Budget ?		
1. Restricted by Appropriation	Advanced Mobility Institute	\$ 250,000.00	\$ 250,000.00	\$ -	\$ 250,000.00	2020	1	2	No	Non-recurring E&G allocation funded in FY 2018-19	
2. Restricted by Appropriation	Implementation of a Student System	\$ 1,314,136.00	\$ 1,314,136.00	\$ -	\$ 1,314,136.00	2021	1	2	No	Project to start this FY 2019-20	
3. Restricted by Appropriation	Renovation/repairs for Faculty Offices	\$ 155,864.00	\$ 155,864.00	\$ -	\$ 155,864.00	2019	1	1	No	Minor renovations to be completed by the end of Aug 2019	
4. Restricted by Appropriation	Lab Equipment Leases	\$ 323,443.00	\$ 323,443.00	\$ -	\$ 323,443.00	2021	4	5	No	Leases will end FY 20-21	
5. Restricted by Appropriation	Equipment Leases (Laptops/Hardware)	\$ 557,494.00	\$ 557,494.00	\$ -	\$ 557,494.00	2023	2	5	No	On-Going leases	
6. Restricted by Appropriation	Leases for Printers	\$ 94,030.00	\$ 94,030.00	\$ -	\$ 94,030.00	2020	4	4	No	Copying/printing will be charged to departments and the proceeds will pay for the equipment rental & operations.	
7. Complete Projects That Received Previous PECO Projects - Supplemental Funds to Completion of Renovation, Repair, or Maintenance	Applied Research Center - ARC	\$ 2,000,000.00	\$ 2,000,000.00		\$ 2,000,000.00						
8. Project up to \$5M (SB 190) Other Operating Requirements (University Board of Trustees-Approved That Support the	Additional to complete hurricane repairs	\$ 1,400,000.00	\$ 1,400,000.00		\$ 1,400,000.00	2020	1	1	Yes	Amount to supplement insurance payment for hurricane damage.	
9. University Mission) Student Services, Enrollment, and Retention	Various Student hires (OPS)	\$ 1,201,500.00	\$ -	\$ 1,201,500.00	\$ 1,301,500.00	2020	1	1	No	Student hires throught out the University.	
10. Efforts	Student Shuttle Service	\$ 100,000.00	\$ 100,000.00								
					\$ 7,396,467.00						
10.	* Total Restricted as of September 1, 2019 :	\$ 6,194,967.00								* Note: Must agree with "Total Restricted Funds" section total on "CFWD Spending Plan Template" tab.	
11.	* Total Committed as of September 1, 2019 :		\$ 1,201,500.00							* Note: Must agree with "Total Commitments" section total on "CFWD Spending Plan Template" tab.	
12.	*Note: Should agree with respective category totals on "CFWD Spending Plan Template" tab.										

State University System

Education & General Carryforward Spending Plan

Reporting Definitions

I. Definitions for Use With Carryforward Spending Plan Template

- | | | |
|-----|---|---|
| 1. | Expenditures to Date | Actual disbursements of E&G carryforward funds during the period July 1 through the spending plan reporting date. |
| 2. | Encumbrances to Date | Unpaid balances remaining in active purchase orders, travel authorizations, etc., to be paid using E&G carryforward funds. May also include nonrecurring employee compensation amounts through the end of the current fiscal year. |
| 3. | 7% Statutory Reserve Requirement | Required E&G reserve requirement per 2019 Senate Bill 190 and 1011.45 F.S. - amends previous 1011.40 F.S. requirement. Based on percentage of state operating budget. |
| 4. | Restricted/Contractual Obligations | Should generally be supported by documentation that memorializes an agreement with another party (e.g. contract, offer letter, construction contract/project number, etc.). |
| 5. | Commitments | Monies designated for a specific purpose which are not yet encumbered/contracted/restricted. Discretion may still be exercised with respect to the use of these funds. |
| 6. | University Board of Trustees Reserve Requirement | The amount of unrestricted funds set aside by the University Board of Trustees to address critical, unforeseen, or non-discretionary items that require immediate funding, such as unanticipated or uninsured catastrophic events, unforeseen contingencies, state budget shortfalls, or university revenue shortfalls. |
| 7. | Restricted by Appropriations | Funds appropriated by the Legislature for a specific purpose or intended use as identified by law or through legislative work papers. |
| 8. | Compliance Program Enhancements | Initiatives associated with being in compliance with federal law, state law, Board of Governors Regulations or any other entity with which the University must comply. |
| 9. | Audit Program Enhancements | Initiatives associated with implementing audit programs of the institution. |
| 10. | Campus Security and Safety Enhancements | The support of campus security and/or safety issues, such as the recruitment of police officers, vehicles, equipment, and investments which promote security and safety at the institution. This issue may also include mental health counseling and services. |
| 11. | Student Services, Enrollment, and Retention Efforts | Funds to promote student success through supporting student services programs, addressing enrollment, and assisting with retention efforts to support timely graduation. |
| 12. | Student Financial Aid | Funds aimed to reduce student costs and provide the opportunity to obtain a degree in an affordable and timely fashion. |
| 13. | Faculty/Staff Instructional and Advising Support and Start-Up Funding | Funds identified to support instructional and advising activities, and/or start-up packages for new faculty. Start up packages are often expended over a multi-year period. |
| 14. | Faculty Research and Public Service Support and Start-Up Funding | Funds identified to support research and public service, and any associated start up funding- Start up packages are often expended over a multi-year period. |
| 15. | Library Resources | Materials and database access required to support programs of study and research. |
| 16. | Utilities | Support of utility costs throughout the university. |
| 17. | Information Technology (ERP, Equipment, Etc.) | Funds to improve operational productivity, educational improvements, and technological innovation, implementation and/or maintenance of ERP systems, and technological equipment purchases. |
| 18. | Other Operating Requirements | Other expenditures/projects that support the university's mission, are nonrecurring in nature, and are approved by the university board of trustees. |

State University System

Education & General Carryforward Spending Plan

Reporting Definitions

- | | | |
|-----|---|---|
| 19. | PECO Projects - Supplemental Funds to Complete Projects That Received Previous Appropriation (SB 190) | Commitment of funds to a public education capital outlay project for which an appropriation has previously been provided that requires additional funds for completion and which is included in the list required by 1001.706(12)(d) F.S. |
| 20. | Completion of Renovation, Repair, or Maintenance Project up to \$5M (SB 190) | For projects that are consistent with the provisions of 1013.64(1), up to \$5 million per project. Refer to Board of Governors Regulation 9.007(3) for the definitions of renovation, repair, and maintenance. |
| 21. | Replacement of Minor Facility (< 10,000 gsf) up to \$2M (SB 190) | Replacement of minor facility project that does not exceed 10,000 gross square feet in size, up to \$2 million. |
| 22. | Complete Survey-Recommended Remodeling or Infrastructure Project (Including DRS Schools) up to \$10M (SB 190) | Completion of a remodeling or infrastructure project, including a project for a developmental research school, up to \$10 million per project, if such project is survey recommended pursuant to 1013.31 F.S. Refer to Board of Governors Regulation 9.007(3) for the definition of remodeling. |

II. Definitions for Use With Planned Expenditure Details Worksheet

- | | | |
|----------------------|---|---|
| 1. | Spending Plan Category | Functional category brought forward from the Carryforward Spending Plan reporting template. |
| 2. | Specific Expenditure/ Project Title | Detailed title of planned expenditure item or project, with sufficient details to be tracked individually through the expenditure cycle to completion. |
| <u>Budget</u> | | |
| 3. | Estimated/Planned Total Cost to be Funded From E&G Carryforward | The grand total estimated cost to be paid from E&G carryforward funds for the specific expenditure item or project. Should agree with Total Project Cost on the Fixed Capital Outlay Budget if classified as fixed capital project. |
| 4. | Remaining Balance as of September 1, 2019 | The remaining balance of the specific expenditure or project as of the date of the report. The sum total of this column should equal the total of sections F and G of the University Board of Trustees-Approved Carryforward Spending Plan. |
| 5. | Amount Budgeted for Expenditure FY 2019-2020 | This column represents the current budgetary year's estimated disbursement of E&G carryforward towards the total planned expenditure item or project. |

Estimated Timeline for Completion

- | | | |
|----|---|--|
| 6. | Estimated Completion Date | Estimated target date (month and year) for the full expenditure of E&G carryforward funds for the specific expenditure plan item or project. |
| 7. | Expenditure Year, # | The current year in the project completion timeline, e.g. year 2 of a 4 year project. Input is number only. |
| 8. | Total Years of Expenditure / Project, # | The total number of years over which the expenditure item / project will span. |
| 9. | Project included in FY 2019-2020 University Fixed Capital Outlay Budget ? | Is this project reflected as being funded by E&G carryforward funds (in whole or part) on the current year Fixed Capital Outlay Budget ? |

Comments

- | | | |
|-----|-----------------------|--|
| 10. | Comments/Explanations | Additional information including, but not limited to, a description of the expenditure item / project and how it supports the university's mission and operations. |
|-----|-----------------------|--|

**FISCAL YEAR 2019-20
ANNUAL CAPITAL OUTLAY BUDGET
AS OF 8-27-2019**

PROJECT TITLE	FUNDING SOURCE	TOTAL PROJECT COST	AVAILABLE APPROVED BUDGET	ENCUMBRANCES	ACTIVITY TO DATE	BALANCE	FY 19/20 PROJECTED ADDITIONAL SPEND
Applied Research Center	Carryforward/PECO (a)	42,627,802	29,864,000	1,757,617	1,380,178	26,726,205	12,763,802
Auburndale Reclaimed Water Project	Carry Forward	2,000,000	2,000,000	450,000	300,000	1,250,000	150,000
Pergola Repair Project	Ins Reimb/Carry Forward (b)	9,557,855	9,557,855	7,472,261	2,078,909	6,685	9,557,855
Recreation Building (Campus Interactive Project)	CITF	125,917	125,917	0	0	125,917	125,917
Applied Research Center (FF&E)	CITF (Est 2020)	208,433	208,433	0	0	208,433	0
TOTALS		54,520,007	41,756,205	9,679,878	3,759,087	28,317,240	22,597,574
OTHER MINOR PROJECTS							
Rem, Ren, Maint, Rep & Site Improv	PECO	31,109	31,109	27,179	0	3,931	31,109
Total Budget Request for FY 2019-20						22,628,683	

(a) Includes \$7M of PECO funding - \$5M must be matched before used
(b) Insurance Proceeds \$8.2M and \$1.4M from carry forward. Reimbursement expected from FEMA.

**Florida Polytechnic University
2019-20 Proposed Budget
Revised 8-27-19**

	Educational & General	Contracts & Grants	Auxiliaries	Local Funds	Total
<u>Receipts/Revenues</u>					
General Revenue	37,347,306				37,347,306
Lottery	363,360				363,360
Student Tuition	2,054,602				2,054,602
Phosphate Research	2,945,111				2,945,111
Other US Grants		472,500			472,500
Sales of Goods/Services			5,019,143		5,019,143
Fees				952,803	952,803
Concessions			35,000		35,000
Sub-Total	42,710,379	472,500	5,054,143	952,803	49,189,825
Transfers in	200,421			10,250,000	10,450,421
Total Receipts/Revenues	42,910,800	472,500	5,054,143	11,202,803	59,640,246
<u>Operating Expenditures</u>					
Salaries & Benefits	29,488,731		998,752	211,119	30,698,602
Other Personal Services	1,772,565		40,800	100,000	1,913,365
Expenses	8,654,393	472,500	3,953,945	702,330	13,783,168
Risk Management					-
Financial Aid	50,000			10,250,000	10,300,000
Phosphate Research	2,945,111				2,945,111
Total Operating Expenditures	42,910,800	472,500	4,993,497	11,263,449	59,640,246
<u>Non-Operating Expenditures</u>					
Fixed Capital Outlay					22,628,683
Carry Forward (from Prior Period)					10,010,778
Total Non-Operating Expenditures					32,639,461
Grand-Total Expenditures					92,279,707



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

2019-2020 Fixed Capital, Operating & Carryforward Budget Certification

University Name: Florida Polytechnic University

Fixed Capital Outlay, Operating & Carryforward Budgets Certification Representations

I hereby certify to the Board of Governors that the referenced fixed capital outlay, operating and carryforward budget information provided to the Board of Governors in accordance with my fiduciary responsibility to the university is true and materially correct to the best of my knowledge. I further certify that these budgets have been reviewed and approved by the board of trustees at its meeting held on May 22 and September 11, 2019, and that funds will only be expended in accordance with the approved budget as well as all applicable Statutes, Board of Governors Regulations, and university regulations. I understand that any unsubstantiated, false, misleading, or withheld information relating to these statements may render this certification void. My signature below acknowledges that I have read and understand these statements.

Certification: _____ Date: September 11, 2019
Mark Mroczkowski, Chief Financial Officer

Certification: _____ Date: September 11, 2019
Randy Avent, President

I certify that the above referenced university budgets for fiscal year 2019-2020 has been approved by the university board of trustees and is true and materially correct to the best of my knowledge.

Certification: _____ Date September 11, 2019
Don Wilson, Board of Trustees Chair

Florida Polytechnic University
Board of Trustees
Finance & Facilities Committee
September 11, 2019

Subject: Use of University Resources by the Foundation

Proposed Action

Recommend approval of University resources provided to the Foundation for the 2018-2019 fiscal year, to the Board of Trustees.

Background Information

The Board of Trustees required approval of the use of University personnel and facilities by the Foundation.

Supporting Documentation:

**Resources Provided by the University to the Foundation
For the Fiscal Year Ending 6/30/19**

Staff Name	Title
Kevin Aspegren	VP, Advancement/Foundation CEO
Cynthia Alexander	AVP, Advancement
Maureen Bowling	Assistant Director, Development
D'Linda Oliver	Data Analyst
Laura Schumacher	Research Associate, Advancement
Rebekah Bishop	Donors Relations Associate
Kim Johnson (OPS)	Data Input Operator
Robert Kennedy	Director, Development
Kim Kennedy	Executive Asst to VP Advancement
Lidia Vigil	Events & Annual Giving Coordinator
Joel Helm	Assistant Director, Development
Alyson Barber	Assistant Director, Development
Ben Wagner	Assistant Director, Development
Jake Morrow	Database Analyst
Nick Abraham	Operations Coordinator (Development)
Derek Horton	AVP, Fin & Admin/Foundation Treasurer
Regina Siewert	Director, Budget

AGENDA ITEM: VIII.

John Sprenkle	Director, Finance & Accounting
Jill Hernandez	Assistant Director, Treasury Mgmt
Andrew Strazi	Director, Reporting & Analytics
Walter Mackoon	Accounting Coordinator
Larry Locke	Financial Analyst
Emily Tidwell	A/P Coordinator
Regina Delulio	General Counsel

Total Personal Service Costs - Note A	176,063.50
Total Estimated Space Costs – Note B	<u>12,404.00</u>
Total Resources provided	<u><u>188,467.50</u></u>

A - Based on effort ranging from 5 - 20 percent of total time.
B - Based on square footage of office space at Poly South used.

Prepared by: Mark Mroczkowski, Vice President and CFO

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
September 11, 2019**

Subject: Applied Research Center (ARC) Update

Proposed Committee Action

No action required – information only.

Background Information

Design, schedule, construction and budget update on the Applied Research Center.

Supporting Documentation:

1. Applied Research Center (ARC) Update

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

**Florida Polytechnic University
Finance and Facilities Committee
Board of Trustees
September 11, 2019**

Subject: Approval of University Policy Amendment

Proposed Committee Action

Recommend approval of amendments to University Policy FPU-7.0001P to the Board of Trustees.

Background Information

FPU-7.0001P Electronic Funds Transfer: This policy set forth procedures for processing any electronic movement of funds. The amendment proposes to update the policy for obsolete procedures and references. As amended, this policy sets forth the procedures under which any funds under the University's control are allowed to be moved by electronic transfer for any purpose including direct deposit, withdrawal, investment, or wire transfer. This policy is adopted pursuant to Florida Statutes section 1010.11 and sets forth the university's written policies prescribing a system of accounting, internal controls, and operational procedures for the execution of EFTs.

Supporting Documentation:

1. FPU-7.001P Electronic Funds Transfer - redlined
2. FPU-7.001P Electronic Funds Transfer - clean

Prepared by: Mark Mroczkowski, VP and CFO

FLORIDA	OFFICIAL
POLYTECHNIC	UNIVERSITY
UNIVERSITY	POLICY

Subject/Title: Electronic Fund Transfers Policy <u>Transfer of Funds</u>
FPU Policy Number: <u>FPU-7.0001P</u>
<u>X</u> New Policy <u>—</u> <u>X</u> Major Revision of Policy <u>—</u> Minor Technical Revision of Policy
Date First Adopted: <u>August 26, 2014</u>
Date Revised:
Responsible Division/Department: Finance & Accounting <u>and Finance Office</u>
Initiating Authority: Bertha Alexander, Executive Director of Budget and Finance <u>Mark Mroczkowski, VP & CFO</u>

A. ~~A.~~ APPLICABILITY/ACCOUNTABILITY:

~~This policy applies to all departments and units when electronic fund transfers are made or received.~~

B.

~~The Finance & Accounting office is responsible for the daily management of university bank balances and the general oversight of Electronic Funds Transfer (EFT) activity. This policy is applicable to EFTs, which are processed via wire transfer or the Automated Clearing House “ACH” through on-line banking software provided by the University’s banking partner.~~

B. POLICY STATEMENT:

~~Florida Polytechnic University administers its Electronic Funds Transfers under a shared services agreement with the University of Florida, and therefore, adopts a policy that is substantially the same as the University of Florida Electronic Funds Transfers Policy. This policy establishes accounting and control~~

~~This policy sets forth the procedures under which any funds under its the University’s control are allowed to be moved by electronic ~~transmission~~ transfer for any purpose including direct deposit, ~~wire transfer, withdrawal, investment or payment~~ withdrawal, investment, or wire transfer. This policy is adopted pursuant to Florida Statutes section 1010.11 and sets forth the university’s written policies prescribing a system of accounting, internal controls, and operational procedures for the execution of EFTs.~~

C. ~~C.~~ DEFINITIONS:

~~For purposes of this policy, the term “~~

~~Electronic Funds Transfer” (EFT) – The exchange or “EFT” means the transmission of an electronic message to a financial institution instructing it to make an electronic entry reflecting the transfer of ownership of funds money electronically from one depositor to another.~~

- ~~• Under the direction of the Accounting Examples of EFTs include Automated Clearing House (ACH) transfers and Finance Office, the Executive Director of Budget and Finance is responsible for the daily management of University bank balances and the general oversight of EFT activity. The Accounting and Finance Office handles all matters concerning fund transactions, including EFT transactions. Electronic Funds Transfer can be accomplished via the Automated Clearing House (“ACH”) or wire transfer. ACH is the University’s preferred mechanism, but wire transfer is acceptable when conditions do not support the use of ACH.~~

~~The Executive Director of Budget and Finance will designate and authorize staff to initiate and approve EFT's on behalf of the University and may change this designation from time to time as needed. Wire transfers.~~

~~The primary goal of this policy is to ensure that use of electronic funds transfers and receipts are initiated, executed, and approved in a secure manner and with appropriate controls. The factors include security, efficiency and cost effectiveness and the manner, type of transfer and the methods used to communicate instructions with the University's bank. The policy also requires the proper documents to be completed by divisions or departments who might have an electronic funds transfer request or receipt. Completion of necessary documentation will ensure an audit trail to support the transfer of funds.~~

- ~~• D. Authorized Representative- The Chief Financial Officer (CFO) and any individuals designated in writing by the CFO to initiate, authorize, and record EFT transactions pursuant to this policy.~~
- ~~• ACH Transfer – A method of electronic funds transfer processed through the Automated Clearing House.~~
- ~~• Wire Transfer – A method of electronic funds transfer from one bank account to another.~~

D. PROCEDURES:

~~To promote the safety and appropriate control of of University funds in the EFT-electronic funds transfer environment, the following procedures will be adhered to initiate and process EFTs are subject to: the same financial policies, procedures, and controls that govern disbursement of University funds by any other means. These procedures are designed to safeguard the receipt and withdrawal of how all EFTs are initiated, approved, and executed to prevent loss of university funds arising from fraud, employee error, and misrepresentation by third parties.~~

- ~~1. The procedure to initiate, approve, and record an EFT payment is subject to the same financial policies, procedures, and controls that govern disbursement of Florida Polytechnic University funds disbursements made by any other means. _~~
- ~~2. EFT transactions will not be made without proper authorization of affected parties in accordance with applicable law and regulations and accepted business practices. federal and state law.~~
- ~~3. The University will, in writing, provide to the disbursing bank a list of the names and titles of persons authorized by the University to initiate wire transfer requests (authorized representatives), as well as Authorized Representatives along with associated transfer limits. All ACH transmissions to the disbursing bank. Any changes to the designated Authorized Representatives will be confirmed by communicated in writing to the bank through a confirmation email upon receipt of the file. in a timely fashion.~~
- ~~4. All EFTs EFT payments will be initiated by secure computer-based systems. except in extenuating circumstances in which that may not be possible. Phone transfers will not be used.~~
- ~~5. The mechanism by which EFT payment requests are communicated to the disbursing bank will have adequate controls to prevent unauthorized access to both the system and ~~to~~ its various functionalities. These controls ~~should~~ include password protected user accounts, Personal Identification Numbers (PINs), tokens, and a designated security administrator ~~role.~~ _~~
- ~~5.6. The security University Controller will designate a primary administrator to manage and control access to the systems used to process EFT transactions. The administrator shall ensure that adequate separation of duties exists in accordance with accepted internal control standards ~~and will protect the integrity of system user profiles. This includes assigning system IDs to users, changing user IDs as necessary, and assisting users with technical problems related to the EFT system. In addition, the~~~~

~~security administrator will assign access to functions to users and is authorized to lock out personnel as directed by the Executive Director of Budget and Finance. In addition, the administrator shall ensure approval and maintenance of user system IDs, user permissions, including authorized representatives and their associated transfer limits.~~

- ~~6. Requests for the electronic transfer of funds, other than transfers among the University's various bank accounts within the same financial institution, require approval by an authorized representative who is independent from the disbursing department and is assigned by the Vice President and Executive Director of Budget and Finance to the responsibility based on capability and responsibility level at the institution under protocols developed by the Executive Director of Budget and Finance in consultation with the Chief Operating Officer and Internal Auditor. In no case will an individual have the capability to initiate, approve, and record a non-repetitive EFT to the general ledger.~~
- ~~7. Because EFTs A minimum of two Authorized Representatives is required to initiate, approve and record an EFT to the General Ledger.~~
- ~~7.8. Due to the reduced risk of EFT transfers between University bank accounts have reduced risk, the Finance & Accounting and Finance Office may use EFTs on a routine basis to concentrate funds for payment and investment purposes. Although the risks are minimal for transfers between University accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions, which controls are to be approved by the Executive Director of Budget and Finance in consultation with the Internal Auditor.~~
- ~~8. Where EFT's are recurring, the security administrator will initiate the establishment of a template with receiving and disbursing bank information that may not be altered by those assigned to its use. The set-up of and modifications to these templates will require the approval of two authorized University staff representatives who are independent from the disbursing department and are assigned by the Executive Director of Budget and Finance to the responsibility based on capability and responsibility level at the institution (under protocols developed by the Executive Director of Budget and Finance in consultation with the Internal Auditor).~~
- ~~9. Exception reports generated by the banking system are reviewed daily by the University of Florida Office of the Controller for unauthorized ACH transactions as part of the shared services agreement.~~
- ~~9. The designated administrator will coordinate the establishment of templates for recurring EFT payments, which may not be altered without the approval of an Authorized Representative.~~
- ~~10. Bank activity will be monitored daily for unusual or unexpected transactions.~~
- ~~10.11. Reconciliation of banking bank activity to the general ledger General Ledger will be accomplished by the University of Florida completed in a timely manner with investigation and resolution of reconciling items. all exceptions resolved.~~

SPECIFIC AUTHORITY

FS 1010.11, Electronic Transfer of Funds, Florida Statutes Website:

http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=1000-1099/1010/Sections/1010.11.html

POLICY APPROVAL

Policy No.: FPU-

Initiating Authority Date

Policies & Procedures Review Committee Chair Date

President/Designee Date

Approved by FPU BOT, if required

Date

|

|

FLORIDA	OFFICIAL
POLYTECHNIC	UNIVERSITY
UNIVERSITY	POLICY

Subject/Title: Electronic Transfer of Funds
FPU Policy Number: FPU-7.0001P
<input type="checkbox"/> New Policy <input checked="" type="checkbox"/> Major Revision of Policy <input type="checkbox"/> Minor Technical Revision of Policy
Date First Adopted: August 26, 2014
Date Revised:
Responsible Division/Department: Finance & Accounting
Initiating Authority: Mark Mroczkowski, VP & CFO

A. APPLICABILITY/ACCOUNTABILITY:

The Finance & Accounting office is responsible for the daily management of university bank balances and the general oversight of Electronic Funds Transfer (EFT) activity. This policy is applicable to EFTs, which are processed via wire transfer or the Automated Clearing House “ACH” through on-line banking software provided by the University’s banking partner.

B. POLICY STATEMENT:

This policy sets forth the procedures under which any funds under the University’s control are allowed to be moved by electronic transfer for any purpose including direct deposit, withdrawal, investment, or wire transfer. This policy is adopted pursuant to Florida Statutes section 1010.11 and sets forth the university’s written policies prescribing a system of accounting, internal controls, and operational procedures for the execution of EFTs.

C. DEFINITIONS:

- Electronic Funds Transfer (EFT) – The exchange or transfer of money electronically from one depositor to another. Examples of EFTs include Automated Clearing House (ACH) transfers and Wire transfers.
- Authorized Representative- The Chief Financial Officer (CFO) and any individuals designated in writing by the CFO to initiate, authorize, and record EFT transactions pursuant to this policy.
- ACH Transfer – A method of electronic funds transfer processed through the Automated Clearing House.
- Wire Transfer – A method of electronic funds transfer from one bank account to another.

D. PROCEDURES:

To promote the safety of University funds in the electronic funds transfer environment, the procedures to initiate and process EFTs are subject to the same financial policies, procedures, and controls that govern disbursement of University funds by any other means. These procedures are designed to safeguard the receipt and withdrawal of how all EFTs are initiated, approved, and executed to prevent loss of university funds arising from fraud, employee error, and misrepresentation by third parties.

1. The procedure to initiate, approve, and record an EFT payment is subject to the same financial policies, procedures, and controls that govern disbursements made by any other means.
2. EFT transactions will not be made without proper authorization of affected parties in accordance with federal and state law.
3. The University will, in writing, provide the names and titles of Authorized Representatives along with associated transfer limits to the disbursing bank. Any changes to the designated Authorized Representatives will be communicated in writing to the bank in a timely fashion.

4. All EFT payments will be initiated by secure computer-based systems except in extenuating circumstances in which that may not be possible. Phone transfers will not be used.
5. The mechanism by which EFT payment requests are communicated to the disbursing bank will have adequate controls to prevent unauthorized access to both the system and its various functionalities. These controls include password protected user accounts, Personal Identification Numbers (PINs), tokens, and a designated administrator.
6. The University Controller will designate a primary administrator to manage and control access to the systems used to process EFT transactions. The administrator shall ensure that adequate separation of duties exists in accordance with accepted internal control standards. In addition, the administrator shall ensure approval and maintenance of user system IDs, user permissions, including authorized representatives and their associated transfer limits.
7. A minimum of two Authorized Representatives is required to initiate, approve and record an EFT to the General Ledger.
8. Due to the reduced risk of EFT transfers between University bank accounts the Finance & Accounting Office may use EFTs on a routine basis to concentrate funds for payment and investment purposes. Although the risks are minimal for transfers between University accounts, reasonable controls should exist with regard to authorization, reconciliation, and review of these transactions.
9. The designated administrator will coordinate the establishment of templates for recurring EFT payments, which may not be altered without the approval of an Authorized Representative.
10. Bank activity will be monitored daily for unusual or unexpected transactions.
11. Reconciliation of bank activity to the General Ledger will be completed in a timely manner with all exceptions resolved.

POLICY APPROVAL	
Policy No.: FPU-7.0001P	
_____ Initiating Authority	_____ Date
_____ Policies & Procedures Review Committee Chair	_____ Date
_____ President/Designee	_____ Date
_____ Approved by FPU BOT, if required	_____ Date



**FLORIDA POLYTECHNIC
UNIVERSITY**

Facilities & Applied Research Center Update (ARC)

David Calhoun

September 11, 2019



ARC Overview

- **Total project budget (\$40.6M)**
- **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 (\$15.9M)
- **Estimated project cost remainder (\$12.7M)**
- **Projected PO&M (\$2.0M)**
- **Proposed completion date 08/2021**
- **Building size**
 - NAS (60,786)
 - GSF (85,100)



ARC Budget Update

- **Building Cost Estimates**
 - Schematic Design (9/18/18)
 - Revised Schematic Design (11/2/18)
 - Advanced Schematic Design (12/12/18)
 - Design Development (7/5/19)
- **Design Development Construction Estimate**
 - Current Estimate = \$34,606,562
 - Target Value = \$34,999,652
 - Below target value \$393,090
- **Concurrent IST/ARC Planning Effort**
 - In progress
 - Objective is to align both buildings with the Academic Mission.

ARC Phased Construction

- **Phase 1 – Ground Enhancement, Foundations, & Structure**
 - Requesting GMP Approval
- **Phase 2 – Building Shell**
 - GMP – TBD, Requesting before or by December BOT Meeting
- **Phase 3 – Interior Build Out**
 - GMP - Interior Build Out To Be Determined

ARC/Pergola Replacement Logistics

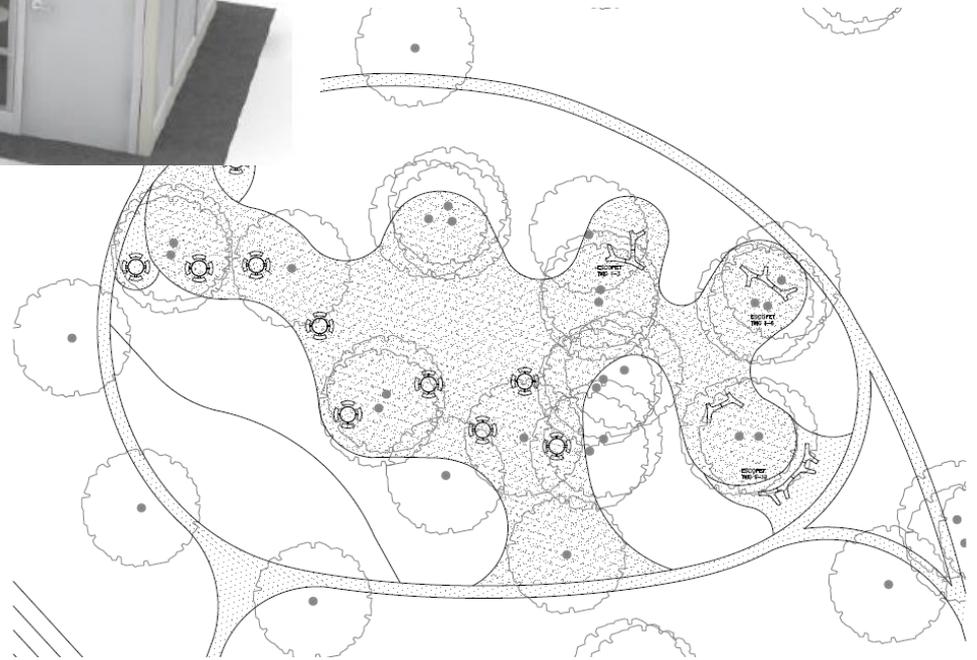


Summer Improvements

- **Student Development Center Outdoor Space**
- **IST Commons Offices**
- **Pergola Replacement (in progress)**



Summer Improvements



**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
September 11, 2019**

Subject: Approval of Contracts over \$500,000

Proposed Committee Action

Recommend approval of new contracts in excess of \$500,000 to the Board of Trustees.

Background Information

The University recommends approval of the following agreements:

1. Applied Research Center - Skanska has submitted the first of three incremental Guaranteed Maximum Price (GMP) proposals, GMP Phase I Sitework/Foundation/Structure at \$8.2M, for construction of the Applied Research Center.
 - a. Desired Outcome of contract: GMP Phase I Sitework/Foundation/Structure
 - b. Selection Process: Competitive solicitation PQS 17-005; Skanska was one of 13 proposals submitted for Applied Research Center Construction Manager at Risk
 - c. Proposed Start Date: September 11, 2019, Skanska USA Building GMP Phase I.
 - d. Estimated Project Cost: \$42.6M

GMP Phase I Sitework/Foundation/Structure - the period of performance will be 12 months. GMP Phase II Core and Shell/MEP, and GMP Phase III Interior Finish-Out will be presented at a later date.

Project Description	Funding Source	Estimated Amount	SubTotals
A/E Design (Contract In Place)	Carry Forward	\$2.8M	
Preconstruction (Contract In Place)	Carry Forward	\$0.3M	
Phase I GMP – Sitework/Foundation/Structure	Carry Forward	\$1.9M	\$5.0M
Phase I GMP – Sitework/Foundation/Structure	PECO	\$6.3M	\$8.2M
Phase II GMP – Core and Shell/MEP	PECO	\$0.7M	
Phase II GMP – Core and Shell/MEP	Carry Forward	\$15.1M	\$15.8M
Phase III GMP – Interior Finish-Out	PECO	\$10.6M	
Proposed Lab Expansion	Carry Forward	\$2.0M	
Furniture, Fixtures, Equipment, Inspections, and Contg.	PECO/ Carry Forward	\$2.9M	
Estimated Project Cost		\$42.6M	

Approval of Contracts over \$500,000

2. University Dining Services - Compass Group, USA, Inc (Chartwells), University Dining Operations Management vendor, has requested an amendment to our current contract to adjust for shortfalls resulting from lower than expected enrollment.
 - a. Desired Outcome of 2nd Amendment: Realign University Dining Operations Management contract as follows:
 - i. revise enrollment estimate;
 - ii. eliminates year three minimum commission;
 - iii. adjustment to year three capital investment option.
 - b. Selection Process: Florida Poly competitive bid ITN 16-026; four proposals were submitted.
 - c. Selection Decision: Compass Group, USA, Inc (Chartwells) was awarded the University Dining Operations Management contract on May 1, 2017, and amended July 1, 2018.
 - d. Total Estimated Contract Value: \$7.2M
 - e. Contract Terms: May 1, 2017 – June 30, 2027
 - f. Any Renewal Terms: One 10-year renewal

Description of Key Items	Original Contract	Amended Contract
Estimated Commission payments	\$7.7M	\$7.2M
Commission Rates	25%	17% - 25% *
Capital Investment (Initial)	\$2.0M	\$2.2M
Capital Investment (3-year)	\$1.8M	\$1.0M
Capital Investment (10-year) If contract renewed prior to 6/2027-no change	\$2.0M	\$2.0M

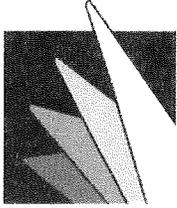
*2019-20 @ 17%; 2020-21 @ 18%; 2021-22 @ 20%; 2022-23 thro remainder @ 25%.

<https://floridapoly.edu/about/divisions-and-departments/procurement/archived-competitive-solicitations/itn-16-026-university-dining-operations-management/>

Supporting Documentation:

1. Skanska – Guaranteed Maximum Price Contract to build the 1st phase of the Applied Research Center
2. Compass Group, USA, Inc. (Chartwells) – Amendment Two to more accurately reflect enrollment estimates and adjust commission payments.

Prepared by: Mark Mroczkowski, Vice President and CFO



FLORIDA POLYTECHNIC
UNIVERSITY

**AGREEMENT FOR CONSTRUCTION
MANAGEMENT SERVICES**

Project Name:

Applied Research Center

Construction Manager:

Skanska USA Building Inc.

4030 Boy Scout Blvd., Suite 200

Tampa, FL 33607

(813) 282-3262

AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES

FLORIDA POLYTECHNIC UNIVERSITY

THIS AGREEMENT for Construction Management Services (the “Agreement”) is made and entered into this _____ day of June, 2018, by and between the Florida Polytechnic University for and on behalf of The Florida Polytechnic University Board of Trustees (“Owner”) and Skanska USA Building Inc., Federal I.D. No. 22-3752540, (“Construction Manager”) which is authorized to do business in Florida.

WITNESSETH:

WHEREAS, Owner solicited statements of qualifications from interested construction managers for the construction of the project described on Exhibit A (the “Project”); and

WHEREAS, based on Construction Manager’s interview, qualifications statement and related submissions, Owner has selected Construction Manager for the Project; and

WHEREAS, Owner and Construction Manager desire to enter into this Agreement;

WHEREAS, the Owner intends to engage, or has engaged, one or more Professionals to perform architectural and for engineering service for the Project;

NOW THEREFORE, for and in consideration of the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and Construction Manager agree as follows:

ARTICLE 1 GENERAL DESCRIPTION OF SERVICES

1.1 The Services. The Construction Manager agrees to furnish the pre-construction and construction services set forth herein and required for completion of the Project on a Guaranteed Maximum Price (hereinafter defined) basis. Construction Manager represents that it is thoroughly familiar with and understands the requirements of the Project scope and that they are experienced in the administration and construction of building projects of the type and scope contemplated by the Owner’s program for the Project. Construction Manager represents to Owner that Construction Manager has all necessary construction education, skill, knowledge, and experience required for the Project and will maintain, at all times during the term of this Agreement, such personnel on its staff to provide the services contemplated hereby within the time periods required hereby. In addition, Construction Manager represents that it has, and all the subcontractors performing services under this Agreement will have, all applicable licenses required by the State of Florida to perform such services.

1.2 Project Schedule/Time of the Essence. Construction Manager has provided Owner with a preliminary schedule covering the pre-construction and construction of the Project which is incorporated herein as Exhibit B. This preliminary schedule shall serve as the framework for the subsequent development of all detailed construction schedules described herein and in the General Terms and Conditions. The Construction Manager shall at all times carry out its duties and responsibilities as expeditiously as possible and in accordance with the Project schedule, subject to delays in the schedule not the fault of Construction Manager or its subcontractors. Time is of the essence for achieving the milestones outlined in Exhibit B in the performance of this Agreement.

1.3 Preparation/Sufficiency of Site. The Construction Manager shall, among other things Construction Manager needs to do to perform its obligations under this Agreement, as and when appropriate, (i) visit and thoroughly inspect the Project Site and any structure(s) or other manmade features to be modified and become familiar with local conditions under which the Project will be constructed and operated; (ii) familiarize itself with the survey including the location of all existing buildings, utilities, conditions, streets, equipment, components and other attributes having or likely to have an impact on the Project; (iii) familiarize itself with the Owner's layout and design requirements, conceptual design objectives, and budget for the Project; (iv) familiarize itself with pertinent Project dates and programming needs, including the Project schedule, (v) review and analyze all Project geotechnical, Hazardous Substances, structural, chemical, electrical, mechanical, and construction materials tests, investigations and recommendations; and (vi) gather any other information necessary for a thorough understanding of the Project. If the Project involves modifications to any existing structure(s) or other manmade feature(s) on the Project site, the Construction Manager shall also review all as-built and record drawings, plans and specifications of which Construction Manager has been informed by Owner and thoroughly inspect the existing structure(s) and manmade feature(s) to identify existing deficiencies and ascertain the specific locations of pertinent structural components. Claims by Construction Manager resulting from Construction Manager's failure to familiarize itself with the Site or pertinent documents shall be deemed waived.

1.4 Project Team. The Construction Manager shall use the Project Team identified on **Exhibit C**. The Construction Manager shall not remove or replace any members of the Project Team, except with the written approval of Owner based upon good cause shown or as directed by Owner as provided hereunder. Further, if any member of the Project Team discontinues service on the Project for any reason whatsoever, Construction Manager shall promptly replace such team member with a qualified individual approved by Owner, in writing, which approval will not be unreasonably withheld.

1.5 Contract for Construction. The "Contract for Construction", which constitutes the entire agreement between Owner and Construction Manager, consists of this Agreement and all exhibits hereto; the General Terms and Conditions; special conditions, if any; proposal(s) submitted by Construction Manager and accepted by Owner, if any; the Construction Documents; any amendments or addenda executed by the Owner and the Construction Manager hereafter; Owner approved change order(s) or field orders if there is insufficient time to fully execute a change order; and the additional documents listed on **Exhibit A**, if any. Documents not included or expressly contemplated in this Section 1.5 do not, and shall not, form a part of the Contract for Construction. Without limiting the generality of the foregoing, shop drawings and other submittals from the Construction Manager or its subcontractors and suppliers do not constitute a part of the Contract for Construction.

ARTICLE 2 OWNER'S DUTIES, OBLIGATIONS, AND RESPONSIBILITIES

2.1 Project Information. Construction Manager acknowledges that Owner has provided Construction Manager with information regarding Owner's requirements for the Project as set forth in the Project's program.

2.2 Owner's Budget. The Owner shall establish and update a budget for the Project, including the amount allocated for construction, the Owner's other costs and reasonable contingencies related to these costs as appropriate.

2.3 Owner's Representative. The Owner shall designate a representative authorized to act on the Owner's behalf with respect to the Project.

2.4 Time for Performance. The Owner shall review and approve or take other appropriate action on all submittals within the timeframes set forth in **Exhibit B**.

2.5 Purpose of Owner's Review. Owner's review, inspection, or approval of any Work, Applications for Payment, or other submittals shall be solely for the purpose of determining whether the same are generally consistent with Owner's construction program and requirements. No review, inspection, or approval by Owner of such Work or documents shall relieve Construction Manager of its responsibility for the performance of its obligations under the Contract for Construction or the accuracy, adequacy, fitness, suitability, or coordination of the Work. Approval by any governmental or other regulatory agency or other governing body of any Work, Design Document, or Contract Documents shall not relieve Construction Manager of responsibility for the performance of its obligations under the Contract for Construction. A change order shall be issued when work is approved or directed to be completed differently than shown in contract documents. Payment by Owner pursuant to the Contract for Construction shall not constitute a waiver of any of Owner's rights under the Contract for Construction or at law, and Construction Manager expressly accepts the risk that defects in its performance, if any, may not be discovered until after payment, including final payment, is made by Owner. Notwithstanding the foregoing, prompt written notice shall be given by the Owner or Professional to the Construction Manager if the Owner becomes aware of any fault or defect in the Project or non-conformance with the Contract for Construction.

2.6 Status of Owner. The Owner shall not have control or charge of construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Construction Manager, for any of the foregoing purposes, be deemed the agent of the Owner.

2.7 Owner's Utilities. The Owner shall be responsible to provide and pay for consumption of, and connections to, utilities required for temporary service and construction for this project.

ARTICLE 3 CONSTRUCTION MANAGER'S SERVICES

3.1 The Construction Manager's Services under this Agreement include General Project Services, Pre-Construction Services, and Construction Services.

3.2 Upon execution of this Agreement and issuance of a Notice to Proceed by the Owner, the Construction Manager shall commence performance of Pre-Construction Services. Upon execution of **Exhibit D** and issuance of a Notice to Proceed by the Owner, the Construction Manager shall commence performance of Construction Services. The parties acknowledge that (i) the Owner may determine not to proceed with Construction Services, (ii) performance of Pre-Construction Services may overlap performance of Construction Services, (iii) categories of Work performed during Construction Services may be performed in separate phases, and (iv) payment of the Construction Manager for Pre-Construction Services shall be separate from payment, if any, for Construction Services.

3.3 General Project Services. The Construction Manager agrees to:

3.3.1 Provide all services, as agreed to and as defined in the GMP, required to professionally complete the Work in an expeditious and economical manner consistent with the Contract for Construction and the best interests of the Owner.

3.3.2 Endeavor to develop, implement and maintain, in consultation with the Owner, Professional, and the Subcontractors, a spirit of cooperation, collegiality, and open communication among the parties so that the goals and objectives of each are clearly understood, potential problems are resolved promptly, and, upon completion, the Project is deemed a success by all parties.

3.3.3 Perform its services in accordance with schedule requirements.

3.3.4 Work with Owner and Professional to pursue Owner's goal of obtaining Leadership in Energy and Environmental Design (LEED) certification for the Project, at the level set forth on **Exhibit E**.

3.3.5 Participate in, and cooperate with, design phase and construction phase commissioning, validation, and other quality assurance and quality control processes.

3.3.6 Complete the Work by the required date of Substantial Completion. The Construction Manager shall submit an initial Construction Schedule by the date set forth on **Exhibit B**; a final Construction Schedule with each Guaranteed Maximum Price proposal; and revised Construction Schedules in accordance with the General Terms and Conditions. The Construction Schedule shall complement, and shall not conflict with, the design schedule.

3.3.7 Comply with Owner's Building Design and Construction Standards applicable to this Agreement as referenced herein. A link to the policies is provided on **Exhibit A**.

3.4 Pre-Construction Services. The Construction Manager shall provide the following Pre-Construction Services as discussed more fully in Construction Manager's Pre-Construction proposal dated June 5, 2018, attached as Exhibit H:

3.4.1 The Construction Manager shall familiarize itself with the approved facilities program for the Project and actively and jointly participate with the Owner and the Professional in formation of the final Project design. The phasing of, and schedule for, design for this Project are set forth on **Exhibit B**.

3.4.2 Submit for Owner review within thirty (30) calendar days of the Owner's execution of this Agreement:

- (i) Project reporting procedures;
- (ii) Quality Control and Testing Program defined in **Exhibit F**;
- (iii) Safety Program.

3.4.3 The Professional is required, in accordance with schedule requirements, to provide design concepts, narratives, and drawings. At each phase of design, in keeping with the Owner's goals and the program for the Project, the Construction Manager shall familiarize itself with these design documents and, in accordance with the Schedule on **Exhibit B**, provide the Owner and Professional with a report detailing construction issues and concerns relating to the design, with detail appropriate to the phase of design. Without limitation of the foregoing, each construction report shall:

- (i) include an estimate of overall construction cost, with Construction Manager's contingency associated with the Cost of the Work at no greater percentages than the percentages set forth on **Exhibit E**, including a comparison of the estimate to Owner's budget for construction;
- (ii) identify conceptual decisions necessary to prepare accurate cost reports with the fewest assumptions, qualifications and exclusions;
- (iii) include an analysis and evaluation of jobsite management, site logistics, and schedule considerations;
- (iv) include an analysis and evaluation of the constructability of the design concepts, narratives, or drawings;
- (v) include an analysis and evaluation of the design concepts, narratives, or drawings in regard to the completeness of intended bid categories, conflicts or overlaps in the divisions of the Work, design details affecting construction including, without limitation, unusual or custom materials, value analysis, identification of long-lead materials affecting the Construction Schedule, availability of labor, and other factors affecting construction and, in the report provided during the Construction Documents Phase, suggestions for alternatives for matters which may delay the construction schedule;
- (vi) address problems, conflicts, defects or deficiencies in the design concepts and offer resolutions of same; and
- (vii) identify any other issues which Construction Manager reasonably believes may have a negative impact on the Project schedule, budget or performance.

3.4.4 The Construction Manager and the Professional shall jointly schedule and attend regular meetings with the Owner and evaluate the preliminary design drawings. The Professional shall prepare and distribute minutes of these meetings, and the Construction Manager shall verify the accuracy and completeness of the minutes.

3.4.5 The Construction Manager shall develop a comprehensive jobsite management and logistics plan for the Owner's review. This plan shall be submitted no later than the date set forth on **Exhibit E**.

3.4.6 The Construction Manager shall, in accordance with schedule requirements, assist the Professional with the resolution of all problems, conflicts, defects or deficiencies identified during the review and evaluation of the Construction Documents.

3.4.7 At each phase of design, the Construction Manager shall work with the Professional and for the Owner's cost consultant to reconcile, and make recommendations on, the differences between the estimates each has prepared at that phase of design. If the final estimates of the Construction Cost by the Construction Manager and the Professional and for the Owner's cost consultant differ materially, the Construction Manager and Professional and for Owner's cost consultant shall meet promptly to reconcile the discrepancies between their estimates so as to permit submission to the Owner of a final estimate of Construction Cost on which both the Professional and the Construction Manager agree.

3.4.8 If the Owner elects to phase and for "fast track" portions of the construction (such portions being described on **Exhibit E**), multiple Guaranteed Maximum Price proposals will be required.

3.4.9 The Construction Manager understands and acknowledges the Owner's intent that the Project will be completed within the budget set by Owner for the Project. Accordingly, throughout the Pre-Construction Services phase, the Construction Manger shall keep Owner informed if it believes that the Project may not be completed within Owner's budget, the reasons why it cannot be, and the Construction Manager's proposed solutions thereof.

3.5 Guaranteed Maximum Price Proposal

3.5.1 At the time set forth on Exhibit B, as it may be adjusted, which shall be prior to performance of Construction Services, the Construction Manager shall prepare and deliver to the Owner, with a copy to the Professional, a Guaranteed Maximum Price ("GMP") proposal. The Construction Manager shall, at a minimum, include in the GMP proposal:

- (i) a recital of the specific Construction Documents, including drawings, specifications, and all addenda thereto, used in preparation of the GMP proposal;
- (ii) the five (5) elements of the GMP:
 - a. Guaranteed Maximum Cost of the Work (hereinafter defined), detailed by each subcontract, trade or bid division;
 - b. the Construction Manager's Contingency for the Work;
 - c. General Conditions Costs consisting of:
 - Guaranteed Maximum Construction Manager's General Conditions Staffing Cost (hereinafter defined), detailed by expense category; and
 - Guaranteed Maximum General Conditions Cost (hereinafter defined), detailed by expense category;
 - d. Guaranteed Maximum for Construction Manager's Overhead and Profit.
 - e. Insurance and Bonds as follows:
 - Builder's Risk Insurance
 - Liability Insurance

➤ Payment and Performance Bonds

- (iii) a draft schedule of values;
- (iv) a description of all other inclusions to, or exclusions from, the GMP,
- (v) all assumptions and clarifications; and
- (vi) the final Construction Schedule.

3.5.2 The Construction Manager acknowledges that the Construction Documents may be incomplete at the time the Construction Manager delivers the GMP proposal, and that the Construction Documents may not be completed until after commencement of the Work. Nevertheless, the GMP proposal shall include all costs for the Work required by the completed Construction Documents, and if the GMP proposal is accepted by the Owner, the Construction Manager shall be entitled to no increase in the GMP if the Work required by the completed Construction Documents (i) is required by the Contract for Construction, (ii) is reasonably inferable from the incomplete documents, (iii) is consistent with the Owner's programmatic goals and objectives, (iv) is consistent with the Owner's Design and Construction Standards and the general industry standards for completion of the Work, (v) is not an enlargement of the scope of Work or (vi) conforms to the nature, type, kind or quality of Work depicted in the incomplete documents.

3.5.3 If the GMP proposal is unacceptable to the Owner, the Owner shall promptly notify the Construction Manager in writing. Within fourteen (14) calendar days of such notification, the Owner, Professional and Construction Manager shall meet to discuss and resolve any differences, inconsistencies, or misunderstandings and to negotiate recommended adjustments to the Work and for to the GMP.

3.5.4 The Owner may, at its sole discretion and based upon its sole judgment, (i) indicate its acceptance of a GMP proposal; (ii) reject a GMP proposal; (iii) terminate the Project; or (iv) proceed to construct the Project using a party or parties other than the Construction Manager.

3.5.5. If the Owner rejects a GMP proposal, neither party shall have any further obligation under the Contract for Construction. Owner shall pay all costs previously approved by Owner and incurred by Construction Manager prior to the notice of rejection of the GMP proposal.

3.5.6 If the Owner accepts a GMP proposal, the parties shall complete and execute **Exhibit D**, and the Owner shall issue a written Notice to Proceed to the Construction Manager establishing the date construction is to commence (the "Commencement Date"). The Construction Manager shall not expend any monies for construction prior to receipt of such Notice to Proceed without the written approval of the Owner.

3.5.7 Price Guarantees

(i) Upon execution of **Exhibit D**, the Construction Manager guarantees that the sum of (a) the actual Cost of the Work, (b) Construction Manager's Contingency, (c) Construction Manager's Staffing Costs, (d) General Conditions Cost, and (e) Construction Manager's Overhead and Profit, shall not exceed the amount set forth in the agreed upon GMP. All costs or expenses that would cause this sum to exceed the GMP shall be borne by the Construction Manager unless adjusted by Owner approved change order.

(ii) Upon execution of **Exhibit D**, the Construction Manager guarantees that the actual Cost of the Work, Construction Manager's Contingency, Construction Manager's Staffing Costs, General Conditions Cost, and Construction Manager's Overhead and Profit, shall not exceed the guaranteed maximum for each such category and that all costs or expenses that would cause any of these individual categories to exceed the guaranteed maximum for each such category in the agreed upon GMP shall be borne by the Construction Manager unless adjusted by Owner approved change order.

(iii) Upon execution of **Exhibit D**, the Construction Manager certifies that all factual unit

costs supporting the GMP proposal are accurate, complete and current at the time of negotiations; and that any other factual unit costs that may be furnished to the Owner in the future to support any additional amounts that may be authorized will also be accurate and complete. Payments to the Construction Manager shall be reduced if the Owner determines such amounts were originally included due to materially inaccurate, incomplete, or non-current factual unit costs.

(iv) Upon execution of **Exhibit D**, the Construction Manager guarantees that to the extent the accepted GMP includes contingency, use of contingency shall be approved by Owner by change order or additional services authorization prior to expenditure by the Construction Manager.

3.6 Construction Services

3.6.1 Trade Contractor Selection Bidding and Negotiation

3.6.1.1 In accordance with Owner's policies on the subject in effect at the time Construction Manager commences construction, the Construction Manager shall prepare and assemble document packets for use in bidding subcontracts. Such packaging of the Work shall be broken down to maximize both competition and the involvement of small businesses in accordance with Owner's goals enumerated in Section 8.8 hereof.

3.6.1.2 The Construction Manager shall develop subcontractor and supplier interest for each division of the Work. The Construction Manager shall pre-qualify proposed subcontractors using a pre-qualification form approved by the Owner and Professional, which shall include, at a minimum, proof of licensure where applicable.

3.6.1.3 The Construction Manager shall, in accordance with Owner's policy in effect at the time the Construction Manager commences construction, competitively bid each trade category or, if approved by Owner, negotiate for the performance of a particular trade category.

3.6.1.4 The Construction Manager shall use its best efforts to obtain bids which are less than the final GMP estimates.

3.6.1.5 The Construction Manager shall conduct bid openings in the presence of the Owner's representative. The Construction Manager shall provide the Owner with a copy of its preliminary bid tabulation and copies of all bids.

3.6.1.6 The Construction Manager shall, for each subcontract, trade or bid division:

- (i) determine the final bid amounts, having reviewed and clarified the scope of Work in detail with bidders to determine which bids are the lowest bids and are complete but do not include duplicate scope items;
- (ii) prepare and furnish to the Owner a final bid tabulation summary which includes by subcontract, trade and for bid division, the applicable final GMP estimate and the related final bid amount and the details of all scope clarifications, copies of subcontractor contracts and purchase orders for Owner's review and approval;
- (iii) if requested by Owner, provide a list of all potential Owner Direct Purchase Materials (hereinafter defined);
- (iv) identify to the Owner in writing the subcontractors to which the Construction Manager recommends award of subcontracts; and
- (v) award and enter into a subcontract between itself and each subcontractor which it has recommended in accordance with this Agreement unless otherwise notified by the Owner.

3.6.1.7 No portion of the Work may be performed by the Construction Manager or its affiliates except with Owner's approval in accordance with Owner's policies on the subject in

effect at the time the Construction Manager commences construction.

3.6.1.8 The Construction Manager shall award Trade Contracts representing ninety percent (90%) of the Cost of the Work or more, within the timeframe outlined in **Exhibit D**.

3.6.1.9 The Construction Manager shall promptly inform the Owner in writing of any proposed replacements to the list of subcontractors and suppliers in the final bid tabulation sheet provided to Owner, the reasons therefore, and the name(s) and qualification(s) of proposed replacement(s). The Owner shall have the right, in its reasonable discretion, to reject any proposed replacement if such proposed replacement fails to meet any criteria or requirements established for subcontractors performing such portion of, or for, the Work.

3.6.2 Construction Supervision

3.6.2.1 Commencing with the award of the first subcontract and terminating on the date of Final Completion, the Construction Manager shall provide the services described herein.

3.6.2.2 The Construction Manager shall, as the Owner's construction representative during construction, advise and consult with the Owner and the Professional, and provide administration of the Construction Documents.

3.6.2.3 The Construction Manager shall supervise and direct the Work at the Site. The Construction Manager shall, at a minimum, staff the Project Site with personnel who shall:

- (i) supervise and coordinate the Construction Manager's personnel and act as its primary liaison with the Owner and the Professional;
- (ii) coordinate trade contractors and suppliers, and supervise Site construction management services;
- (iii) be familiar with all trade divisions and trade contractors' scopes of Work, all applicable building codes and standards, and the Contract for Construction;
- (iv) check, review, coordinate and distribute shop drawings and check and review materials delivered to the Site, regularly review the Work to determine its compliance with the Construction Documents and the Contract for Construction, confer with the appropriate Owner's consultant(s) as necessary to assure acceptable levels of quality;
- (v) prepare and maintain Project records, including process documents and daily logs;
- (vi) schedule and conduct weekly progress meetings with subcontractors to review such matters as jobsite safety, job procedures, construction progress, schedule, shop drawing status and other information as necessary and provide notification of, and minutes from, such meetings to Owner and Professional;
- (vii) schedule and conduct progress meetings as agreed with the Owner and Professional to review such matters as construction progress, schedule, shop drawing status, and other information as necessary;
- (viii) make provision for Project security to protect the Project site and materials stored off-site against theft, vandalism, fire and accidents as required by the General Terms and Conditions.
- (ix) promptly reject any Work which does not conform to the Construction Documents or which does not comply with any applicable law, statute, building code, rule or regulation of any public authority or agency of which it is aware, immediately notifying the Professional and the Owner in writing when it has rejected any Work;
- (x) comply with, and cause its subcontractors and suppliers to comply with, the Project Construction Schedule and applicable sub-schedules. The Construction Manager shall obtain and review schedules from subcontractors and suppliers, coordinate sub-schedules with the Construction Schedule, and enforce compliance

with the all applicable schedules to insure timely completion of the Work. If at any time the Project is delayed, the Construction Manager shall immediately notify the Owner and the Professional of the probable cause(s) and possible alternatives and make recommendations to minimize expense and delay to the Owner; and

(xi) provide documentation necessary to the Professional for, and otherwise assist the Professional with, the preparation of the final “as-built” or record drawings.

3.6.2.4 In accordance with Owner’s agreement with the Professional working on the Project, the Professional will visit the Project Site at intervals appropriate to the stage of construction to familiarize itself with the progress and quality of the Work and to inspect the Work. The Construction Manager shall request that the Professional visit the Site at additional times as the Construction Manager deems necessary to attend meetings, inspect the Work, and render interpretations regarding the Work necessary for the proper execution of the Work. The Professional’s interpretations and decisions after conferring with the Owner shall be final regarding the Construction Documents and the Work.

3.6.3 Owner Direct Purchase Program. The Owner may elect to implement an owner direct purchase program whereby it may purchase materials and equipment included in any Subcontractor’s bid for a portion of the Work directly from the supplier of such materials or equipment in order to achieve sales tax savings. Such materials and equipment are referred to as “Owner Direct Purchase Materials.” If Owner elects to implement an owner direct purchase program, it shall so notify Construction Manager in writing, and the terms of this paragraph shall govern, along with Owner’s policies on the subject in effect at the time Construction Manager commences construction of the Project. Construction Manager shall submit to the Owner a list of appropriate materials and equipment that exceed \$5,000 per purchase requisition for consideration by the Owner as Owner Direct Purchase Materials. Construction Manager shall obtain Builder’s Risk insurance on the Owner Direct Purchase Materials naming Owner as the insured or an additional insured, provided Owner shall reimburse Construction Manager for the cost of such insurance as provided by this Agreement. Construction Manager shall be responsible for safeguarding all Owner Direct Purchase Materials on the Project site on Owner’s behalf.

3.6.4 If Owner elects to purchase any Owner Direct Purchase Materials, it shall so notify the Construction Manager and the Construction Manager shall thereafter promptly furnish to the Owner, at least fourteen (10) days prior to the date such Owner Direct Purchase Materials must be ordered, a direct purchase order request on Florida Poly DPO form reflecting the approved Owner Direct Purchase Materials. A change order shall be executed both to reduce the Guaranteed Maximum Price by the amount(s) being directly purchased including related sales tax. The sales tax will remain in the GMP and be moved to Owner contingency once the DPO has been paid in full. In addition, the Construction Manager shall reduce the applicable Subcontractor’s subcontract amount by the cost of the Owner Direct Purchase Materials and sales tax related thereto on the next application for payment following the change order execution to reduce the Guaranteed Maximum Price.

3.6.5 Reporting. The Construction Manager shall provide a monthly report on **Thumb-Drive** summarizing the progress of the Project to the Owner, Professional, and Owner’s user group representatives, including information on the subcontractors’ Work, percentage of completion of the Work, current estimating, subcontract buyouts, updated monthly Critical Path Method scheduling unless stated otherwise in Exhibit F and Project accounting reports, including projected time to completion and estimated cost to complete the Work, LEED status, digital progress photographs, project directory, logs for Requests for Information, submittals and shop drawings, Change Orders, cost change proposals, field directives, safety meetings, deficiencies, weather conditions and meeting minutes. Owner recognizes that the Design Professional is ultimately responsible for the administration and submittal of all documentation provided by the Construction Manager and required by the U.S. Green Building Council for LEED certification.

ARTICLE 4 COMPENSATION OF CONSTRUCTION MANAGER

4.1 Payment for Pre-Construction Services. The Owner agrees to pay the Construction Manager, and the Construction Manager shall accept as complete payment for performance of Pre-Construction Services, the fee set forth on **Exhibit E**, payable pursuant to the schedule set forth thereon.

4.2 Payment for Construction Services.

4.2.1 The Owner shall pay, and the Construction Manager shall accept, as full and complete payment for the Construction Services, only the sum of the following items, which sum shall not exceed the GMP:

- (i) the aggregate net cost directly paid by the Construction Manager to subcontractors pursuant to written subcontracts to perform the Work (CSI Divisions 2-17) (the "Cost of the Work"), not to exceed the guaranteed maximum set forth on **Exhibit D**;
- (ii) the compensation for the Construction Manager's provision of management services (the "Construction Manager's Staffing Costs"), not to exceed the guaranteed maximum set forth on **Exhibit D**;
- (iii) the aggregate net cost of the Construction Manager's General Conditions (the "General Conditions Cost"), not to exceed the guaranteed maximum set forth on **Exhibit D** and paid for actual cost incurred during the construction period; and
- (iv) Construction Manager's Overhead and Profit, not to exceed the guaranteed maximum set forth on **Exhibit D**.

4.2.2 Staffing Costs. Construction Manager's Staffing Costs include and are limited to actual expenditures or negotiated amounts for the following items as authorized in the GMP Proposal approved by Owner

- (i) the cost of its supervisory, technical, administrative and clerical personnel engaged in supervision and management of the Work on the Project Site;
- (ii) the cost of periodic site visits for supervision, inspection, oversight, or management of the Project by specific "home office" personnel as agreed upon and identified in the GMP proposal;
- (iii) direct costs incurred in the Work with the exception of those specifically enumerated compensable as a General Conditions Cost or a Cost of the Work;
- (iv) reasonable expenses for transportation, meals, and temporary lodging of principals and employees when traveling in connection with services and duties specifically related to this Project, at the rates set forth as specified in §112.061, Florida Statutes, for meals and transportation. In accordance with Owner travel policy, when the single room rate exceeds \$150 per night, a written justification explaining why a more economical room was not used is required. Justification must be accompanied by a comparison of other comparable hotel rates in the same area;
- (v) expenses incurred for relocation and temporary living allowances of personnel required for the Work, if required by the Project; and
- (vi) any costs or expenses incurred by the Construction Manager, not included in the General Conditions Cost, for provision of management services necessary to complete the Project in an expeditious and economical manner consistent with the Contract for Construction and the best interests of Owner.

4.2.3 General Conditions Costs. General Conditions costs include and are limited to actual expenditures or negotiated amounts for the following items as authorized in the GMP Proposal approved by Owner:

- (i) costs, including transportation and storage, installation, maintenance, dismantling and

removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers, that are provided by the Construction Manager at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Construction Manager. Cost for items previously used by the Construction Manager shall mean fair market value;

- (ii) costs incurred to provide sitesafety;
- (iii) costs of removal of debris from the site;
- (iv) costs of document reproduction including bid sets, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office;
- (v) that portion of insurance and bond premiums directly attributable to this Contract for Construction. Premiums shall be net of trade discounts, volume discounts, dividends and other adjustments;
- (vi) sales, use, or similar taxes imposed by a governmental authority and paid by the Construction Manager, and directly related to the Work;
- (vii) fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract for Construction to pay, including deposits lost for causes other than Construction Manager's fault;
- (viii) data processing costs directly related to the Work and as approved by Owner in writing;
- (ix) the cost of obtaining and using all utility services required for the Work;
- (x) the cost of crossing or protecting any public utility, if required, and as directed by the Owner;
- (xi) all reasonable costs and expenditures necessary for the operation of the Site office, such as stationary, supplies, furniture, fixtures, office equipment and field computer services provided that quantity and rates are subject to Owner's prior written approval;
- (xii) the cost of secure off-site storage space or facilities approved in advance by Owner;
- (xiii) printing and reproduction of the Construction Documents;
- (xiv) rental charges for temporary facilities, and for machinery, equipment, and tools not customarily owned by construction workers; however any rental charge shall not exceed the purchase price of such facilities, machinery, equipment or tools;
- (xv) cost of surveys, measurements and layout work reasonably required for the execution of the Work or by the Construction Documents; and
- (xvi) other expenses or charges properly incurred and paid in the prosecution of the Work, with the prior written approval of the Owner.

4.2.4 Construction Manager's Overhead and Profit. The Construction Manager's Overhead and Profit is a fixed percentage of the (i) Guaranteed Maximum Cost of the Work, (ii) Construction Manager's Contingency, (iii) Guaranteed Maximum Construction Manager Staffing Costs and (iv) Guaranteed Maximum General Conditions Cost (excluding bond and insurance costs), as agreed upon in **Exhibit D**. Overhead and Profit covers the costs of all of Construction Manager's overhead and expenses related to the Work, including home or branch office employees or consultants not at the Project Site, except those staffing costs paid pursuant to Section 4.2.2(ii) and general operating expenses of the Construction Manager's principal and branch offices related to the Work (non-field offices), such as telegrams, telephone service and long-distance and zone telephone charges, postage, office supplies, expressage, and other similar expenses.

4.2.5 Construction Manager's Contingency.

4.2.5.1 The Construction Manager's Contingency, established in the GMP, may be utilized, with the Owner's concurrence, via "no cost" change order for the following reasons:

- (i) Errors and omissions in the Construction Manager's bidding and scoping processes;
- (ii) reasonable schedule recovery;
- (iii) means, methods, and materials reasonably inferred from the Construction Documents;
- (iv) subcontractor non-performance or default;
- (v) Work not included in the Construction Documents which is necessary to cause the Project to conform to applicable building codes but was not identified as missing during the review of Construction Documents (through no fault of the Construction Manager);
- (vi) other costs incurred by the Construction Manager that are not Cost of the Work, General Conditions Cost or Construction Manager Staffing Costs; and
- (vii) costs and expenses incurred by the Construction Manager, not included in the General Conditions Cost, for provision of management services necessary to complete the Project in an expeditious and economical manner consistent with this Agreement and the best interests of Owner.
- (viii) legal costs reasonably and properly resulting from prosecution of the Project for the Owner, including handling claims for changes by Subcontractors and Vendors, subject to the following limitations:
 - (a) The Owner approved incurring such cost in advance, which approval shall not be unreasonably denied; and
 - (b) The legal costs were not incurred as a result of the Construction Manager's own negligence or default.

This paragraph does not provide for payment of legal cost incurred in preparing or asserting claim or request by Construction Manager itself for change orders or in enforcing the obligations of this contract.

4.2.5.2 If upon completion of 75% of the Work, the remaining amount of contingency exceeds one-half of the amount of the initial post-buyout contingency, Owner may make a request to Construction Manager to transfer such excess including related overhead and profit via change order to the Owner and upon mutual agreement Construction Manager may transfer such excess or another mutually agreed upon amount to Owner.

4.2.6 Buyout Savings.

- (i) If Construction Manager receives bids for portions of the Work which are less than the amounts budgeted in the GMP proposal approved by Owner for such portions of the Work, such buyout savings shall first be utilized to offset shortfalls on other bid packages.
- (ii) If, after offsetting any shortfalls, buyout savings remain, at the time provided on **Exhibit D** for the award of subcontracts, Owner may, at its sole discretion, direct Construction Manager to return all buyout savings including related overhead and profit to the Owner via "no cost" change order.

4.2.7 Use of Buyout Savings Sales Tax Savings. The net amount of buyout savings and savings from Owner's purchase of Direct Purchase Materials may be utilized by the Owner for the following or other reasons:

- (i) customer or designer-requested changes;
- (ii) additive bid alternates and deductive credits;
- (iii) design errors or omissions in the Construction Documents which were not detected by the Construction Manager through no fault of Construction Manager, including Work necessary to cause the Project to conform to applicable building codes;
- (iv) differing unforeseen existing conditions, as permitted in the General Terms and Conditions;
- (v) retained by Owner for future projects and not part of this contract.

4.2.8 Compensation for Change Orders. Construction Manager shall be entitled to compensation for Additional Services it provides, at the amounts agreed to by Construction Manager and Owner, in writing, prior to performing such additional services. Amounts owed by the Owner to the Construction Manager shall be adjusted by duly authorized change order in accordance herewith and the General Terms and Conditions. Upon performance of additional services, Construction Manager shall submit to Owner an Application for Payment with each additional service identified beneath the basic service milestones, or on a continuation page as required, associated monetary value, and appropriate back-up documentation in preparation for an audit thereof. In addition to Change Orders for Additional Services, Construction Manager shall be entitled to submit a request for an equitable adjustment to the GMP for impacts beyond its reasonable control, such as: (i) delays beyond Construction Manager's reasonable control, so long as CM is otherwise in compliance with all responsibilities and obligations on the Project (ii) a change in applicable law, (iii) a written interpretation modifying the Contract Documents, and (iv) down time after an order from the Owner directing Construction Manager to stop the Work that is documented by Construction Manager and agreed-to by Owner as a construction delay.

4.2.8.1 Increase in Cost of Work. If the Cost of the Work is increased by change order, the Owner shall pay the Construction Manager the aggregate net cost directly paid by the Construction Manager to subcontractors or suppliers for the performance of the Work and the Construction Manager shall receive Overhead and Profit on such amount, as a percentage as set forth in **Exhibit E**, and an amount for any increased bond and insurance costs associated therewith.

4.2.8.2 Decrease in Cost of Work. If the Cost of the Work is decreased by change order, payment due from the Owner to the Construction Manager including related overhead and profit shall be reduced by the amount the Construction Manager is no longer obligated to pay subcontractors or suppliers for performance of the Work. Decreases in the Cost of the Work shall inure to the benefit of the Owner and shall not become part of the Construction Manager's Contingency.

4.2.8.3 Change Order Disputed. If the Construction Manager disputes a change order decision pursuant to the General Terms and Conditions, it must give the Owner its written notice of dispute, including the reasons therefore, within seven (7) calendar days of the disputed decision.

4.2.9 Applications for Payment for the Work. Applications for payment shall be submitted in detail sufficient for an audit thereof in accordance with Owner's policies on the subject in effect at the time Construction Manager commences construction. The Construction Manager's accounts receivable representative will coordinate with the Facilities Project Manager, (863) 874-8600, who is the University representative for processing accounts payable business documents, and prior to the first payment application, to assure the University receives the Division and Section data in an acceptable format following the Construction Specifications Institute (CSI) format, Divisions 1 - 17. Within twenty (20) days of receipt of the Construction Manager's application for payment, properly prepared pursuant to Owner's policies on the subject and request provided herein, the Owner shall pay the Construction Manager the amount approved by Professional, less retainage as defined in **Exhibit E**, unless there is a dispute about the amount of compensation due to the Construction Manager.

4.2.9.1 At Owner's discretion, retainage may be reduced at designated stage of completion as defined in **Exhibit E**.

4.3 Labor Burden. For purposes of calculating amounts due to Construction Manager under this Agreement for staffing, the parties agree that Construction Manager's labor burden for each employee staffing the Project shall be the labor burden approved by the Owner prior to, or upon execution of, this Agreement. For purposes hereof, labor burden means the actual cost of benefits and taxes that Construction Manager must pay or chooses to pay its employees and shall not include any profit, markup or expense unrelated to employee compensation. With respect to benefits Construction Manager chooses to pay, such benefits must be authorized by Owner under Owner's policy pertaining to labor burden in order to receive reimbursement from Owner.

4.4 Vendor Ombudsman. A Vendor Ombudsman has been established within the Owner's Office of Business Affairs. The duties of this individual include acting as an advocate for vendors who may be experiencing problems in obtaining timely payment(s) from the Owner. The Vendor Ombudsman may be contacted at 863-874-8432.

ARTICLE 5 LIQUIDATED DAMAGES FOR DELAY

5.1 Inasmuch as failure to Substantially Complete the Work within the time fixed on **Exhibit D** will result in injury to the Owner, and as damages arising from such failure cannot be calculated with any degree of certainty, it is agreed that if the Work is not Substantially Completed within the time provided on **Exhibit D**, or within such further time, if any, as shall be allowed for time extensions in accordance with the provisions of the Contract for Construction, the Construction Manager shall pay to the Owner as liquidated damages for such delay, and not as a penalty, the amount set forth in **Exhibit E** for each calendar day elapsing between the date fixed for Substantial Completion and the date such Substantial Completion is fully accomplished. The parties agree that said liquidated damages are reasonable given existing circumstances, including, without limitation, the range of harm that is foreseeable and the anticipation that proof of damages would be costly and impractical.

5.2 The liquidated damages shall be payable in addition to any excess expenses or costs payable by the Construction manager to the Owner under the General Terms and Conditions, and shall not preclude the recovery of damages by the Owner under other provisions of the Contract for Construction, except claims related to Construction Manager's delays in Substantial Completion. Owner's right to receive liquidated damages shall in no manner affect the Owner's right to terminate the Contract for Construction, as provided in the General Terms and Conditions or elsewhere in the Contract for Construction. The Owner's exercise of the right to terminate shall not release the Construction Manager from the obligation to pay said liquidated damages.

5.3 When the Owner reasonably believes (i) that Substantial Completion will be inexcusably delayed; or (ii) that the Construction Manager will fail to achieve Final Completion by the date of Final Completion, the Owner shall be entitled, but not required, to withhold from any amounts otherwise due the Construction Manager the daily amount specified for liquidated damages in this Article for each calendar day of the unexcused delay. If and when the Construction Manager overcomes the delay in timely achieving Substantial Completion or Final Completion, or any part thereof, for which the Owner has withheld payment, the Owner shall promptly release to the Construction Manager those funds withheld, but no longer applicable, as liquidated damages.

ARTICLE 6 INSURANCE AND BONDS

6.1 The Construction Manager shall carry the insurance and payment and performance bonds described in the General Terms and Conditions.

ARTICLE 7 AUDIT RIGHTS

7.1 Owner may, upon reasonable notice, audit the records of its Construction Manager and its subcontractors and suppliers during regular business hours, during the term of this Agreement and for a period of three (3) years after final payment is made by Owner to Construction Manager under this Agreement or longer, if required by law. Such audits may be performed by an Owner's representative or an outside representative engaged by Owner. Once agreed upon by Owner and Construction Manager, any billable rates, fixed rates, percentages, or multipliers in the Contract Documents, including the GMP Proposal shall be auditable only to confirm their proper application and may not be audited to review or confirm their composition.”

7.2 For purposes hereof, Construction Manager’s "records" means any and all information, materials and data of every kind and character, whether hard copy or in electronic form, which may, in Owner’s judgment have any bearing on or pertain to this Contract for Construction, including, without limitation, books, subscriptions, recordings, agreements, purchase orders, leases, contracts, commitments, arrangements, notes, daily diaries, written policies and procedures, time sheets, payroll registers, payroll records, cancelled payroll checks, subcontract files (e.g., including proposals of successful and unsuccessful bidders, bid recap), original estimates, estimating work sheets, correspondence, change order files (including documentation covering negotiated settlements), back-charge logs and supporting documentation, invoices and related payment documentation, general ledgers, records detailing cash and trade discounts earned, insurance rebates and dividends, superintendent reports, drawings, receipts, vouchers and memoranda.

7.3 Owner's authorized representative shall have reasonable access to the Construction Manager’s facilities, shall be allowed to interview all current or former employees to discuss matters pertinent to this Contract for Construction, shall be provided adequate and appropriate work space at Construction Manager’s facilities, may count employees at the Site, may be present for the distribution of payroll and shall have such other rights of access as may be reasonably necessary to carry out an audit.

7.4 If an audit discloses overpricing or overcharges, Construction Manager shall refund the overpayment. If an audit discloses overpricing or overcharges of one percent (1%) of the total amount paid hereunder, but in any event more than \$200,000, whichever is less, in addition to making adjustments for the overcharges, the reasonable actual cost of the Owner's audit shall be reimbursed to the Owner by the Construction Manager. Any adjustments and for payments that must be made as a result of any such audit or inspection of the Construction Manager’s invoices and for records shall be made within ninety (90) calendar days from presentation of Owner's findings to Construction Manager.

7.5 Construction Manager shall ensure notice of Owner’s audit rights is provided to its subcontractors, suppliers and any other vendor providing services or materials for the Project and shall ensure that each agreement it enters into pursuant hereto includes the provisions

ARTICLE 8 MISCELLANEOUS PROVISIONS

8.1 The Owner and Construction Manager respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither Owner nor Construction Manager shall assign this Agreement without the written consent of the other.

8.2 The Contract for Construction shall be governed by, and construed under, the laws of the State of Florida, without regard to its choice of law provisions and venue shall lie in the courts in Polk County, Florida.

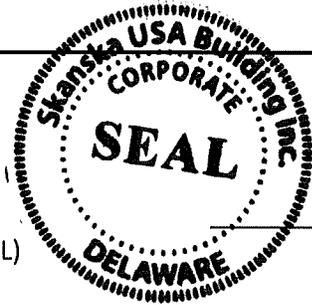
8.3 The Construction Manager represents and warrants that it has not employed or retained any company or person (other than a bona fide employee working solely for the Construction Manager) to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation individual or firm (other than a bona fide employee working solely for the Construction Manager) any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Agreement.

- 8.4** This Agreement may be unilaterally canceled by the Owner for refusal by the Construction Manager to allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the Construction Manager in conjunction herewith.
- 8.5** Owner's performance and obligation to pay hereunder is contingent upon an annual appropriation by the Legislature.
- 8.6** The Construction Manager warrants that it is not on the convicted vendor list for a public entity crime committed within the past thirty six (36) months. The Construction Manager further warrants that it will neither utilize the services of, nor contract with, any supplier, subcontractor, or consultant for an amount in excess of \$15,000.00 in connection with this Project if the supplier, subcontractor or consultant has been placed on the convicted vendor list within the past thirty six (36) months.
- 8.7** All capitalized terms used herein but not defined herein shall have the meaning ascribed thereto in the General Terms and Conditions.
- 8.8** Owner is an equal opportunity institution and, as such, encourages the use of small businesses, including women and minority-owned small businesses in the provision of construction related services. Small businesses should have a fair and equal opportunity to compete for dollars spent by the University of West Florida to procure construction-related services. Competition ensures that prices are competitive and a broad vendor base is available. Construction Manager shall use good faith efforts to ensure opportunities are available to small businesses including women and minority-owned businesses on the Project.
- 8.9** Building information modeling (BIM) models will be made available to the Construction Manager as described in Exhibit A.
- 8.10** Construction Manager is an independent contractor to Owner.
- 8.11** All exhibits referenced herein are attached hereto and incorporated herein by reference.
- 8.12** Any modifications to this Agreement or the Contract for Construction are set forth on Exhibit F.
-

END

IN WITNESS WHEREOF, the parties have affixed their signatures, effective on the date first written above. FOR THE CONSTRUCTION MANAGER:

ATTEST:



Skanska USA Building Inc.

(CORPORATE SEAL)

BY: Chuck Jablon

NAME: Chuck Jablon

AS WITNESSED BY: Melanie Tavares

TITLE: Sr. VP Operations

DATE: 6/29/2018

FOR THE OWNER:

THE FLORIDA POLYTECHNIC UNIVERSITY BOARD OF TRUSTEES

AS WITNESSED BY:

BY: Mave

Dr. Randy Avent, President on behalf of the University Board of Trustees

Laura Marone
7-2-18

DATE: 7/2/18

Approved as to form and legality:
Neil Mill 7/2/18
FPU Attorney

EXHIBITS

The following exhibits will be created as a part of the final Agreement for Construction Manager Services.

Exhibit A – description of the project.

Exhibit B – preliminary schedule.

Exhibit C – project team of the Construction Manager.

Exhibit D – GMP approval, payments schedule and notice to proceed.

Exhibit E – LEED certification, logistics and the GMP proposal.

Exhibit F – modifications to the Agreement.

Exhibit G – Remaining terms under discussion

Exhibit H – Pre-Construction Proposal dated June 5, 2018.

Exhibit A

The project includes the construction of an approximately 85,000 square foot teaching lab and research facility building on the existing Florida Polytechnic University campus in Polk County, Florida. The design of the project will be further developed during the preconstruction phase and a more detailed description may be provided in a revised Exhibit A attached to a GMP Amendment.

Exhibit B

The preliminary schedule for preconstruction phase services by Construction Manager will be developed and incorporated into this agreement via a preconstruction services amendment. The construction phase schedule will be developed during the preconstruction phase and upon approval of a GMP Proposal will be incorporated into this agreement via a GMP Amendment.

Exhibit C

The following people will be included in Construction Manager's preconstruction services Project team:

- Chuck Jablon- Operations Principal
- Mark McLaughlin- Project Executive
- Paul Ventresca- Superintendent
- Bryan Ray- Assistant Superintendent
- Don Crotty- Lab Subject Matter Expert
- Kelsey Stein- Innovation & Technology Subject Matter Expert

Exhibit D

Exhibit D will be developed during the preconstruction services phase and will be attached to Construction Manager's GMP Proposal and upon approval will be incorporated into the agreement via GMP Amendment.

Exhibit E

Exhibit E will be developed during the preconstruction services phase and will be attached to Construction Manager's GMP Proposal and upon approval will be incorporated into the agreement via GMP Amendment.

Exhibit F

Exhibit F will be developed during the preconstruction services phase and will be attached to Construction Manager's GMP Proposal and upon approval will be incorporated into the agreement via GMP Amendment.

Exhibit "G"

Remaining Terms Under Discussion

Skanska USA Building Inc. ("Skanska") and Florida Polytechnic University Board of Trustees ("University") mutually agree that the following terms in the Agreement for Construction Management Services (the "Agreement") will remain under discussion and will continue to be negotiated during the preconstruction phase as the cost impact of leaving these terms unrevised are explored and the associated risks associated with these terms are further defined.

- (a) limiting the time-of-the-essence provision to specifically agreed-upon milestone dates for the Project;
- (b) establishing that the liquidated damages may be subject to an aggregate cap;
- (c) including consideration of a mutual waiver of consequential damages based on industry standard provisions;
- (d) confirming that any final decisions made by the Architect with regard to interpretations of the Contract Documents during construction are ultimately subject to dispute resolution; and
- (e) discussing whether implied warranties are appropriate in light of the express warranties and terms of the contract negotiated by the parties.

Exhibit H

Exhibit H will be developed through joint discussions and Construction Manager will submit a Preconstruction Services Proposal. Upon approval of the Preconstruction Services Proposal it will be incorporated into the agreement via a Preconstruction Services Amendment.



EXHIBIT D

GUARANTEED MAXIMUM PRICE PROPOSAL

GUIDELINES FOR CONSTRUCTION MANAGERS FOR THE PREPARATION OF GUARANTEED MAXIMUM PRICE PROPOSALS

MINOR PROJECTS GUARANTEE MAXIMUM PRICE PROPOSAL

Project Name:	FPU - Applied Research Center	Date:	9/11/2019
FPU Building Name:	Applied Research Center	Architect/Engineer:	HOK
Constructor Manager:	Skanska USA Building, Inc.	A/E Project Manager	Syve-roy Grant
CM Project Manager:	Sarah Vasconi Vowels	FPU Project Manager:	Brent McLean
CM Project Executive:	Mark McLaughlin	FPU AVP F&SS:	David Calhoun

I. COST OF WORK

A. General Conditions

Skanska Site Personnel	\$1,100,000
General Requirements - Site Office/ Monthly Expenses	\$179,900
General Requirements - Trade Contractors	\$194,600
Subtotal A – General Conditions/ General Requirements	\$ 1,474,500

B. Self-Performed Work (requires Project Manager's Approval)

Subtotal B – Self-Performed Work	\$0
---	------------

C. Trade/Sub-Contract Work

Name: TBD	Trade: Structural Concrete	\$1,063,500
Name: TBD	Trade: Struc. & Misc. Steel	\$3,308,500
Name: TBD	Trade: Fireproofing	\$275,382
Name: TBD	Trade: Sitework	\$755,000
Name: TBD	Trade: Deep Foundations	\$127,000
Name:	Trade:	
Name:	Trade:	
Subtotal C – Trade/Sub-Contract Work		\$5,529,382
Cost of Work Subtotal (A+B+C)		\$7,003,882

II. CM FEE (4.0%) X (A+B+C)	\$303,758
III. BONDS & INSURANCE (Bonds are required for all projects over \$100,000.00)	\$564,929
IV. CM CONTINGENCY (Negotiated % of Cost of Work Subtotal A+B+C)	\$295,194
V. FPU PERMIT FEE	\$0
VI. PRE-CONSTRUCTION SERVICES (Separate Agreement)	\$0
TOTAL GMP (I + II + III + IV + V+VI)	\$8,167,763

VI. CONTRACT TIME: Calendar Days
 Number of Days from **Notice to Proceed to Substantial Completion** **646**

VII. CLARIFICATIONS:

1. **See Clarifications, Qualification and Assumption section of GMP 1 Proposal**
2. _____

VIII. DRAWINGS AND SPECIFICATIONS:
 (our price is as per the following drawing sheets and specifications)

1. **See Drawing Log attached to Exhibit A**
2. _____

IX. ATTACHMENTS:

1. **Include in GMP 1 Proposal**
2. _____

XI. The undersigned have reviewed this proposal and recommend an award of a purchase order and Notice to Proceed for the described work.

UNIVERSITY APPROVAL

The undersigned have reviewed this proposal and recommend an award of a purchase order and Notice to Proceed for the described work.

Skanska USA Building Inc. will provide services to Florida Polytechnic University as described herein, subject to the governing terms of the Agreement between Skanska USA Building, Inc. and the Florida Polytechnic University Board of Trustees, pursuant to the Agreement For Construction Management Services dated July 2, 2018

The services will be properly invoiced based on the percentage of the actual services that have been completed in accordance with the terms of the Agreement between Skanska USA Building, Inc. and the Florida Polytechnic University Board of Trustees pursuant to the Agreement For Construction Management Services dated July 2, 2018

CM Project Manager: _____ Date: _____

Title: _____

Architect/Engineer: _____ Date: _____

Firm: _____ Title: _____

FPU Project Manager: _____ Date: _____

FPU AVP F&SS: _____ Date: _____

– David Calhoun

FPU Board of Trustees: _____ Date: _____

Dr. Randy Avent

GMP 1 Proposal Summary

GMP 1 Sitework/ Structural

September 4, 2019

Pkg	Package Description	Proposal Amount	Cost / SF	Notes
			85,000	
01A	General Conditions & Requirements	\$179,900	\$2.12	
01B	General Requirements Trade Work	\$194,600	\$2.29	
03A	Structural Concrete	\$1,063,500	\$12.51	
05A	Structural & Misc. Metal	\$3,308,500	\$38.92	
07D	Fireproofing	\$275,382	\$3.24	
31A	Sitework	\$755,000	\$8.88	
31B	Deep Foundations	\$127,000	\$1.49	
Total: Cost of Work		\$5,903,882	\$ 69.46	
	Construction Contingency @ 5%	\$295,194	3.47	
	Sub Bonds / Subcontractor Default Insurance (SDI)	\$83,835	0.99	
	Building Permit	\$0	0.00	By Owner
	Misc. Permits/Fees (LDP, Tap Fees, Etc.)	\$0	0.00	By Owner
	CCIP	\$211,055	2.48	
	Builder's Risk	\$146,876	1.73	
	Skanska P&P Bond	\$123,163	1.45	
	General Conditions	\$1,100,000	12.94	Based on 1 year
	Overhead & Fee	\$303,758	3.57	
Total: Construction Costs		\$8,167,763	\$96.09	

**AMENDMENT NO. 2
TO FOOD SERVICES AGREEMENT**

This Amendment Number Two to the Food Services Agreement (“Amendment No. 2”) effective as of July 1, 2019, is between the Florida Polytechnic University Board of Trustees (“University” or “FPU”), a public body corporate, and Compass Group, USA, Inc., by and through its Chartwells division (“Chartwells”) (collectively, FPU and Chartwells are the “Parties”).

WHEREAS, FPU and Chartwells are parties to a food services agreement effective May 1, 2017, as previously modified by Amendment Number One, effective October 1, 2017 (collectively referred to as the “Agreement”); and

WHEREAS, University and Chartwells desire to further amend the Agreement to: (i) revise the Investment; (ii) revise the meal plan pricing and options for 2019-20; (iii) revise the commissions under the Agreement; and (iv) make other changes and clarifications to the Agreement as noted below.

NOW THEREFORE, in consideration of the promises contained herein, the Parties herein agree to amend the Agreement as follows:

1. **Definitions.** All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
2. **Amendment of Section 4.L.** Section 4L of the Agreement is hereby deleted in its entirety and replaced with the following:

“L. Investment and Pre-Opening Expenses.

- 1) Chartwells has previously funded an investment to enable the University to buyout the prior dining service contractor’s capital investment in the sum of Seven Hundred Fifty Thousand (\$750,000) Dollars (the “Prior Contractor Investment”). Chartwells has been amortizing the Prior Contractor Investment on a straight-line basis. As of March 31, 2018, the remaining balance of the Prior Contractor Investment is Six Hundred Eighty-one Thousand Nine Hundred Twenty-eight and 41/100 (\$681,928.41) Dollars. Chartwells will amortize the remaining balance of the Prior Contractor Investment from April 2018 until June 2037 on a straight-line basis. University shall hold title to items funded by the Prior Contractor Investment. If the Agreement expires or is terminated for any reason prior to the full amortization of the Investments made, the University is liable for and promises to pay to Chartwells the unamortized portion of the Prior Contractor Investment made within thirty days of the date of the expiration or effective date of termination of the Agreement. Notwithstanding the above, if Chartwells terminates the Agreement without cause, the University shall pay the unamortized portion of the Prior Contractor Investment on the following schedule: (a) in the event FPU engages a successor food service management company, within thirty (30) days of commencement of operations by such successor food service management

company; (b) in the event FPU directly operates the food service program without engaging a contractor, the University shall repay the unamortized balance of the Prior Contractor Investment within one hundred twenty (120) days of the termination date.

- 2) Chartwells will fund an investment in FPU's dining service program to fund capital improvements to FPU's premises to facilitate the dining service program, and to fund Pre-Opening Expenses, in a total sum not to exceed Four Million Nine Hundred Sixty-five Thousand Two Hundred Twenty-three (\$4,965,223) Dollars (collectively, the "Investment"). The Investment will be disbursed and amortized on a straight-line basis, in accordance with the table below. FPU shall hold title to items funded by the Investment. Pre-opening Expenses include, but are not limited to, travel, meals, lodging, opening promotions and advertising, accounting and operating manuals and systems, interviewing and relocation, salaries and fringe benefits, crew training, and other expenses related to preparing for, and commencing performance of services for the 2017-2018 academic year. If the Agreement expires or is terminated for any reason prior to the full amortization of the Investments made, the University is liable for and promises to pay to Chartwells the unamortized portion of the Investments made within thirty days of the date of the expiration or effective date of termination of the Agreement. Notwithstanding the above, if Chartwells terminates the Agreement without cause, the University shall not be responsible for paying the unamortized portion of the Pre-Opening Expenses of up to \$105,223, and the University shall pay the unamortized portion of the Investments (excluding the Pre-Opening Expenses of up to \$105,223) on the following schedule: (a) in the event FPU engages a successor food service management company, within thirty (30) days of commencement of operations by such successor food service management company; (b) in the event FPU directly operates the food service program without engaging a contractor, the University shall repay the unamortized balance of the Investment within one hundred twenty (120) days of the termination date. In the event the Agreement expires or is terminated before any disbursements are scheduled to be made under the table below, Chartwells will not advance such additional disbursements. It is understood that the \$125,000 of Pre-Opening Expenses allocated to Einstein Brothers and Tu-Taco are not subject to the exclusion from repayment that applies to the Pre-Opening Expenses of up to \$105,223. Chartwells will provide University with a breakdown of Pre-Opening Expenses after opening of the Einstein Brothers and Tu-Taco locations.

Florida Poly and Chartwells
2nd Amendment

Description	Amount	Disbursement Date	Amortization Begins	Amortization Completion Date
Preopening Expenses	Not to exceed: \$105,223	5/1/2017	5/1/2017	6/30/2027
Retail Merchandising	\$35,000	7/1/2017	5/1/2017	6/30/2027
EBB and Flexi-Kitchen/Outtakes	\$200,000	7/1/2017	Upon completion of construction of Einstein Brothers Bagels and Flexi-Kitchen/Outtakes and acceptance by the University	6/30/2027
Franchise fee	\$12,500	1/1/2018	Upon completion of construction of Einstein Brothers Bagels area and acceptance by the University	6/30/2021
Einstein Brothers Bagels	\$500,000	1/1/2018	Upon completion of construction of Einstein Brothers Bagels area and acceptance by the University	6/30/2037
Einstein Brothers and Tu-Taco Pre-opening	\$125,000	2/1/2018	Upon completion of construction of Einstein Brothers Bagels area and acceptance by the University	6/30/2037
Einstein Brothers and Tu-Taco	\$140,000	2/1/2018	When projects starts to generate new revenue	6/30/2037
Capital Investment (see paragraph following this table)	\$1,000,000 (subject to adjustment per paragraph following this table, and subject to reduction pursuant to Section 3.8 below)	9/1/2020	When projects starts to generate new revenue	6/30/2037
Capital Investment (if contract renewed earlier than 7/2/2027, this amount will be disbursed and amortized over remaining life of the contract at the point of renewal and addressed in the renewal	\$2,000,000	7/1/2027	7/1/2027 or upon payment to University of Investment funds, whichever is sooner	6/30/2037

document)				
-----------	--	--	--	--

- 3) Disbursement by Chartwells of the Capital Investment amount of \$1,000,000 in 2020-21 is contingent upon the University selling at least 1,125 meal plans (total combination of 10, 14 and 19 meal plans) for the 2021-21 academic year, such meal plan requirement to be measured on the first day of Fall classes for the academic year 2020-21. If there are fewer than 1,125 meal plans sold for the 2020-21 academic year as of the first day of classes for the Fall semester, such Investment shall not be paid at that time and shall be carried forward to be measured again on the first day of Fall classes in each subsequent year through the 2027-28 academic year. If at any time the University sells at least 1,125 meal plans as measured at the beginning of an academic year during the measurement period as noted above, Chartwells will fund and pay the Investment. If the University fails to meet such minimum meal plan requirement over the period of all annual measurement periods, the Capital Investment will not be paid and will be forfeited. Allocation of the food service improvements to be funded with the portion of Investment allocated to 2020-21 will be agreed upon by Chartwells and the University.
 - 4) Notwithstanding anything above to the contrary, University does not guarantee a specific number of meal plans are to be sold during any academic year.
 - 5) If agreed upon in writing by FPU and Chartwells, future funding by Chartwells for enhancements to the Premises, construction, etc. may be generated by incorporating the amounts necessary to complete such projects into the prices. These additional special project amounts may be added to Chartwells' annual board rate increases for that year resulting in new primary board rates."
3. **Amendment of Section 4.O.**: Section 4.O. of the Agreement is hereby deleted in its entirety and replaced with the following:
- "Chartwells will pay \$12,500 in franchise fees, which will be treated as a Chartwells asset and not subject to a University repayment obligation."
4. **Amendment of Section 5, Subsection 3.1.2(A)**: Section 5, Subsection 3.1.2(A) (Dining Operations Location Details) is hereby revised to read as follows:
- "(A) **Wellness Center Phase I Retail** consists of the following dining facilities:
- 1) Einstein Brothers Bagels
 - 2) TuTaco
 - 3) Grab 'n Go"

5. **Amendment of Section 5, Subsection 3.1.2(D)**: Section 5, Subsection 3.1.2(D) is hereby revised to read as follows:

“The Parties agree that the operations of the TuTaco facility will be reviewed by the Parties on an annual basis starting in the 2020-21 academic year as requested by either Chartwells or University, and the Parties will consider the benefits of converting such TuTaco location to a convenience store, taking into account lead times for construction, likely revenue generation upon a conversion, hours of operations and costs of such conversion.”

6. **Amendment of Section 5, Subsection 3.2**. Effective as of July 1, 2019, Section 5, Subsection 3.2 (Meal Plans) is hereby deleted and replaced with the following:

“**3.2 MEAL PLANS**”

- 1) Chartwells will manage the campus meal plan program, including marketing meal plans. The goal of all meal plan sales to students at the University should be focused on satisfaction and retention. Meal plan options should be developed with a 90% anticipated usage rate in mind. Residents of the University resident halls are required to have meal plans, unless waived in accordance with University policy (see current policy FPU-3.0101P Meal Plan Contract on Campus Resident Requirement and Cancellation which may be amended by the University’s Board of Trustees from time-to-time, attached as Addendum E).
- 2) Chartwells will provide meal plan options that are attractive and flexible in order to maximize both actual and perceived values to prospective meal plan participants. The meal plan program and policies shall offer multiple, affordable plan configurations for resident students and non-resident students. Meal plan equivalencies should be considered as part of each meal plan. Declining balance funds should be offered as part of each meal plan and should be easily used at each campus dining facility. The design of meal plans will encourage continued participation of students as they move from their freshman experience through their senior year, with retention of participants as a primary focus. It is also expected that the design of meal plans will encourage full utilization of the plan, with little or no unused portion remaining at the termination of the plan.
- 3) Summer camps, conference groups, or other special programs contract with the University to utilize campus dining facilities. Chartwells will offer the best prices, quality, and services to such Customers.
- 4) The number of Board plan feeding days per month and for the total academic year will be decided upon prior to the beginning of the academic year. If the total number of Board days for the academic year is less than 228, Chartwells will be allowed to increase the daily rates to cover its fixed operating costs. Chartwells

will bill the University for 228 feeding days even if service is interrupted by events such as evacuation due to severe weather conditions. University shall pay Chartwells the following daily reimbursements for each 10 or 14 meal plan participant, and in the case of the 125 or 50 Block plans, the University will pay the meal rate for each meal.

Academic year: 2019-2020

Plan	Rate
10 Meals per week+ \$400 DB	\$1,775
14 Meals per week + \$400 DB	\$2,165
14 Meals per week + \$225 DB	\$1,988
19 Meals per week + \$400 DB*	\$2,600
125 Block + 250 DB	\$1,395
50 Block + 100 DB	\$ 582
25 Block + 100 DB	\$ 355
450 Phoenix Funds	\$ 410
650 Phoenix Funds	\$ 610

*19 Meals per week + \$400 DB to be removed 2020 Spring Semester.

- 5) Chartwells shall charge customers the following (non-meal plan) door entry rates, (which are subject to commissions as provided herein):

Academic year: 2019-2020

Meal	Rate
Lunch	\$10.55
Dinner	\$10.55

- 6) Customers holding conferences at the Premises will be offered the option of purchasing conference meals at the following charges (which are subject to commissions as provided herein):

Academic Year: 2019-2020

Meal	Charge
Per day (overnight) (which includes breakfast*, lunch and dinner)	\$23.23
Breakfast*	\$6.85
Lunch	\$10.55
Dinner	\$10.55

*Breakfast dining option will be discontinued beginning Spring 2020

- 7) Rates for meal plans (including the block plans), door entry charges and conference meal charges will increase in each subsequent year by 3%. However, in the event of extenuating circumstances beyond the control of either Party under which the 3% increase does not adequately compensate for increasing costs (including costs for utilities or repairs and maintenance) or impact on financial results, the Parties shall negotiate in good faith to agree upon an increase of more than 3% and/or change in operating requirements to offset such factors. Documentation may be requested to demonstrate such factors. It is further agreed that with respect to national brands offered in the convenience store and in the retail operations, pricing will be competitive with prices for such national brands or in such retail operations available in the community within 100 miles of the Premises, and price adjustments to such items will be permitted, if warranted, effective only at the beginning of each semester.
- 8) Any meal plan declining balance dollars left over at the end of a semester will be handled as follows:
- (a) For students, during the 2019-2020 academic year, any unused declining balance on the participant's account will roll over from the Fall semester to the Spring semester as a balance if the student does not withdraw or graduate. Any unused declining balance for such students will be forfeited at the end of the Spring semester and be credited to Chartwells account. For students who withdraw from all courses (either voluntarily or involuntarily) or who graduate at the end of a semester, the unused declining balance on the participant's account will be forfeited at the end of the semester and credited to Chartwells;
 - (b) For students, effective Fall semester 2020 through the end of the term, any unused declining balance on the participant's account will roll over from the Fall semester to the Spring semester as a balance if the student does not withdraw or graduate. In addition, any unused declining balance at the end

of the academic year will roll over for one additional semester only. Thereafter, any unused declining balance for such students will be forfeited and credited to Chartwells account. For students who withdraw from all courses (either voluntarily or involuntarily) or who graduate at the end of a semester, the unused declining balance on the participant's account will be forfeited at the end of the semester and credited to Chartwells; and

- (c) For FPU faculty and staff, any unused declining balance on the participant's account will roll over from Fall semester to the Spring semester. In addition, any unused declining balance at the end of the academic year will roll over to the Fall semester of the following academic year. For any faculty or staff member who leaves FPU employment, the unused declining balance on the participants account will be forfeited and credited to Chartwells at the time of the end of employment.
- 9) The Parties hereby agree to the following additional changes to future meal plans:
- (a) Effective the Spring semester 2020, the '19 Meals per week + \$400 DB' meal plan will be discontinued and not be available to students or faculty for purchase;
 - (b) Effective the Spring semester 2020, Chartwells will no longer be required to offer breakfast services at any of the dining facilities due to low participation rates. Alternative breakfast options will be made available to students and faculty through Einstein Bros. and Mosaic Café. Such retail locations will offer a variety of healthy breakfast options, which will include yogurts, fruit cups, cereal, breakfast burritos, hard cooked eggs, nuts, dry fruits, protein and vegan bars, oatmeal cups and scramble cups; and
 - (c) Effective the Fall semester 2021, a '5 Meals per week + \$225DB' meal plan will be added for upperclassmen (defined as juniors, seniors, or graduate level students), with a rate to be mutually agreed upon by the parties prior to the Fall semester."

7. **Amendment of Section 5, Subsection 3.8(1)**. Section 5, Subsection 3.8(1) (Equipment)) is hereby deleted and replaced with the following:

- (1) The University is responsible for the purchase of new and replacement equipment that costs in excess of \$5,000, unless the replacement is due to Chartwells' or its employee's negligence or intentional misconduct (even if outside the scope of duty). If Chartwells funds purchase of any such equipment over \$1,000 (excluding replacement due to Chartwells' or its employee's negligence or intentional misconduct), the cost over \$1,000 will reduce the amount of the portion of Investment to be funded in 2020 as

described in Section 4.L. of the General Terms on a dollar-for-dollar basis. The University reserves the right to determine if the replacement of equipment is due to Chartwells' negligence or intentional misconduct. In addition, the University reserves the right to determine if new equipment proposed is economical and necessary and to decline such requests where it is not. This does not include equipment that is part of Chartwells' capital investment proposal."

8. **Amendment of Section 5, Subsection 3.9(3)**. Section 5, Subsection 3.9(3) (Sustainability Expectations) is hereby deleted and replaced with the following:

"(3) Chartwells shall establish a comprehensive tracking system for all sustainability activities to assist in meeting the University's goals, especially as they relate to the Association for the Advancement of Sustainability in Higher Education's (AASHE) Sustainability Tracking, Assessment & Rating System (STARS), American College & University Presidents' Climate Commitment, and any other sustainability reporting."

9. **Amendment of Section 5, Subsection 3.11.3**. Section 5, Subsection 3.11.3 (Annual In-Kind Contributions) is hereby deleted and replaced with the following:

"3.11.3 ANNUAL IN-KIND CONTRIBUTIONS

Chartwells will provide University with an in-kind catering contribution, consisting of catering services provided to catered events inclusive of the Pivot Gala having a retail value set forth in the immediately following table for each Contract Period that this Agreement remains in effect, it being understood that such contribution shall have no cash value, and unused amounts expire at the end of the Contract Period stated immediately below.

<i>Contract Period</i>	<i>ANNUAL AMOUNT</i>
7/1/2019 - 6/30/2020	\$ 25,000
7/1/2020 - 6/30/2021	\$ 25,000
7/1/2021 - 6/30/2022	\$ 25,000
7/1/2022 - 6/30/2023	\$ 35,000
7/1/2023 - 6/30/2024	\$ 35,000
7/1/2024 - 6/30/2025	\$ 35,000
7/1/2025 - 6/30/2026	\$ 35,000
7/1/2026 - 6/30/2027	\$ 50,000

10. **Amendment of Section 5, Subsection 3.11.5**. Section 5, Subsection 3.11.5 (Operating Statements and Commission Payments) is hereby deleted and replaced with the following:

“3.11.5 OPERATING STATEMENT(S) AND COMMISSIONS PAYMENTS

- 1) Within thirty (30) days following the last day of each calendar month, Chartwells shall submit to the University a separate detailed operating statement ("Monthly Operating Statement"), by dining venue, indicating gross sales and net sales for the previous month along with a check or ACH payment for the agreed upon commission. A detailed meal plan sales report noting the breakdown of meal plan sales and meal plan commission paid on each monthly commission check or ACH payment shall be provided with each Monthly Operating Statement.
- 2) Within thirty (30) days following the last month of each Contract Period, Chartwells shall submit to the University an operating statement ("Annual Operating Statement"), by dining venue, indicating gross sales and net sales for the previous Contract Period. If the minimum annual commission guarantee is not reached by the end of the Contract Period, Chartwells shall pay the remaining amount due as part of the final month of the Contract Period's commission. A summarized meal plan sales document noting the monthly breakdown of meal plan sales and commission paid shall be provided by Chartwells along with each Annual Operating Statement.
- 3) Upon request, or at least on a monthly basis, Chartwells' Contract Administrator shall meet with the University's Contract Administrator and other University personnel as deemed necessary to discuss the previous month's Monthly Operating Statement to explain deviations, discuss problems and mutually agree on appropriate course of action to make improvements to the Dining Operations.
- 4) The Chartwells Commission Guarantee for the Contract Period of 7/1/2019 – 6/30/2020 in the amount of \$642,765 shall no longer apply and is hereby deemed removed from the Agreement. In exchange for such removal and agreement to waive the 2019-20 Commission Guarantee by FPU, Chartwells acknowledges that Chartwells will not rely on any projections of student count or meal plan sales provided historically or prospectively.
- 5) Chartwells shall pay commissions to University on a monthly basis in the following amounts:

Service	Commissions (based on Gross Sales)
Meal Plans	Fiscal year 2019-20: 17% Fiscal year 2020-21: 18% Fiscal year 2021-22: 20% Fiscal years 2022-23 up and through the remainder of the term and any renewals: 25%
DB (excluding Meal Plan DB)	5%
Concessions	5%
Conference	5%
Retail	5%
Open House	5%
Catering (internal and external)	<u>10%</u>

- 6) "Gross Sales" shall mean all moneys received for sales or Services rendered at or from the Premises, excluding: (1) receipts from sales of meals to employees of Chartwells; (2) any service charge made, collected and turned over to employees; (3) the proceeds of the sale of any fixtures or equipment; (4) proceeds from the sale or liquidation of any inventory which is not sold at retail; (5) any commission or processing fee paid in connection with sales by credit or bank cards; and (6) sales, gross receipts and other taxes collected by Chartwells or any other vendor as required by governmental authorities.
- 7) With respect to Gross Sales made by subcontractors, Gross Sales shall include only the portion of subcontracted Gross Sales retained by Chartwells, and shall not include the portion of subcontracted Gross Sales paid to or retained by the subcontractor.

11. **Amendment of Section 5, Subsection 7.3.** Effective July 1, 2019, Section 5, Subsection 7.3 (Confidentiality) is hereby amended by replacing the mailing address for the custodian of public records in the 5th paragraph with the following:

Florida Polytechnic University
Attn: General Counsel
4700 Research Way
Lakeland, FL 33805

Except for the replacement of the mailing address above, subsection 7.3 remains unchanged.

12. **Amendment of Section 5, Subsection 7.15** Effective July 1, 2019, Section 5, Subsection 7.15 (Change of Circumstances) is hereby amended by deleting the table

entitled “**Hours of Operation, Fall and Spring Semesters**” from the body of the Agreement, and replacing such chart with **Addendum G** attached to this Amendment Number 2. The Parties agree that the chart in **Addendum G** may be updated from time to time by mutual agreement in writing between the parties without the need for a formal Amendment to the Agreement. Except as noted above, Subsection 7.15 remains unchanged.

13. **New Section 5, Subsection 7.18.** Effective July 1, 2019, a new Section 5, Subsection 7.18 (FPU Payment) is hereby added to the Agreement as follows:

“7.18 **FPU PAYMENT.** Within thirty (30) days of execution of Amendment Number 2, FPU shall make a one-time payment to Chartwells in the amount of \$75,000 in consideration for Chartwells agreeing to undertake the following activities:

- 1) Chartwells will provide various free Friday lunches for FPU faculty and staff during the 2019-20 contract year in an amount up to \$25,272;
- 2) Chartwells will support student, faculty and staff food service events that are mutually agreed between Chartwells and FPU, such support to occur over a period of 3 years and in an amount up to \$43,122;
- 3) Chartwells will (i) provide 40 free meal tickets during the combined periods of 2019-2020 and 2020-2021 for CARE Manager to support students in need, and (ii) provide 35 free meal tickets to be dispersed at University’s discretion, in a combined total amount of up to \$1,606; and
- 4) Chartwells will provide in-kind catering for school-sponsored catering events by the President in an amount of \$2,500 for each of the 2019-2020 and 2020-2021 academic years, with the combined total amount up to \$5,000.

14. **New Section 5, Subsection 7.19.** Effective July 1, 2019, a new Section 5, Subsection 7.19 (Vending Services) is hereby added to the Agreement as follows:

7.19 **Vending Services.** University may install unmanned, self-serve vending machines to provide small sundry items on the premises and not be in breach of any provision of this Agreement, such machines to be located in spaces that may be adjacent to locations being used by Chartwells.

15. **Updates to Addendum F.** Effective July 1, 2019, the parties agree that **Addendum F** (Assumptions) is deleted and replaced with updated version of such Addendum, such updated **Addendum F-1** (Financial Planning and Analysis) attached to this Amendment Number 2.

IN WITNESS WHEREOF, the parties have affixed their signatures, effective on the date first written above for Amendment No. 2 amending the Agreement.

CONTRACTOR: THE COMPASS GROUP, USA.

THE FLORIDA POLYTECHNIC
UNIVERSITY BOARD OF TRUSTEES

Sign: _____

Sign: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form and legality:

BY: David J. Brundell
Florida Poly Attorney

DATE: September 10, 2019

Approved by University Board of Trustees
DATE: _____

President on behalf of the
University Board of Trustees

BY: _____
Dr. Randy Avent

DATE: _____

**ADDENDUM F-1
FINANCIAL PLANNING AND ANALYSIS**

1. Board rate increase of 3% annually beginning second year of Term
2. All students residing in the on-campus housing are required to choose either the 10 or 14 meal plan. Effective Fall 2021, a 5 meal plan with \$225 DB will also be offered for upper classman only. Upper classman are defined as juniors, seniors, or graduate level students. The 5 meal plan level of participation will be limited to a maximum of 100 students at any given period.
3. Estimated Meal Plans

Year	Estimated Total Students	Estimated Meal Plans
2019	1375	619
2020	1376	620
2021	1411	635
2022	1480	666
2023	1564	704

*The University will not provide a guarantee that a specific number of meal plans are to be sold during any academic year. The number of meal plans sold will only impact Capital Investment of \$1 million available from 9/1/2020 through 9/1/2027 as stated in Section 4(L) of the 2nd amendment to the Agreement and the payment of the \$2,000,000 Capital Investment upon exercise of the 10-year extension.

4. Chartwells will pay 7% Florida tax on Utilities, commissions and equipment repair fund
5. The 10 meal plan will be the default meal plan for students
6. Should Florida Poly decide to make the 14 meal plan the default meal plan, Chartwells will work to increase the return back to the University

ADDENDUM G - HOURS OF OPERATIONS

Fall and Spring Semesters

Operation	Monday – Friday	Saturday & Sunday	Additional Late Night Hours
Main Dining Hall	Breakfast 7:30-9:30 Lunch 11-2 p.m. Dinner 5-7:30 p.m.	Brunch 11-1 p.m. Dinner 5 – 7 p.m.	
Einsteins Bros. Bagels	7:30 a.m. to 4:00 p.m.		
The Grill	Main Dining Hall	Main Dining Hall	
Mondo’s Subs	Main Dining Hall	Main Dining Hall	
Grab ‘n Go	11am-2PM (located at the main dining hall POS, available Friday’s until 5 pm)	1pm-5pm (located at the main dining hall POS)	
Mosaic Coffee	7:30 a.m. – 4:00 p.m.		
TuTaco	4:00 p.m. – 10:00 p.m.	Sunday 4pm-10pm	

Summer Semesters

Operation	Monday – Friday	Saturday & Sunday	Additional Late Night Hours
Main Dining Hall	CLOSED	CLOSED	
Einsteins Bros. Bagels	CLOSED	CLOSED	
The Grill	CLOSED	CLOSED	
Mondo Subs	CLOSED	CLOSED	
Outtakes	CLOSED	CLOSED	
Mosaic	9:00 a.m. – 2:00 p.m.		
TuTaco	CLOSED	CLOSED	

7. *summer hours will be mutually agreed upon before spring break each year.

**Florida Polytechnic University
Board of Trustees
Finance and Facilities Committee
September 11, 2019**

Subject: Review of Contracts over \$200,000

Proposed Committee Action

No action required – information only.

Background Information

1. Review and disclosure of 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:

1. New Contracts \$200K - \$500K
2. Active Contracts in Excess of \$200,000

Prepared by: Mark Mroczkowski, Vice President and CFO

Florida Polytechnic University
Contracts for disclosure between \$200,000 and \$500,000
Approximate Spend to Date
Jul-19

Vendor	Contract Type	Start Date	End Date	Original Amt	Revised Contract Amt	Spend
Tucker Hall	Public Relations	6/7/2019	6/6/2024	\$450,000.00	N/A	\$0.00

Tucker Hall provides strategic public relations and communication consulting services. Tucker Hall was one of two proposals currently under contract in response to ITN-19-004 on an as needed basis. Tucker Hall was selected based on best value, best pricing, and familiarity with Florida Poly as the current public relation vendor. Five year contract with two 1-year renewals. Original amount referenced above includes all renewal periods.

Capture LLC	Recruitment Services	7/29/2019	6/30/2022	\$204,912	N/A	\$0
-------------	----------------------	-----------	-----------	-----------	-----	-----

Capture is a cutting edge enrollment software service. Capture will replace our current contract with Waybetter Marketing providing a more enhanced, robust model. Contract was sourced as a piggyback agreement through Colorado State University. Three year contract with no renewals.

Florida Polytechnic University
All active contracts in excess of \$200,000
Jul-19

Vendor	Contract Type	Start Date	End Date	Original Amt	Spend
Ardaman & Associates Inc.	Leaching Study - Water - Deep Injection Well	10/25/2016	no cost extension	\$234,839	\$234,839
Bright House Networks LLC	High Speed Communications Service	10/28/2013	10/27/2023	\$1,444,400	\$579,975
Capture LLC	Recruitment Services	7/29/2019	6/30/2022	\$204,912	\$0
Clark Nikdel Inc.	Creative Services	7/1/2018	6/30/2023	\$1,500,000	\$650,786
Clarke Environmental Mosquito Management Inc.	Mosquito Control Services	7/1/2016	6/30/2021	\$222,915	\$129,503
Elliance, Inc.	Creative Services	3/19/2018	3/18/2023	\$375,000	\$61,500
Global University Systems (GUS)	International Student Recruitment (5 year)	12/6/2018	12/5/2023	\$3,047,682	\$0
Hall Arbery Gilligan Roberts and Shanlever LLP	Legal consultant for OGC's Office	7/1/2018	6/30/2019	\$340,000	\$277,089
Hellmuth Obata and Kassabaum Inc	HOK - Applied Research Center	10/1/2017	5/30/2022	\$2,762,795	\$1,237,017
Higher One, Inc. (CashNet)	Cashiering functionality for the University	5/15/2018	5/14/2021	\$336,716	\$36,612
Indie Atlantic LLC	Creative Services	7/1/2018	6/30/2023	\$375,000	\$133,425
International Business Machines Corporation	IBM Implementation Services - Workday Student	5/15/2017	12/31/2019	\$2,584,494	\$736,808
Lakeland Regional Medical Center	Student Health Care Services	8/20/2014	8/20/2019	\$275,000	\$283,728
Liberty Lawn Care LLC	Grounds Maintenance	1/28/2016	1/26/2020	\$2,317,965	\$1,583,545
NuPark by Passport	University Parking Management System	3/28/2019	3/27/2026	\$215,100.00	\$14,750
Potthast Studios, Inc.	Creative Services	4/24/2018	4/23/2020	\$375,000	\$16,003
Presidio Networked Solutions Inc	Cisco SmartNet; Network equipment repair and maintenance	12/15/2017	6/30/2019	\$274,633	\$274,633
SalesForce	Customer Relationship Management Software	10/1/2016	6/30/2019	\$338,131	\$250,274
Skanska USA Building Inc	Construction Manager for ARC Building/Preconstruction	7/1/2018	until work completed	\$310,000	\$77,000
Skanska USA Building Inc	IST Building Reconstruction	5/22/2019	until work completed	\$9,600,000	\$2,000,000
S3Media Group	Creative Services	3/20/2018	3/19/2020	\$375,000	\$0
Safari Micro	VMWare (Software/Hardware/Implementation)	7/16/2018	7/15/2021	\$376,752	\$67,169
Super Transportation of Florida LLC	TransDev Services Inc. - Student Transportation Services	8/12/2016	6/30/2020	\$558,002	\$383,650
Tinsley Creative	Creative Services	3/15/2018	3/14/2020	\$375,000	\$14,114
Tucker Hall Inc.	Creative Services	6/5/2014	6/4/2019	As Budget Allows	\$285,045
Tucker Hall Inc.	Creative Services	6/7/2019	6/6/2024	\$450,000	\$0
Waybetter Marketing, Inc.	Domestic Recruiting Services	12/31/2018	12/31/2021	\$378,000	\$63,000
WFF Facility Services	Custodial Services	1/1/2019	2/15/2022	\$920,243	\$165,478
Workday Inc.	Workday Student (Subscription & Delivery Assurance)	7/29/2016	7/28/2021	\$1,371,867	\$850,461
Workday Inc.	Workday HCM & Finance (Subscription & Delivery Assurance (Renewal)	4/30/2015	4/29/2021	\$2,132,537	\$2,132,537

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
September 11, 2019**

Subject: Approval of Foundation Board Reappointment

Proposed Committee Action

Recommend approval to the Board of Trustees the following nominee to the Florida Polytechnic University Foundation, Inc. Board of Directors:

- Alice Hunt (reappointment to two-year term)

Background Information

The Florida Polytechnic University Foundation, Inc. Board of Directors approved this nominee during its Foundation Board meeting on Monday, August 26, 2019. This matter now comes before the Board of Trustees for final approval.

Supporting Documentation:

1. Foundation BOD Reappointment Nominee: Alice Hunt

Prepared by: Bob Kennedy, COO, Florida Polytechnic University Foundation, Inc.



FLORIDA POLYTECHNIC
UNIVERSITY

Approval of Foundation Board Reappointment

Bob Kennedy

September 11, 2019

Foundation Board Reappointment

Alice Hunt

- Reappointment to two-year term



Alice Hunt is Vice President of Hunt Construction and President of Hunt Properties, Lakeland, FL.

Hunt currently serves as Chairman of the Florida Polytechnic University Foundation, Inc. Board of Directors.

She and her husband Chuck are strong advocates for Florida Poly.

**Foundation Board Meeting Minutes
(Conference Call)**

August 26, 2019

Florida Polytechnic University • Polk State College – LTB 2182

DRAFT

I. Call to Order

Chair, Alice Hunt, called the Foundation Board meeting to order at 8:01 a.m.

II. Roll Call

Kim Kennedy called the roll: Chair, Alice Hunt; Vice Chair, Jack Harrell; Cindy Alexander, Ralph Allen, Todd Baylis, Phillipa Greenberg, Ford Heacock, Joshua McCoy, Kathy Mizereck, Ivette O'Doski, Marlene O'Toole, Cliff Otto, Shelley Robinson, Lauren Schwenk, Donna Slyster, Vic Story and Seretha Tinsely were present (Quorum).

Staff members present were: President, Randy K. Avent, David Brunell, and Bob Kennedy.

III. Public Comment

Kim Kennedy stated there were no requests received for public comment.

IV. Reappointment of Director

Chair, Alice Hunt, presented the candidate for reappointment – Alice Hunt

Jack Harrell made a motion to reappoint Alice Hunt to a two year term to the Florida Polytechnic University Foundation, Inc. Board of Directors. Cindy Alexander seconded the motion, a vote was taken, and the motion passed unanimously.

This item will now go before the Board of Trustees for final approval during the upcoming meeting scheduled for September 11, 2019.

With no further business to discuss, the Foundation Board meeting adjourned at 8:06 a.m.