



**Board of Trustees  
Finance and Facilities Committee Meeting  
February 22, 2017  
8:30 a.m.  
President’s Boardroom, Millican Hall, 3<sup>rd</sup> floor  
Conference call in phone number 800-442-5794, passcode 463796**

**AGENDA**

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| <b>I. CALL TO ORDER</b>  | Alex Martins<br><i>Chair, Finance and Facilities Committee</i>   |
| <b>II. ROLL CALL</b>   | Tracy D. Slavik<br><i>Coordinator of Administrative Services<br/>for Administration and Finance Division</i>   |
| <b>III. MEETING MINUTES</b>  |  |
| <ul style="list-style-type: none"><li>• <a href="#">Approval of the December 7, 2016, Finance and Facilities Committee meeting minutes</a></li></ul>   | Chair Martins  |
| <b>IV. NEW BUSINESS</b>  | Chair Martins  |
| <ul style="list-style-type: none"><li>• <a href="#">Revision to University Regulation UCF-7.130 Administration and Finance; Purchasing (FFC-1)</a></li><li>• UCF Convocation Corporation Transfer of Funds <a href="#">(FFC-2)</a></li></ul> | Scott Cole<br><i>Vice President and General Counsel</i><br>Youndy Cook<br><i>Deputy General Counsel</i><br>Greg Robinson<br><i>Director, Procurement Services</i><br><br>William F. Merck II<br><i>Vice President for Administration<br/>and Finance and Chief Financial Officer</i><br>John C. Pittman<br><i>Associate Vice President<br/>for Administration and Finance,<br/>Debt Management</i> |

- UCF Foundation Refunding of Debt and Line of Credit (FFC-3) William F. Merck II  
John C. Pittman
- Agreement Between UCF and ICAMR (FFC-4) William F. Merck II  
Sandra Sovinski  
*Associate General Counsel*
- UCF Downtown Purchase and Sale Agreement (FFC-5) William F. Merck II  
Jennifer Cerasa  
*Associate General Counsel*
- UCF Finance Corporation Renewal of Letter of Credit (FFC-6) William F. Merck II  
John C. Pittman
- Technology Fee Report (INFO-1) Dale Whittaker  
*Provost and Executive Vice President*  
Joel Hartman  
*Vice Provost for Information Technologies and Resources and Chief Information Officer*
- UCF Investments Quarterly Report Ended December 31, 2016 (INFO-2) William F. Merck II  
Tracy Clark  
*Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance*
- University Operating Budget Report Quarter Ended December 31, 2016 (INFO-3) William F. Merck II  
Tracy Clark
- Direct Support Organizations' 2016-17 First-Quarter Financial Reports (INFO-4) William F. Merck II  
John C. Pittman  
– UCF Foundation

**V. OTHER BUSINESS**

Chair Martins

**VI. CLOSING COMMENTS**

Chair Martins



Board of Trustees  
Finance and Facilities Committee Meeting  
President's Boardroom, Millican Hall, 3<sup>rd</sup> floor  
December 7, 2016

## MINUTES

### CALL TO ORDER

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 8:30 a.m. Committee members Keith Koons and David Walsh were present. Committee members Christopher Clemente, Robert Garvy, John Sprouls, and Bill Yeargin attended by teleconference. Chairman Marcos Marchena attended by teleconference.

### MINUTES APPROVAL

The minutes of the October 12, 2016, and November 17, 2016, Finance and Facilities Committee meetings were approved as submitted.

### NEW BUSINESS

Minor Amendment to the University of Central Florida 2015-25 Campus Master Plan Update  
William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer, and Lee Kernek, Associate Vice President for Administration and Finance, presented a request to approve a minor amendment to the University of Central Florida 2015-25 Campus Master Plan Update to modify the Urban Design and Capital Improvements map and the Capital Improvements List. The amendment revises the Capital Improvements List and related map in order to add six new projects in downtown Orlando, four new projects on the main campus, and one renovation at the Florida Solar Energy Center. The committee unanimously approved the amendment.

### University Draft Audited Financial Report 2015-16 (INFO-1)

Tracy Clark, Associate Provost for Budget, Planning, and Administration and Associate Vice President for Finance, reviewed the University Draft Audited Financial Report 2015-16.

### UCF Key Financial Ratios (INFO-2)

Clark discussed the key financial ratios for UCF as of June 30, 2016, and the key financial ratios for UCF as compared to the State University System as of June 30, 2015.

### University Operating Budget Report Ended September 30, 2016 (INFO-3)

Clark presented the University Operating Budget Report for the quarter that ended September 30, 2016.

UCF Investments Quarterly Report Ended September 30, 2016 (INFO-4)

Clark presented the UCF Investments Quarterly Report for the quarter that ended September 30, 2016.

Direct Support Organizations' 2016-17 First-Quarter Financial Reports (INFO-5)

Merck and Pittman reported that the 2016-17 first-quarter financial reports ended September 30, 2016, for the UCF DSOs were provided as information items.

**OTHER BUSINESS**

Update on space for student organizations in the College of Engineering and Computer Science

Chair Martins provided an update on a public comment made by a student at a previous Board of Trustees meeting. The student expressed concern that space currently being used by student organizations in the College of Engineering is being given to faculty members for offices and research. Maribeth Ehasz, Vice President for Student Development and Enrollment Services, and members of her team have met with the student and are working on the issue. Provost Whittaker added while he appreciates the need for student organization space, our priority for the next two years must be to maintain sufficient classroom space and accommodate the space needs of the current growth in faculty.

Chair Martins adjourned the Finance and Facilities Committee meeting at 9:52 a.m.

Respectfully submitted: William F. Merck II 1-11-17  
William F. Merck II Date  
Vice President for Administration and Finance  
and Chief Financial Officer

**ITEM: FFC-1**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Revision to University Regulation UCF-7.130 Administration and Finance; Purchasing

**DATE:** February 22, 2017

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**PROPOSED COMMITTEE ACTION**

Approve the attached amendments to existing university regulation UCF-7.130 Administration and Finance; Purchasing.

**BACKGROUND INFORMATION**

Florida Board of Governors Regulation 1.001 provides that “Each Board of Trustees is authorized to promulgate University Regulations in accordance with the Regulation Development Procedure adopted by the Board of Governors.”

University regulation UCF-7.130 is being amended to update the duties of the university Procurement Services department in paragraph (1) and revise language in paragraphs (6)(c) and (d) concerning contract extensions and contract renewals, respectively. Additionally, the term “purchasing” has been changed to “procurement” throughout the regulation. These changes are intended to conform the university’s procurement guidelines with the recent updates to the Florida Board of Governors’ Regulation 18.001 on the same topic.

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**Supporting documentation:** Attachment A: Proposed Amended Regulation UCF-7.130 (redline)

**Prepared by:** Youndy C. Cook, Deputy General Counsel

**Submitted by:** W. Scott Cole, Vice President and General Counsel

Attachment A

**UCF-7.130 Administration and Finance; Purchasing Procurement Services.**

(1) The University Board of Trustees (BOT) has authority to establish a system of coordinated procurement policies, procedures, and practices to be used in acquiring commodities and contractual services required by the University. The University Purchasing Procurement Services Department has the duty to:

- (a) Develop purchasing procurement procedures.
- (b) Canvass sources of supply and contracting for the purchase procurement or lease of all commodities and contractual services for the University, in any manner, including purchase procurement by installment- or lease-purchase contracts. Installment- or lease-purchase contracts may provide for the payment of interest on unpaid portions of the purchase price.
- (c) Recommend or advise the suspension or debarment of a contractor, in accordance with University Regulation UCF-7.124, from doing business with the University for demonstrated cause, including previous unsatisfactory performance.
- (d) Plan and coordinate purchases procurements in volume and negotiate and execute agreements and contracts for commodities and contractual services under which the University may make purchases procurements.
- (e) Develop an Annual Certification List to serve as a waiver of the competitive solicitation requirement for commodities/services that are frequently purchased procured and are available from a single source.
- (f) Evaluate, approve, and utilize contracts that are entered into after a public and open competitive solicitation by any State of Florida agency or department, the Federal Government, other states, political subdivisions, cooperatives or consortia, or any independent college or university for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University, to make purchases under contracts let by such other entities. Universities shall review existing consortia and cooperative contracts to identify potential savings and, if there is the potential for savings, enter into new consortia and cooperative contracts to achieve the savings, with the goal of achieving a five-percent savings on existing contract prices. Evaluate and approve contracts let by the Federal Government, other states, political

~~subdivisions, or any independent college or university or purchasing cooperative or consortium for the procurement of commodities and contractual services, when it is determined to be cost effective and in the best interest of the University to make purchases under contracts let by such other entities.~~

- (g) Elect as an alternative to any provision in Board of Governor's (BOG) Regulation 18.002 to proceed with a bid solicitation or contract award process when it is set forth, in writing, that the particular facts and circumstances which demonstrate that the delay due to staying the solicitation or contract award process would be detrimental to the interests of the University. After the award of a contract resulting from a competitive solicitation in which a timely protest was received and in which the University did not prevail, the contract may be canceled and re-awarded to the prevailing party.
- (h) Award contracts for commodities and contractual services to multiple suppliers, if it is determined to be in the best interest of the University. Such awards may be on a university, regional or multiple state university-wide basis and the contracts may be for multiple years.
- (i) Reject or cancel any or all competitive solicitations when determined to be in the best interest of the Institution.
- (j) Inspect the part of the plant or place of business to determine the capability of contract performance of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by the University, when specified in the agreement.

(2) Competitive Solicitations Required.

- (a) All contracts for the purchase procurement of commodities or contractual services exceeding \$75,000 shall be awarded pursuant to a competitive solicitation, unless otherwise authorized herein.
- (b) When only one response is received to a competitive solicitation for commodities or contractual services exceeding \$75,000 the University shall review the solicitation responses to determine if a second call for a competitive solicitation is in the best interest of the University. If it is determined that a second call would

not serve a useful purpose, the University shall proceed with the acquisition or cancel the acquisition.

- (c) When multiple responses that are equal in all respects are received to a competitive solicitation, the University will give preference to responses that include commodities manufactured in the state, Florida businesses, or foreign manufacturers located in the state to determine the contract award, or, if these conditions do not exist, will use toss of the coin.
- (d) The ~~purchase~~procurement of commodities and contractual services shall not be divided to avoid the requirement of competitive solicitation.
- (e) The ~~Purchasing~~Procurement Services Department, in issuing an Invitation to Bid, Request for Proposal or Invitation to Negotiate, shall provide notice of a decision or intended decision concerning a solicitation, or contract award by electronic posting for 72 hours, which is interpreted as three business days. (Business days do not include Saturdays, Sundays, State or University holidays, or any other days when the University is otherwise closed for business.) This notice shall contain the following statement: “Failure to file a protest in accordance with BOG regulation 18.002, or failure to post the bond or other security as required in BOG regulation 18.003, shall constitute a waiver of protest proceedings.”
- (f) Advertisement. Invitations to Bid, Requests for Proposals, and Invitations to Negotiate for commodities expected to be in excess of \$150,000 and for contractual services expected to be in excess of \$75,000 shall be advertised in the Florida Administrative Weekly or the State of Florida’s VBS System. The Director of ~~Purchasing~~Procurement Services shall have the authority to waive this advertisement requirement when the number of potential bidders or proposers is limited and can otherwise be solicited, when the availability of funding so requires, or where delivery is urgent.
- (g) Bids and proposals shall remain sealed (with the exception of typical information revealed at the Bid/Proposal opening for the tabulation sheet) until notice of final contract award is given or in accordance with Florida Statute as appropriate.
- (h) In the case of extension errors, the unit price will prevail.

- (i) Withdrawal. A vendor may withdraw his or her bid or proposal in writing if done within seventy-two (72) hours of the bid or proposal opening, if the bid or proposal is clearly erroneous and it is withdrawn prior to final award or the purchase order being issued.
- (j) Bid/Proposal Evaluations – Bids/Proposals shall be evaluated based on the requirements set forth in the Invitation to Bid/ Request for Proposal, which may include criteria to determine acceptability such as inspection, testing quality, workmanship; delivery and suitability for a particular purpose. Those criteria that will affect the bid/proposal price and be considered in evaluation for award shall be objectively measured, such as all or none, discounts, transportation costs and total or life cycle costs. The Invitation to Bid ~~or~~ Request for Proposal or Invitation to Negotiate shall set forth the criteria to be used. No criteria may be used in bid/proposal evaluation that is not set forth in the Invitation to Bid ~~or~~ Request for Proposal or Invitation to Negotiate.

(3) ~~Purchase~~Procurement of Commodities or Contractual Services.

- (a) ~~Purchase~~Procurement of Products with Recycled Content. The University encourages the ~~purchase~~procurement and use of products and materials with recycled content and post consumer recovered material.
- (b) ~~Purchase~~Procurement of Private Attorney Services. Written approval from the Attorney General is not required for private attorney services acquired by the University.
- (c) ~~Purchase~~Procurement of Insurance. The University has the authority to ~~purchase~~procure insurance as deemed necessary and appropriate for the operation and educational mission of the University. Examples of insurance coverage that may be acquired by the University include (but are not limited to) insurance coverage for:
  - 1. Physical damage on vehicles and boats;
  - 2. Inland marine on property owned, leased, or loaned to or by the University;
  - 3. Building and property damage;
  - 4. Equipment losses due to theft;
  - 5. Loss of rental income;

6. Excess general liability coverage;
  7. Professional liability;
- (d) ~~Purchase~~Procurement of Printing. Printing shall be ~~purchase~~procured in accordance with the requirements of these rules. The University may refer to the requirements of Chapter 283, F.S., and rules promulgated thereto for guidance with respect to the ~~purchase~~procurement of printing services.
- (e) ~~Purchases~~Procurements from Small, Minority and Woman-Owned Business Enterprises (SMWBE). The University is an equal opportunity institution and encourages procurement contracting with SWMBE.
- (f) ~~Purchases~~Procurements from Contractors Convicted of Public Entity Crimes. The University shall not accept a competitive solicitation from, or ~~purchase~~procure commodities or contractual services from, a person or affiliate who has been convicted of a public entity crime and has been placed on the State of Florida's convicted vendor list for a period of 36 months from the date of being added to the convicted vendor list.
- (g) Preferences for Florida-Based Vendors when ~~Purchasing~~Procuring Personal Property: For ~~purchase~~procurements of tangible personal property, the Florida Legislature enacted economic development laws establishing certain conditions and circumstances which, when applicable, require the granting of price preferences to businesses whose principal place of business is the State of Florida. Pursuant to §287.084 Florida Statute, award recommendations shall make appropriate adjustments to Resident Vendor pricing when considering solicitations from Bidders having a principal place of business outside the State of Florida. Refer to Florida Statute 287.084 and BOG Regulation 18.001 for additional information regarding applicability and implementation of this section.
- (h) ~~Purchasing~~Procurement actions that are not subject to the competitive solicitation process include but are not limited to:
1. Emergency ~~Purchases~~Procurements. When the President or his or her designee determines, in writing, that a condition exists that threatens the health or safety of person(s) or animal(s) or the preservation or protection of property or the continuance of a vital University function, the University

may proceed with an emergency purchaseprocurement without a competitive solicitation. The emergency purchaseprocurement shall be limited to the purchaseprocurement of only the type of items and quantities or for a time period sufficient to meet the immediate threat and shall not be used to meet long-term requirements.

2. Sole Source PurchasesProcurements. Commodities or contractual services available from a single source shall be exempted from the competitive solicitation process. Sole Source document shall be publicly posted by the PurchasingProcurement Services Department for three working days. Working days do not include Saturdays, Sundays, or State or University Holidays.
  3. PurchasesProcurements from competitively bid Contracts and Negotiated Annual Price Agreements established by the State, other governmental entities, other public or private educational institutions, and any purchasingprocurement cooperative or consortium are not subject to competitive solicitation.
  4. Construction Direct PurchaseProcurement Program. Commodities to be incorporated into any public work (as that term is defined in Rule 12A-1.094, F.A.C.) which are procured by the University in accordance with the requirements of the University's direct purchaseprocurement program are not subject to any further competitive solicitation.
- (i) Commodities and contractual services that are not subject to the competitive solicitation process include:
1. Artistic services;
  2. Academic reviews;
  3. Lectures;
  4. Accountant services, including auditor services;
  5. Legal services, including attorney, paralegal, expert witness, appraisal, lobbyist, arbitrator or mediator services;
  6. Health services, including related equipment and supplies, involving examination, diagnosis, treatment, prevention, consultation or

administration of physical or mental conditions or the provision of developmental or vocational rehabilitation;

7. Medicaid services delivered to an eligible Medicaid recipient by a health care provider who has not previously applied for and received a Medicaid provider number from the Department of Children and Family Services. This exception will be valid for a period not to exceed 90 days after the date of delivery to the Medicaid recipient and shall not be renewed;
8. Training and education services;
9. Advertising; except for media placement services;
10. Services or commodities provided by governmental agencies, another university in the State of Florida or other independent colleges and universities;
11. Programs or continuing education events that are offered to the general public for which fees have been collected to pay all expenses associated with the program or event;
12. ~~Purchases~~Procurements from firms or individuals that are prescribed by state or federal law or specified by a granting agency;
13. Regulated utilities and government franchised services;
14. Regulated public communications, except long distance telecommunication services or facilities;
15. Extension of an existing contract; (see section (6)(c));
16. Renewal of an existing contract if the terms of the contract specify renewal option(s); see section (6)(d);
17. ~~Purchases~~Procurements from the Annual Certification List developed by the University;
18. ~~Purchases~~Procurements for resale;
19. Contracts or services provided by not-for-profit support and affiliate organizations of the University, direct support organizations, health support organizations and faculty practice plans;
20. Implementation/programming/training services available from the owner of copyrighted software or its contracted vendor;

21. Purchases/Procurements of materials, supplies, equipment, or services for instructional or sponsored research purposes when a director of sponsored research or designee certifies that, in a particular instance, it is necessary for the efficient or expeditious prosecution of a research project in accordance with sponsored research procedures or to attain the instructional objective. Sponsored research documents shall be publicly posted by the Purchasing/Procurement Services Department for three business days.
  22. Purchases/Procurements for the Florida High Tech Corridor initiative; and
  23. The acquisition of commodities or contractual services that are specifically provided for in an existing contract, grant, subcontract, letter of agreement, etc.
- (j) Participants in Contract Awards Not Subject to Competitive Solicitations.
1. No person or firm who receives a contract to perform a feasibility study for potential implementation of a subsequent contract, participates in the drafting of a competitive solicitation or specifications, or designs or develops a program for future implementation shall be eligible to contract with the University dealing with the specific subject matter.
  2. The individuals taking part in the development or selection of criteria for evaluation, the evaluation process and the contract award in any purchase/procurement shall be independent of, and have no conflict of interest in, the entities evaluated and selected and may be required to so attest in writing.
- (4) Bonds.
- (a) Solicitation Security. A certified, cashier's or treasurer's check, bank draft or bid bond may be required as a condition for participating in a competitive solicitation where the University is reasonably uncertain about the contractor's ability to perform, and the expected value of the contract is in excess of \$100,000.
  - (b) Payment and Performance Bonds for Commodities and Services Contracts. The Purchasing/Procurement Services Director is authorized to require any contractor contracting with the University to provide services or commodities (including installation) to furnish a payment and performance bond, with good and sufficient securities, to the University prior to the issuance of the contract when the total

contract amount is greater than \$100,000 and the University is uncertain about the contractor's ability to perform.

- (c) A bond or security required pursuant to paragraphs (a) or (b) above must be in an amount equal to 100% of the response submitted to the competitive solicitation.
- (d) Solicitation Protest Bond. Any contractor that files a formal protest pursuant to the protest procedures of BOG Regulation 18.002 and this regulation protesting a decision or intended decision pertaining to a solicitation, shall at the time of filing of the formal protest, post with the University a bond payable to the University in an amount equal to: 10% of the estimated value of the protestor's bid or proposal; 10% of the estimated expenditure during the contract term; \$10,000; or whichever is less. The bond shall be conditioned upon the payment of all costs which may be adjudged against the contractor filing the protest action. In lieu of a bond, the University may accept a cashier's check or money order in the amount of the bond.

(5) Notice and Protest Procedures for Protests Related to a University's Contract Procurement Process

- (a) The procedures set forth in BOG Regulation 18.002 shall apply exclusively to any protest that arises from any university contract procurement processes for the purchase procurement of goods, services, leases and for construction-related competitive solicitations.
- (b) Any qualified offeror who is adversely affected by the university's decision may file a written notice of intent to protest within 72 hours after university posting of award or intent to award notice. The protesting firm must reduce its complaint to a written petition and file it with the department that issued the solicitation within ten (10) calendar days from registration of the original complaint. Failure to timely file a protest or failure to timely deliver the required bond or other security in accordance with the Board of Governors' (BOG) Regulations 18.002 and 18.003 shall constitute a waiver of protest proceedings. Additional information on protest procedures can be viewed in the above referenced BOG Regulations.

(6) Contracts.

- (a) Acquisitions for the purchase procurement of commodities or contractual services or licenses shall consist of purchase orders, except for purchases procurement using a pCard, or prior verbal approval from the Purchasing Procurement Services Department, to obligate the necessary funds prior to the contractor being provided a notice to proceed or said contractor rendering the goods or services. All necessary procurement actions (i.e. competition, competition exemptions, approvals) must take place prior to signing a contract that will obligate university funds.
- (b) Any contract for the purchase procurement of services or tangible personal property for a period in excess of one fiscal year shall include the following or an equivalent statement: “The State of Florida’s and University’s performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature.”
- (c) Permitting the extension(s) of a contract, entered into as a result of a competitive solicitation, for up to twelve (12) months or until completion of the competitive solicitation and award or protest, whichever is longer. The extension shall be in writing, signed by both parties, and shall be subject to the same terms and conditions set forth in the initial contract. ~~Extension of a contract shall be for a period not to exceed 12 months, shall be in writing, shall be signed by both parties, and shall be subject to the same terms and conditions set forth in the initial contract. There shall be only one extension of a contract.~~
- (d) A contract may contain provisions for renewal. If the commodity or contractual service is purchased procured as a result of a competitive solicitation, the cost of any contemplated renewal must be included in the competitive solicitation. All contract renewals are subject to sufficient annual appropriations. Renewals shall be for a period that may not exceed 5 years or twice the term of the original contract, whichever is longer. This provision is not intended to apply retroactively; existing contracts entered into prior to January 1, 2017, including any specified renewal period(s) may continue in accordance with the existing contract terms.

- (e) When any commodity contract requires deferred payments and the payment of interest, such contract may be submitted to the State of Florida Comptroller for the purpose of pre-audit review and approval prior to acceptance by the University. The President shall have the authority to enter into deferred payment agreements utilizing the State of Florida Comptroller's Consolidated Equipment Financing Program. No agreement shall establish a debt of the state or shall be a pledge of the faith and credit of the state; nor shall any agreement be a liability or obligation of the state except from appropriated funds.
- (f) In order to promote cost-effective procurement of commodities and contractual services, the University may enter into contracts that limit the liability of a vendor consistent with Section 672.719, F.S.
- (g) The total value of the contract is, for purposes of this regulation and university procedures, the ~~purchase~~procurement price for the initial term plus all renewal costs.
- (h) If a contractor does not furnish proof of payment to subcontractors, suppliers, or laborers within 60 days after the project is certified to be finally complete by the University, the University will pay any retainage, on a pro-rata basis, directly to the subcontractors, suppliers or laborers. In order to obtain payment, subcontractors, suppliers, or laborers who have not been paid after the 60 days have passed have an additional 30 days to submit documentation satisfactory to the University showing that they have performed work on the project, the amount due, and certifying that they have not been paid. If a contractor does not complete a project, the University will use any retainage to complete the work and then pay any balance of the retainage, on a pro-rata basis, to subcontractors, suppliers, or laborers who provide the above required documentation within 30 days after the completion of the project.

(7) Standard of Conduct. It shall be a breach of ethical standards: (a) for any employee of the University to accept, solicit, or agree to accept a gratuity of any kind, form or type in connection with any contract for commodities or services; (b) for any potential contractor to offer an employee of the University a gratuity of any kind, form or type to influence the development of a contract or potential contract for commodities or services; or (c) for any University or University

direct support organization employee participating on a procurement selection committee to solicit donations from responding vendors during the selection process, except for donations or benefits expressly stated in the procurement document.

(8) ~~Purchase~~Procurement of Motor Vehicles.

- (a) The term “motor vehicle” includes any automobile, truck, watercraft or other vehicle designed primarily for transporting persons, and construction vehicles or farm equipment.
- (b) The University has authority to:
  - 1. Establish standard classes of motor vehicles to be leased, ~~purchased~~ procured or used by University personnel;
  - 2. Obtain the most cost effective and efficient motor vehicles for state purposes;
  - 3. Establish and operate facilities for the acquisition, disposal, operation, maintenance, repair, storage, control and regulation of University-owned motor vehicles. Acquisition may be by ~~purchase~~procurement, lease, installment-purchase, loan or by any other legal means and may include a trade-in. All motor vehicles ~~purchased~~procured or leased shall be of a class that will safely transport University personnel and adequately meet the minimum requirements of the University.
  - 4. Contract for specialized maintenance services.
- (c) Motor vehicles owned, leased or operated by the University shall be available for official University business only.

(9) Public Records.

- (a) Agreements may be canceled unilaterally by the University for refusal by the vendor/contractor to allow public access to all papers, documents, letters or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the vendor/contractor in conjunction with the Agreement.
- (b) The University is subject to the Florida Public Records laws.
- (c) Contract for Services. To the extent that Payee meets the definition of “contractor” under Section 119.0701, Florida Statutes, in addition to other

contract requirements provided by law, Payee must comply with public records laws, including the requirements of Section 119.0701, Florida Statutes.

(10) Vendors Excluded from Competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, Invitations to Bid, Request for Proposals and/or Invitations to Negotiate shall be excluded from competing for such procurements.

*Authority: BOG Regulations 1.001, 18.001, 18.002 and 18.003. History—New 4-23-03, Amended 4-17-06, 8-6-07, 10-19-07, Formerly 6C7-7.130, Amended 7-6-09, 8-8-14, 10-29-15, 7-5-16, \_\_\_\_\_-17.*

**ITEM: FFC-2**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** UCF Convocation Corporation Transfer of Funds

**DATE:** February 22, 2017

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**PROPOSED COMMITTEE ACTION**

The UCF Convocation Corporation seeks approval to transfer during 2017-18 up to \$650,000 as an unrestricted gift to the university or to a direct support organization.

**BACKGROUND INFORMATION**

The UCF Convocation Corporation will have approximately \$650,000 in unrestricted surplus revenue available in 2016-17 after completing payments for the Knights Plaza enhancements and transferring funds to the university in support of the video scoreboard enhancements. This approval will allow for a timely transfer to take place during 2017-18 with the use of funds recommended by the chair of the Finance and Facilities Committee and approval of the university president.

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**Supporting documentation:** None

**Prepared by:** John C. Pittman, Associate Vice President for Administration and Finance,  
Debt Management

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

**ITEM: FFC-3**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** UCF Foundation Refunding of Debt and Line of Credit

**DATE:** February 22, 2017

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**PROPOSED COMMITTEE ACTION**

The UCF Foundation seeks approval to refund \$21,635,000 of outstanding loans with BB&T Bank and create a Line of Credit with BB&T Bank in an amount not to exceed \$19,000,000 for the construction of the downtown campus.

**BACKGROUND INFORMATION**

In 2008 and 2009, the UCF Foundation refunded variable-rate debt and converted it into fixed-rate-taxable and tax-exempt debt. In addition, the debt was issued as a mortgage against the fixed assets in lieu of using pledged revenues in order to be compliant with current debt regulations and statutes. By refunding these loans, the UCF Foundation will save an average of \$370,000 annually. The call dates on these loans are April 1, 2018, and April 1, 2020.

The UCF Foundation has raised funds in excess of \$20,000,000, the minimum required to gain approval for UCF to build a campus in downtown Orlando. The pledges extend over a five-year period. However, UCF must have access to the cash to construct the first academic facility at the signing of the construction contracts, estimated to begin in early 2018. A Line of Credit will be opened using the pledged funds as security against the line. The actual amount of the Line of Credit will be based on the amount of pledges outstanding at the time the Line of Credit is opened. It is anticipated that approximately \$2 million in pledges will have been paid by such time

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**Supporting documentation:** Attachment A: Foundation Refunding Analysis

**Prepared by:** John C. Pittman, Associate Vice President for Administration and Finance,  
Debt Management

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

Attachment A

University of Central Florida Foundation, Inc.  
 Refunding Analysis of 2008, 2009 & 2009 Taxable Bonds

Scenario	2008	2009	2009 (Taxable)
<b>Refunding Results Summary</b>			
Total Savings	1,749,324.63	1,821,750.17	22,289.90
Average Annual Savings	143,000	208,000	22,290
Present Value Savings (\$)	1,457,409.70	1,595,088.62	19,142.75
Present Value Savings (%)	18.298%	12.720%	1.694%
<b>Refunding Issue Summary (Series 2016)</b>			
Reset Rate	2.65%	2.35%	2.11%
Principal Amount	8,096,000	12,720,000	1,147,000
Maturity Date	4/1/2029	10/1/2025	10/1/2017
All-In TIC	2.704%	2.418%	2.576%
Total Debt Service	9,498,464	14,276,554	1,164,210
<b>Refunded Issue Summary</b>			
Principal Amount Outstanding	7,965,000	12,540,000	1,130,000
Maturities Refunded	2017 - 2029	2017 - 2025	2017
Original Rate	5.670%	4.960%	5.000%
Call Date/Price*	4/1/2018 @ par	4/1/2020 @ par	4/1/2020 @ par

Notes

- \* Assumes current refunding with BB&T ignoring call dates.
- Assumes closing of Series 2016 refunding issue on 1/15/2017.

**ITEM: FFC-4**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Agreement Between UCF and ICAMR

**DATE:** February 22, 2017

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**PROPOSED COMMITTEE ACTION**

Approve the attached agreement between UCF and International Consortium for Advanced Manufacturing Research (ICAMR).

**BACKGROUND INFORMATION**

UCF, in collaboration with ICAMR, presented a request to the Florida Legislature for appropriation of certain funds for the support of ICAMR, describing alignment with UCF's strategic goals and the anticipated return on investment. The 2016-17 state appropriations signed by the governor on March 17, 2016, included a recurring appropriation of \$5,000,000 to UCF in support of ICAMR. The agreement sets forth terms and conditions for ICAMR's expenditure of the appropriated funds, with such terms and conditions reflecting the intent set forth in the legislative budget request, recognizing a defined procurement protocol, and requiring reporting by ICAMR to facilitate UCF's return on investment reporting to the governor.

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**Supporting documentation:** Attachment A: Agreement Between University of Central Florida Board of Trustees and ICAMR, Inc.  
Attachment B: ICAMR Procurement Guidelines (Agreement Exhibit A)  
Attachment C: Legislative Budget Request 2017-18

**Prepared by:** Sandra Sovinski, Associate General Counsel

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and Chief Financial Officer

## Attachment A

**AGREEMENT BETWEEN UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES AND ICAMR, INC.**

THIS AGREEMENT is effective as of the July 1, 2016, by and between the UNIVERSITY OF CENTRAL FLORIDA BOARD OF TRUSTEES ("UCF"), and ICAMR, Inc. ("ICAMR").

**I. BACKGROUND.**

ICAMR is a non-profit a 501 c (6) consortium focusing on the research, development, commercialization, and manufacturing of key advanced technologies that will provide Florida with a global competitive advantage to be a leader in the smart sensor industry. This effort will bring opportunities for UCF and others in the Florida state university system (SUS) to establish partnerships with industry and government organizations that will build Florida's high-value, tech-based industry in areas of advanced smart sensors, integrated photonics, sustainable energy, and other advanced manufacturing areas, while simultaneously creating a demand for the highly skilled students from UCF and other SUS institutions.

The Florida Legislature has appropriated the recurring sum of \$5,000,000 to UCF for purposes of supporting ICAMR. The intent of the funds is continued ramp up and sustainment of ICAMR base operations, as stated in the proposal to the legislature ("LBR"). This intent, and ICAMR's purpose,

- Aligns with UCF's strategic goals: (1) to be excellent in key areas of research and graduate education, (2) to be international in scope, and (3) to be America's Leading Partnership University,
- Directly supports the UCF Work Plan Mission Statement of impactful research and the public service initiative of partnering with government and industry to build Florida's wealth-producing economy, which in turn provides high-paying jobs for UCF and other SUS STEM graduates, and
- Builds upon UCF's existing prominence in optics and photonics research and further establishes these as preeminent programs for the SUS.

This Agreement between ICAMR and UCF is for documenting the terms of use of such appropriated funds by ICAMR.

**II. AGREEMENT.**

ICAMR acknowledges that the appropriated funds received by UCF from the Legislature have been and will continue to be transferred from UCF to ICAMR's fiscal agent, the University of Central Florida Research Foundation, Inc. (UCFRF) for the purpose of supporting the design and advanced manufacturing of smart sensors in Osceola County. ICAMR further agrees that expenditure of state funds must adhere to all applicable laws and agency regulations, and acknowledges and agrees to the following special terms and conditions for its expenditure of the appropriate funds:

1. All expenditures will be in accordance with the intent set forth in the LBR and in support of the purpose, above.

2. Expenditures will reconcile with the LBR budget and the following categories set forth therein:

- a. Salaries
  - i. Faculty salary
  - ii. A&P/USPS salary, OPS and other salary of UCF personnel assigned to support ICAMR operations
- b. Expenses, including expenses for contract personnel
- c. Operating capital outlay
- d. Electronic data processing
- e. Special category

3. All ICAMR expenditures hereunder will be in conformance with the ICAMR Procurement Guidelines, attached hereto as Exhibit A, and incorporated herein by reference. Additionally,

a. For all expenditures greater than \$75,000, ICAMR will, in advance of the RFP, advise the UCF Authorized Representative for the ICAMR/Osceola County Development project, UCF's Vice President for Research and Dean of the College of Graduate Studies.

b. For all sole source purchases, ICAMR will, in advance of the purchase, advise the UCF Authorized Representative for the ICAMR/Osceola County Development project, UCF's Vice President for Research and Dean of the College of Graduate Studies.

UCF intends to leverage the combination of the appropriated funds with UCF's faculty recruitment opportunities associated with its performance-based funding, and its recruitment, education, and placement of top STEM graduates.

4. ICAMR will submit quarterly reports of its use of the appropriated funds, showing:
- a. how the use is tracking to the LBR categories, as specified in #2 above, and
  - b. how the funds have been applied to:
    - i. continue the ramp up and sustainment of ICAMR base operations,
    - ii. advance future opportunities for STEM graduates, and
    - iii. support development of industry partnerships in the region; and
  - c. procurement documentation for expenditures.

Which reports shall include, but not be limited to, the following LBR elements:

- 1. hiring of critical personnel (research scientists, technicians, and administrative personnel),
- 2. purchase of critical materials used in advanced manufacturing research,
- 3. expenditures for R&D operations, and
- 4. lease of highly specialized manufacturing tools.

5. ICAMR will notify UCF, in advance, of any changes to ICAMR's procurement and vendor selection guidelines.

**III. TERM OF AGREEMENT.**

The Agreement shall be effective July 1, 2016 and shall continue until (1) the recurring appropriation of the funds by the Legislature discontinued, or (2) the Agreement is terminated by agreement of the parties or otherwise as set forth herein.

**IV. INDEPENDENT ICAMR.**

ICAMR contracts with UCF under this Agreement only for the purposes and to the extent set forth in this Agreement. ICAMR'S relationship to UCF shall be that of an independent contractor. UCF does not reserve any control with respect to the activities of ICAMR or the manner and means by which ICAMR effects the activities described in this Agreement. UCF shall not have any obligations with respect to employment contributions, taxes, premiums, or other items payable under federal, state and local laws with respect to the activities of ICAMR.

**V. SEVERABILITY.**

If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.

**VI. GOVERNING LAW.**

Each of the provisions of this Agreement shall be enforceable independently of any other provision of this Agreement and independent of any other claim or cause of action. In the event of any dispute arising under this Agreement, the laws of the State of Florida will govern the interpretation, validity and effect of this Agreement. Venue for any action to construe or enforce the terms of this Agreement shall be in Orange County, Florida, and each party hereby consents and submits to the jurisdiction of such courts.

**VII. COMPLETE AGREEMENT.**

This Agreement constitutes the entire agreement between the parties regarding the subject matter set forth herein, and supersedes all prior agreements and understandings between parties and may not be modified or terminated orally. No modification, termination or attempted waiver shall be valid unless in writing signed by the party against whom the same is sought to be enforced.

**VIII. NOTICES.**

Any notice or other communication pursuant to this Agreement shall be in writing, unless stated otherwise, and shall be effective five (5) days following deposit of the same in the United States mail, return receipt requested, priority postage prepaid, addressed to:

<p>ICAMR                  Chester Kennedy                  Chief Executive Officer                  400 W. Emmett St.                  Kissimmee, FL 34741                  407-742-4254 office                  407-221-4346 cell  <a href="mailto:fran.Korosec@ucf.edu">fran.Korosec@ucf.edu</a></p>	<p>UCF                  Elizabeth A. Klonoff                  Vice President for Research and                  Dean of the College of Graduate Studies                  4365 Andromeda Loop North                  Millican Hall 243                  Orlando, FL 32816  <a href="mailto:Elizabeth.Klonoff@ucf.edu">Elizabeth.Klonoff@ucf.edu</a></p>
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**IX. NO THIRD PARTY BENEFICIARIES.**

This Agreement does not create, and should not be construed as creating, any rights enforceable by any person not a party to this Agreement.

**X. WAIVER.**

No failure or delay of any party to exercise any right or remedy pursuant to this Agreement shall affect such right or remedy or constitute a waiver by such party of any right or remedy pursuant thereto or contained therein. Either party may resort to one form of remedy without such remedy constituting a waiver of alternative remedies.

**XI. MISCELLANEOUS.**

1. UCF may terminate this Agreement at any time for refusal by ICAMR to allow public access, mandated by law, to all documents, papers, letters, or other non-exempt materials subject to the provisions of Chapter 119, Florida Statutes, and made or received by ICAMR or UCF in conjunction with this Agreement.
2. UCF assumes any and all risks of personal injury and property damage attributable to the negligent acts or omissions of UCF and the officers, employees, servants, and agents thereof while acting within the scope of their employment by UCF. ICAMR assumes any and all risks of personal injury and property damage with respect to the negligent acts or omissions of ICAMR's officers, employees, servants, and agents, or other persons acting or engaged to act by ICAMR in furtherance of the obligations of ICAMR under this Agreement. UCF, as a state entity, warrants and represents that it is self-funded for liability insurance, with said protection being applicable to officers, employees, servants, and agents while acting within the scope of their employment or agency by UCF. UCF and ICAMR further agree that nothing contained herein shall be construed or interpreted as (1) denying to either party any remedy or defense available to such party under the laws of the State of Florida; (2) the consent of the State of Florida or its agents and agencies to be sued; or (3) a waiver of sovereign immunity of the State of Florida beyond the waiver provided in Section 768.28, Florida Statutes.
3. No party shall be deemed to have waived any right or remedy set forth herein unless such waiver shall be set forth in writing and signed by the parties. The

failure of either party to exercise any right or remedy pursuant to the terms and conditions set forth herein shall not constitute a continuing waiver of any subsequent breach of such terms and conditions.

IN WITNESS WHEREOF, the undersigned has executed this Agreement effective the date and year first above written.

ICAMR, Inc.

By: \_\_\_\_\_

Its: 1-11-19

UNIVERSITY OF CENTRAL FLORIDA  
BOARD OF TRUSTEES

By: \_\_\_\_\_

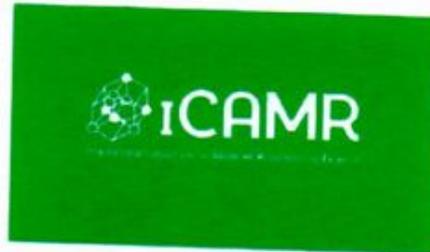
Its: \_\_\_\_\_

Legal Content Approved

DS 12/23/2016

**Exhibit A**  
**ICAMR Procurement Guidelines**

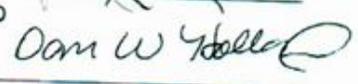
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JUNE 9, 2016

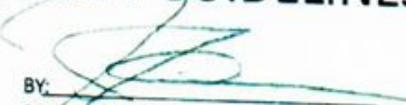


## PROCUREMENT GUIDELINES

REVIEWED AND APPROVED BY:

BY:   
CEO

BY:   
DIRECTOR, BUSINESS DEVELOPMENT

BY:   
DIRECTOR, BUSINESS OPERATIONS

BY:   
DIRECTOR, TECHNOLOGY

ICAMR – Procurement Guidelines

Date: September 13, 2016  
 Document No: ICAMR-001  
 Revision No: 00

**I. Overview**

The guidance provided in this document apply to all ICAMR procurements, including materials, supplies, services, and equipment. The information below shows the approval matrix and general process and documentation required.

ICAMR Spending Authority:

1. Purchases up to \$100,000 are allowable with the approval of the ICAMR Buyer.
2. Purchased from \$100,000.01 - \$1,000,000 are allowable with approval from either the Director of Business Operations, Director of Technology, or the Executive Director of Operations and Technology Programs.
3. Purchases greater than \$1,000,000.01 requires the approval of the CEO or their delegate.

Vendor Selection Requirements			
	Up to \$10,000	\$10,000.01 - \$75,000	Greater than \$75,000
<b>Bid Process Required</b>	No	Yes	Yes
<b>Acceptable Forms of Price Comparison</b>	N/A	Formal written quotes on vendor’s letterhead	RFP – formal responses
<b>Minimum # of Bids Required</b>	1	3	3
<b>Submit Bid Documentation to the Buyer, specified in section C below</b>	No	Yes	Yes

No purchase should be divided or subdivided in order to avoid the formal competitive bidding in accordance with the above table.

**A. Authority to Purchase**

Only the designated ICAMR Buyer may process the requisition/purchase order, on behalf of ICAMR. The ICAMR Buyer is responsible for reviewing all procurements to ensure the purchases are allowable per the funding source, allocable, reasonable for the project and/or ICAMR business, and consistent with applicable regulations and this guidance document.

Those ICAMR representatives holding a Purchase Card are authorized to make purchases on their Purchase Card consistent with the guidelines set below.

Exceptions to these guidelines require prior approval of the ICAMR CEO.

**B. Code of Ethics**

1. Code of Conduct:

All representatives of ICAMR are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgement. Representatives are expected to be principled in their business interactions and act in good faith with individuals both inside and outside of the ICAMR community.

2. Conflict of Interest:

The Code of Conduct shall govern the performance, behavior and actions of ICAMR, including Board members, representatives, employees, directors, volunteers, or agents who are engaged in any aspect of procurement, including, but not limited to, purchasing goods and services; awarding contracts and grants; or the administration and supervision of contracts.

- a. No representative, employee, officer, director, volunteer, or agent of ICAMR shall participate in the selection, award, or administration of a bid or contract supported by Federal funds if a conflict of interest is real or apparent to a reasonable person.
- b. Conflicts of interest may arise when any representative, employee, officer, director, volunteer or agent of ICAMR has a financial, family, or any other beneficial interest in the vendor firm selected or considered for an award.
- c. No representative, employee, officer, director, volunteer, or agent of ICAMR shall do business with, award contracts to, or show favoritism toward a member of his/her immediate family, spouse's family or to a company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid that violates any law or policy.

### 3. Gratuities:

The representatives, employees, officers, directors, or agents of ICAMR may not accept gratuities, favors, or anything of monetary value in excess of \$100 from a vendor, potential vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a subcontract agreement or ancillary contract. Solicitation of any gratuities, gifts, or favors are not allowable.

The acceptance of any gratuities, favors, or anything of monetary value, contrary to this section may lead to disciplinary action.

### **C. Prohibited Purchases**

All expenditures must be reasonable and supported by a sound business reason. Expenditures for personal or non-business related items/services are not allowable.

For more information on whether or not a purchase is allowable, discuss with the ICAMR Buyer.

### **D. Purchases are for ICAMR Business Only**

The ICAMR Buyer is only authorized to make purchases for ICAMR business only. Purchases for individuals or organizations for personal reasons are not allowable.

## **II. Procedure**

### **A. Overview**

In general, the following steps outline the procurement process from requesting a purchase to be made through the acceptance and authorization for final payment.

1. Once a business need is identified that an item is necessary for the continuation of a funded project or ICAMR business operation, the requestor will create a bid package (depending on the dollar value in conjunction with the Vendor Selection Requirements above).
2. The requestor is responsible for securing the required number of quotes or proposals, evaluating all quotes/proposals received in response to the identified need, and submitting the Vendor Selection Form and any other required document as outlined on this form (or any other additional documentation to show the ICAMR Buyer of their due diligence).
3. The completed package is submitted to the ICAMR Buyer for review and to place the order, once all proper signatures and documentation are on file.

4. The ICAMR Buyer will review invoices, and work with the requestor with regards to properly monitor deliverables/milestones/payments/inspection/etc.
5. Once the item is received, and passes inspection and/or testing and is affirmed by the requestor, the ICAMR Buyer will be responsible for authorizing final payment to the vendor.

### **B. Requisition**

The procedures below outline the manner in which the request for procurement should be completed:

1. A requisition, containing all applicable documents (i.e. vendor selection form with all signatures, quotes, RFP/RFQ and responses, etc.) will be submitted to the ICAMR Buyer.
2. The ICAMR Buyer will:
  - a. Review the funding source (grant, contract, etc.), as applicable, and other applicable regulations to ensure that the items to be purchased are allowable and there are no additional procurement conditions, specific to the funding source, that would supersede these guidelines. If agency approval is required, will send the formal request to the agency for approval.
  - b. Determine if the transaction will be with a subawardee, or a vendor/subcontractor. Subaward agreements are not covered by this guidance document.
  - c. Review all attached documentation, with leadership as needed, to determine if the price is reasonable. If the requisition is a Sole Source, the ICAMR Buyer will ensure that all paperwork and justifications are appropriate and that it is apparent that a Sole Source procurement is in the best interest of ICAMR.
  - d. Determine, with consultation with the requestor and ICAMR leadership (as appropriate), the type of procurement instrument to use. Examples of procurement instruments include, but are not limited to, service agreements, purchase orders, etc.
  - e. Process the purchase order to begin the procurement with the vendor

### **C. Documentation Requirements for All Purchases**

The requestor must submit all documentation requested below to the ICAMR Buyer:

1. Small Purchases (up to \$10,000) – Submit the signed Vendor Selection Form to the ICAMR Buyer. The requestor is responsible for keeping any backup justifying their choice in vendor. Backup may include screen shots from any vendors' catalog which shows the date, item, and unit price, informal quotes via email or phone.
2. Procurements from \$10,000.01 - \$75,000 – Submit the Request For Proposal/Request For Quote package to the ICAMR Buyer, which will include a signed Vendor Selection Form, and 3 formal quotes from the vendors to the ICAMR Buyer. If there are not 3 vendors appropriate to bid on the Request for Proposal/Request for Quote, additional justification will be required, consistent with the instructions on the Vendor Selection Form. The Vendor Selection Form is the official price analysis documentation.
3. Procurements greater than \$75,000 - A formal solicitation is required. This is accomplished through the use of a Request for Proposal or Request for Quote that clearly sets forth all requirements to be evaluated. A price or cost analysis form must be completed by the requestor and the ICAMR Buyer.

### **D. Request for Quotes (RFQs)**

1. An RFQ should be used when the item to be purchased is a known commodity and standard offering from multiple vendors. The RFQ should be prepared by the requestor, in conjunction with the ICAMR Buyer, and should include the following:
  - a. Part descriptions and item numbers
  - b. Quantities/volumes

- c. Quality levels
  - d. Delivery requirements
  - e. Any specific terms and conditions
  - f. Other value added requirements or terms, as necessary
2. The requestor is responsible for advertising the invitation for vendors to respond.
  3. The requestor will collect all responses and properly fill out the Vendor Section Form
  4. All documentation, in accordance with the document requirements as set forth in section C above will be submitted to the ICAMR Buyer for final review and to process the purchase.

#### **E. Request for Proposals (RFPs)**

1. RFPs are used for any procurement where an exact item or service is not fully identified and a solution is being requested. The RFP should be prepared by the requestor, and should include:
  - a. The purpose
  - b. General information, including the deadline for responses
  - c. Performance criteria
  - d. Statement of work, specifications, requirements, milestones, deliverables
  - e. Proposal preparation and submission instructions
  - f. Evaluation criteria
  - g. Any special terms/conditions (i.e. software addendum language, ECCN, Debarment Certificate, etc.)
  - h. Any other relevant documentation which would help to make a proper vendor selection
2. The requestor will work with the ICAMR Buyer and leadership, as appropriate, to advertise any formal invitation to bid.
3. When 2 or more bids or proposals are received, the award shall be made to the lowest responsive and responsible bidder meeting the specifications of the RFP, or the bidder offering the best value to ICAMR.
4. If only 1 bid or proposal is received, the ICAMR Buyer and requestor may review the RFP and resultant bid to determine the reasons, if any, that only 1 response was received. An award can be made to the single bidder if the bid is fair and reasonable, or a second call for bids can be made if it is determined that it is in the best interest of ICAMR.
5. In the event that no bids are received, the requestor, along with leadership and the ICAMR Buyer will work together to make any revisions to the RFP and re-post the request for bidders to respond.
6. ICAMR has the right to reject any and all bids or proposals, and such reservation shall be indicated in all advertisements and specifications.

#### **F. Purchase Card**

ICAMR's CEO or Directors, through its fiscal agent the University of Central Florida Research Foundation, Inc. ("UCFRF"), will administer Purchasing Cards to select individuals with good standing to be cardholders. Those representative of ICAMR who hold a Purchasing Card through the UCFRF shall abide by the guidelines as set forth in the UCFRF Business Manual.

#### **G. Reimbursements for Expenses Using Personal Funds**

Reimbursement to ICAMR representatives, originally purchased by their personal funds, for small out-of-pocket expenses incurred as a result of the employee being in a situation that prevented them from submitting a requisition (i.e. printed materials or copies while attending an out of town meeting, meals incurred related to search committees, expressway tolls, etc.). Reimbursements for personal funds use should not be used to make purchases that could be bought by the ICAMR Buyer or from their Purchasing Card.

ICAMR representatives should not use their personal funds to procure commodities or services then seek reimbursement simply because they did not plan for the need or because they prefer to buy it after work hours without going through normal purchasing procedures.

Reimbursement requests for personal funds use must be submitted to the ICAMR Buyer and shall include detailed receipts and a brief justification to show the need/purpose of personal fund use.

### **III. Exempted Purchases**

#### **A. Sole Source Purchases**

ICAMR intends to procure items and services under open competition; however, competition may not always be possible or in the best interest of ICAMR. In cases where ICAMR must use a specific vendor, a sole source exemption may be granted, and should only be made under the following circumstances:

1. Only one response is received to a publicly posted RFP/RFQ
2. Is required by the sponsoring agency
3. The particular vendor has unique or prior experience
4. The item being procured is proprietary or has unique requirements
5. Extreme urgency, where there is insufficient time to conduct a competitive source selection

Sole source procurement is a non-competitive vendor selection and should be used as a last resort.

#### **B. Sole Source Procedure**

1. The Sole Source section of the Vendor Selection Form must be filled out, with a justification in enough detail to allow for evaluation and determination of the validity of the sole source.
2. The completed Vendor Selection Form must be approved in the following order:
  - a. Project Manager
  - b. ICAMR Buyer
  - c. Additional signatures as required per section I above.
3. Once all of the approvals have been received, the ICAMR Buyer will proceed in processing the purchase order for the item/service.

### **IV. Forms**

#### **A. Vendor Selection Form**

#### **B. Cost/Price Analysis Form**

**State University System  
Education and General  
2017-2018 Legislative Budget Request  
Form I**

<b>University(s):</b>	University of Central Florida
<b>Issue Title:</b>	International Consortium for Advanced Manufacturing Research (ICAMR)
<b>Priority Number</b>	
<b>Recurring Funds Requested:</b>	\$8,000,000
<b>Non-Recurring Funds Requested:</b>	
<b>Total Funds Requested:</b>	\$8,000,000
<b>Please check the issue type below:</b>	
Shared Services/System-Wide Issue for Fiscal Year 2017-2018	<input type="checkbox"/>
New Issue for Fiscal Year 2017-2018	<input checked="" type="checkbox"/>

**I. Description** - 1. Describe the service or program to be provided and how this issue aligns with the goals and objectives of the strategic priorities and the 2016 Work Plan established by your institution (include whether this is a new or expanded service/program). If expanded, what has been accomplished with the current service/program? 2. Describe any projected impact on academic programs, student enrollments, and student services.

1. The International Consortium for Advanced Manufacturing Research (ICAMR) was established in Central Florida to focus on the research, development, commercialization, and manufacturing of key advanced technologies. This non-profit consortium will enable UCF and others in the SUS (the University of Florida, University of South Florida, and Florida International University also have invested in ICAMR) to establish partnerships with industry and government organizations that will build Florida's high-value, tech-based industry in areas of advanced smart sensors, integrated photonics, sustainable energy, and other advanced manufacturing areas, while simultaneously creating a demand for the highly skilled students graduating from UCF and other SUS institutions. By 2017, smart sensors are expected to be the dominant product for semiconductor manufacturing. The demand for advanced sensors is expected to reach 1 trillion by the end of the decade. By 2020, more than 50 billion global devices will be connected by sensors. In fact, according to the market-forecasting firm BCC Research, the global market for sensors was valued at \$79.5 billion in 2013 and is expected to increase to nearly \$154.4 billion by 2020. Ultimately, ICAMR will provide Florida with a global competitive advantage to be a leader in this booming industry.

2017-2018 LBR

This Legislative Budget Request (LBR) would provide funding for the continued ramp up and sustainment of base operations including hiring of critical personnel (research scientists, engineers, technicians, and administrative personnel), the critical materials used in advanced manufacturing research, R&D operations, back office operations, and the lease of highly specialized manufacturing tools, as well as providing future opportunities for STEM graduates. This LBR aligns with UCF's strategic goals of (1) excellence in key areas of research and graduate education, (2) to be international in scope, and (3) to be America's leading partnership university. This LBR directly supports the UCF Work Plan Mission Statement of impactful research and the public service initiative of partnering with government and industry to build Florida's wealth-producing economy, which in turn provides high-paying jobs for UCF and other SUS STEM graduates. Additionally, this LBR builds upon UCF's existing prominence in optics and photonics research and further establishes these as preeminent programs for the SUS.

As stated in the Work Plan Vision Statement, this LBR provides new strengths by leveraging innovative partnerships and interdisciplinary work to advance and diversify Florida's economy and opportunities for our STEM graduates. The advanced manufacturing industry will require high levels of intellectual capital and employees with specialized degrees. This LBR greatly expands partnerships with the Florida High Tech Corridor, an economic development initiative of three of the country's largest research institutions - UCF, USF and UF - to grow high-tech industry and innovation through partnerships that support research, marketing, workforce, and entrepreneurship. Since its inception, the Corridor engaged in 1,400 projects with 375 companies throughout the 23 county corridor in Central Florida.

2. This LBR will greatly expand opportunities for STEM and other students to gain industry-relevant experience through internships and other work-study experiences at ICAMR and associated industry. The advanced manufacturing research facility will provide unique research opportunities for faculty and students across many STEM disciplines. UCF plans to combine this LBR with its performance-based funding to hire faculty in areas critical to Florida's future and to achieve the quantitative goals of our Work Plan in extramural funding, scholarship, and student success.

**II. Return on Investment** - *Describe the outcome(s) anticipated, dashboard indicator(s) to be improved, or return on investment. Be specific. For example, if this issue focuses on improving retention rates, indicate the current retention rate and the expected increase in the retention rate. Similarly, if it focuses on expanding access to academic programs or student services, indicate the current and expected outcomes.*

Like star athletes, star faculty and students are attracted to universities with capabilities for them to develop their skills to the fullest and to be on nationally competitive teams. This LBR will greatly leverage our faculty recruitment opportunities associated with our performance-based funding, and the recruitment, education, and placement of top STEM graduates. Of special note, ICAMR is located in Osceola County, which has a 48% Hispanic population, and thus provides a special opportunity to recruit students from this underrepresented community into the STEM fields. Investing in ICAMR ultimately creates new job opportunities and an increased demand for highly skilled professionals, which UCF and the other SUS institutions

2017-2018 LBR

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ICAMR will be one of many solutions to diversify Florida's economy by providing an advanced manufacturing research asset that will bring research facilities, lab space, high-tech capital equipment, and top researchers to Florida. It is expected to attract substantial global industry, federal, and international participation and funding to develop and manufacture next-generation emerging technologies and products. To reinforce this, Space Florida, Enterprise Florida and the Department of Economic Opportunity are looking at ICAMR as part of the state infrastructure in support of broad based economic development. The capabilities and operations of ICAMR will facilitate the recruitment of high tech / high wage employment to Florida in critical markets including but not limited to aerospace & defense, healthcare, and advanced manufacturing.

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2017-2018 LBR

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**III. Facilities** *(If this issue requires an expansion or construction of a facility, please complete the following table.):*

	Facility Project Title	Fiscal Year	Amount Requested	Priority Number
1.				
2.				

**2017-2018 Legislative Budget Request  
Education and General  
Position and Fiscal Summary  
Operating Budget Form II  
(to be completed for each issue)**

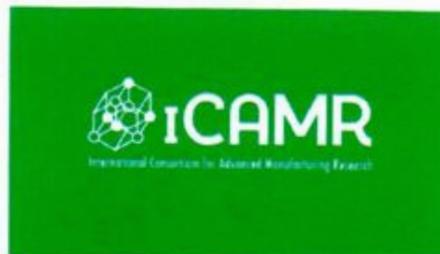
University: University of Central Florida  
Issue Title: ICAMR

	<u>RECURRING</u>	<u>NON-RECURRING</u>	<u>TOTAL</u>
<u>Positions</u>			
Faculty	3.00	0.00	3.00
Other (A&P/USPS)	17.00	0.00	17.00
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Salaries and Benefits	\$2,830,010	\$0	\$2,830,010
Other Personal Services	\$0	\$0	\$0
Expenses	\$2,094,990	\$0	\$2,094,990
Operating Capital Outlay	\$2,000,000	\$0	\$2,000,000
Electronic Data Processing	\$575,000	\$0	\$575,000
Special Category (Specific)	\$500,000	\$0	\$500,000
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
<b>Total All Categories</b>	<b>\$8,000,000</b>	<b>\$0</b>	<b>\$8,000,000</b>

Attachment B

VERSION 1.0

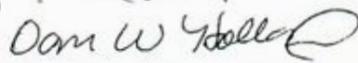
JUNE 9, 2016

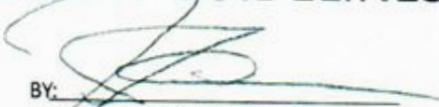


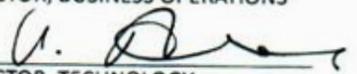
## PROCUREMENT GUIDELINES

REVIEWED AND APPROVED BY:

BY:   
CEO

BY:   
DAN W. HOLLER  
DIRECTOR, BUSINESS DEVELOPMENT

BY:   
DIRECTOR, BUSINESS OPERATIONS

BY:   
DIRECTOR, TECHNOLOGY

ICAMR – Procurement Guidelines

Date: September 13, 2016  
 Document No: ICAMR-001  
 Revision No: 00

## I. Overview

The guidance provided in this document apply to all ICAMR procurements, including materials, supplies, services, and equipment. The information below shows the approval matrix and general process and documentation required.

ICAMR Spending Authority:

1. Purchases up to \$100,000 are allowable with the approval of the ICAMR Buyer.
2. Purchased from \$100,000.01 - \$1,000,000 are allowable with approval from either the Director of Business Operations, Director of Technology, or the Executive Director of Operations and Technology Programs.
3. Purchases greater than \$1,000,000.01 requires the approval of the CEO or their delegate.

Vendor Selection Requirements			
	Up to \$10,000	\$10,000.01 - \$75,000	Greater than \$75,000
<b>Bid Process Required</b>	No	Yes	Yes
<b>Acceptable Forms of Price Comparison</b>	N/A	Formal written quotes on vendor’s letterhead	RFP – formal responses
<b>Minimum # of Bids Required</b>	1	3	3
<b>Submit Bid Documentation to the Buyer, specified in section C below</b>	No	Yes	Yes

No purchase should be divided or subdivided in order to avoid the formal competitive bidding in accordance with the above table.

### A. Authority to Purchase

Only the designated ICAMR Buyer may process the requisition/purchase order, on behalf of ICAMR. The ICAMR Buyer is responsible for reviewing all procurements to ensure the purchases are allowable per the funding source, allocable, reasonable for the project and/or ICAMR business, and consistent with applicable regulations and this guidance document.

Those ICAMR representatives holding a Purchase Card are authorized to make purchases on their Purchase Card consistent with the guidelines set below.

Exceptions to these guidelines require prior approval of the ICAMR CEO.

### B. Code of Ethics

1. Code of Conduct:

All representatives of ICAMR are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgement. Representatives are expected to be principled in their business interactions and act in good faith with individuals both inside and outside of the ICAMR community.

2. Conflict of Interest:

The Code of Conduct shall govern the performance, behavior and actions of ICAMR, including Board members, representatives, employees, directors, volunteers, or agents who are engaged in any aspect of procurement, including, but not limited to, purchasing goods and services; awarding contracts and grants; or the administration and supervision of contracts.

- a. No representative, employee, officer, director, volunteer, or agent of ICAMR shall participate in the selection, award, or administration of a bid or contract supported by Federal funds if a conflict of interest is real or apparent to a reasonable person.
- b. Conflicts of interest may arise when any representative, employee, officer, director, volunteer or agent of ICAMR has a financial, family, or any other beneficial interest in the vendor firm selected or considered for an award.
- c. No representative, employee, officer, director, volunteer, or agent of ICAMR shall do business with, award contracts to, or show favoritism toward a member of his/her immediate family, spouse's family or to a company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid that violates any law or policy.

3. Gratuities:

The representatives, employees, officers, directors, or agents of ICAMR may not accept gratuities, favors, or anything of monetary value in excess of \$100 from a vendor, potential vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a subcontract agreement or ancillary contract. Solicitation of any gratuities, gifts, or favors are not allowable.

The acceptance of any gratuities, favors, or anything of monetary value, contrary to this section may lead to disciplinary action.

**C. Prohibited Purchases**

All expenditures must be reasonable and supported by a sound business reason. Expenditures for personal or non-business related items/services are not allowable.

For more information on whether or not a purchase is allowable, discuss with the ICAMR Buyer.

**D. Purchases are for ICAMR Business Only**

The ICAMR Buyer is only authorized to make purchases for ICAMR business only. Purchases for individuals or organizations for personal reasons are not allowable.

**II. Procedure**

**A. Overview**

In general, the following steps outline the procurement process from requesting a purchase to be made through the acceptance and authorization for final payment.

1. Once a business need is identified that an item is necessary for the continuation of a funded project or ICAMR business operation, the requestor will create a bid package (depending on the dollar value in conjunction with the Vendor Selection Requirements above).
2. The requestor is responsible for securing the required number of quotes or proposals, evaluating all quotes/proposals received in response to the identified need, and submitting the Vendor Selection Form and any other required document as outlined on this form (or any other additional documentation to show the ICAMR Buyer of their due diligence).
3. The completed package is submitted to the ICAMR Buyer for review and to place the order, once all proper signatures and documentation are on file.

4. The ICAMR Buyer will review invoices, and work with the requestor with regards to properly monitor deliverables/milestones/payments/inspection/etc.
5. Once the item is received, and passes inspection and/or testing and is affirmed by the requestor, the ICAMR Buyer will be responsible for authorizing final payment to the vendor.

## **B. Requisition**

The procedures below outline the manner in which the request for procurement should be completed:

1. A requisition, containing all applicable documents (i.e. vendor selection form with all signatures, quotes, RFP/RFQ and responses, etc.) will be submitted to the ICAMR Buyer.
2. The ICAMR Buyer will:
  - a. Review the funding source (grant, contract, etc.), as applicable, and other applicable regulations to ensure that the items to be purchased are allowable and there are no additional procurement conditions, specific to the funding source, that would supersede these guidelines. If agency approval is required, will send the formal request to the agency for approval.
  - b. Determine if the transaction will be with a subawardee, or a vendor/subcontractor. Subaward agreements are not covered by this guidance document.
  - c. Review all attached documentation, with leadership as needed, to determine if the price is reasonable. If the requisition is a Sole Source, the ICAMR Buyer will ensure that all paperwork and justifications are appropriate and that it is apparent that a Sole Source procurement is in the best interest of ICAMR.
  - d. Determine, with consultation with the requestor and ICAMR leadership (as appropriate), the type of procurement instrument to use. Examples of procurement instruments include, but are not limited to, service agreements, purchase orders, etc.
  - e. Process the purchase order to begin the procurement with the vendor

## **C. Documentation Requirements for All Purchases**

The requestor must submit all documentation requested below to the ICAMR Buyer:

1. Small Purchases (up to \$10,000) – Submit the signed Vendor Selection Form to the ICAMR Buyer. The requestor is responsible for keeping any backup justifying their choice in vendor. Backup may include screen shots from any vendors’ catalog which shows the date, item, and unit price, informal quotes via email or phone.
2. Procurements from \$10,000.01 - \$75,000 – Submit the Request For Proposal/Request For Quote package to the ICAMR Buyer, which will include a signed Vendor Selection Form, and 3 formal quotes from the vendors to the ICAMR Buyer. If there are not 3 vendors appropriate to bid on the Request for Proposal/Request for Quote, additional justification will be required, consistent with the instructions on the Vendor Selection Form. The Vendor Selection Form is the official price analysis documentation.
3. Procurements greater than \$75,000 - A formal solicitation is required. This is accomplished through the use of a Request for Proposal or Request for Quote that clearly sets forth all requirements to be evaluated. A price or cost analysis form must be completed by the requestor and the ICAMR Buyer.

## **D. Request for Quotes (RFQs)**

1. An RFQ should be used when the item to be purchased is a known commodity and standard offering from multiple vendors. The RFQ should be prepared by the requestor, in conjunction with the ICAMR Buyer, and should include the following:
  - a. Part descriptions and item numbers
  - b. Quantities/volumes

- c. Quality levels
  - d. Delivery requirements
  - e. Any specific terms and conditions
  - f. Other value added requirements or terms, as necessary
2. The requestor is responsible for advertising the invitation for vendors to respond.
  3. The requestor will collect all responses and properly fill out the Vendor Section Form
  4. All documentation, in accordance with the document requirements as set forth in section C above will be submitted to the ICAMR Buyer for final review and to process the purchase.

#### **E. Request for Proposals (RFPs)**

1. RFPs are used for any procurement where an exact item or service is not fully identified and a solution is being requested. The RFP should be prepared by the requestor, and should include:
  - a. The purpose
  - b. General information, including the deadline for responses
  - c. Performance criteria
  - d. Statement of work, specifications, requirements, milestones, deliverables
  - e. Proposal preparation and submission instructions
  - f. Evaluation criteria
  - g. Any special terms/conditions (i.e. software addendum language, ECCN, Debarment Certificate, etc.)
  - h. Any other relevant documentation which would help to make a proper vendor selection
2. The requestor will work with the ICAMR Buyer and leadership, as appropriate, to advertise any formal invitation to bid.
3. When 2 or more bids or proposals are received, the award shall be made to the lowest responsive and responsible bidder meeting the specifications of the RFP, or the bidder offering the best value to ICAMR.
4. If only 1 bid or proposal is received, the ICAMR Buyer and requestor may review the RFP and resultant bid to determine the reasons, if any, that only 1 response was received. An award can be made to the single bidder if the bid is fair and reasonable, or a second call for bids can be made if it is determined that it is in the best interest of ICAMR.
5. In the event that no bids are received, the requestor, along with leadership and the ICAMR Buyer will work together to make any revisions to the RFP and re-post the request for bidders to respond.
6. ICAMR has the right to reject any and all bids or proposals, and such reservation shall be indicated in all advertisements and specifications.

#### **F. Purchase Card**

ICAMR’s CEO or Directors, through its fiscal agent the University of Central Florida Research Foundation, Inc. (“UCFRF”), will administer Purchasing Cards to select individuals with good standing to be cardholders. Those representative of ICAMR who hold a Purchasing Card through the UCFRF shall abide by the guidelines as set forth in the UCFRF Business Manual.

#### **G. Reimbursements for Expenses Using Personal Funds**

Reimbursement to ICAMR representatives, originally purchased by their personal funds, for small out-of-pocket expenses incurred as a result of the employee being in a situation that prevented them from submitting a requisition (i.e. printed materials or copies while attending an out of town meeting, meals incurred related to search committees, expressway tolls, etc.). Reimbursements for personal funds use should not be used to make purchases that could be bought by the ICAMR Buyer or from their Purchasing Card.

ICAMR representatives should not use their personal funds to procure commodities or services then seek reimbursement simply because they did not plan for the need or because they prefer to buy it after work hours without going through normal purchasing procedures.

Reimbursement requests for personal funds use must be submitted to the ICAMR Buyer and shall include detailed receipts and a brief justification to show the need/purpose of personal fund use.

### **III. Exempted Purchases**

#### **A. Sole Source Purchases**

ICAMR intends to procure items and services under open competition; however, competition may not always be possible or in the best interest of ICAMR. In cases where ICAMR must use a specific vendor, a sole source exemption may be granted, and should only be made under the following circumstances:

1. Only one response is received to a publicly posted RFP/RFQ
2. Is required by the sponsoring agency
3. The particular vendor has unique or prior experience
4. The item being procured is proprietary or has unique requirements
5. Extreme urgency, where there is insufficient time to conduct a competitive source selection

Sole source procurement is a non-competitive vendor selection and should be used as a last resort.

#### **B. Sole Source Procedure**

1. The Sole Source section of the Vendor Selection Form must be filled out, with a justification in enough detail to allow for evaluation and determination of the validity of the sole source.
2. The completed Vendor Selection Form must be approved in the following order:
  - a. Project Manager
  - b. ICAMR Buyer
  - c. Additional signatures as required per section I above.
3. Once all of the approvals have been received, the ICAMR Buyer will proceed in processing the purchase order for the item/service.

### **IV. Forms**

#### **A. Vendor Selection Form**

#### **B. Cost/Price Analysis Form**

Attachment C

**State University System  
Education and General  
2017-2018 Legislative Budget Request  
Form I**

<b>University(s):</b>	University of Central Florida
<b>Issue Title:</b>	International Consortium for Advanced Manufacturing Research (ICAMR)
<b>Priority Number</b>	
<b>Recurring Funds Requested:</b>	\$8,000,000
<b>Non-Recurring Funds Requested:</b>	
<b>Total Funds Requested:</b>	\$8,000,000
<b>Please check the issue type below:</b>	
<b>Shared Services/System-Wide Issue for Fiscal Year 2017-2018</b>	<input type="checkbox"/>
<b>New Issue for Fiscal Year 2017-2018</b>	<input checked="" type="checkbox"/>

**I. Description** – 1. Describe the service or program to be provided and how this issue aligns with the goals and objectives of the strategic priorities and the 2016 Work Plan established by your institution (include whether this is a new or expanded service/program). If expanded, what has been accomplished with the current service/program? 2. Describe any projected impact on academic programs, student enrollments, and student services.

1. The International Consortium for Advanced Manufacturing Research (ICAMR) was established in Central Florida to focus on the research, development, commercialization, and manufacturing of key advanced technologies. This non-profit consortium will enable UCF and others in the SUS (the University of Florida, University of South Florida, and Florida International University also have invested in ICAMR) to establish partnerships with industry and government organizations that will build Florida’s high-value, tech-based industry in areas of advanced smart sensors, integrated photonics, sustainable energy, and other advanced manufacturing areas, while simultaneously creating a demand for the highly skilled students graduating from UCF and other SUS institutions. By 2017, smart sensors are expected to be the dominant product for semiconductor manufacturing. The demand for advanced sensors is expected to reach 1 trillion by the end of the decade. By 2020, more than 50 billion global devices will be connected by sensors. In fact, according to the market-forecasting firm BCC Research, the global market for sensors was valued at \$79.5 billion in 2013 and is expected to increase to nearly \$154.4 billion by 2020. Ultimately, ICAMR will provide Florida with a global competitive advantage to be a leader in this booming industry.

2017-2018 LBR

This Legislative Budget Request (LBR) would provide funding for the continued ramp up and sustainment of base operations including hiring of critical personnel (research scientists, engineers, technicians, and administrative personnel), the critical materials used in advanced manufacturing research, R&D operations, back office operations, and the lease of highly specialized manufacturing tools, as well as providing future opportunities for STEM graduates. This LBR aligns with UCF's strategic goals of (1) excellence in key areas of research and graduate education, (2) to be international in scope, and (3) to be America's leading partnership university. This LBR directly supports the UCF Work Plan Mission Statement of impactful research and the public service initiative of partnering with government and industry to build Florida's wealth-producing economy, which in turn provides high-paying jobs for UCF and other SUS STEM graduates. Additionally, this LBR builds upon UCF's existing prominence in optics and photonics research and further establishes these as preeminent programs for the SUS.

As stated in the Work Plan Vision Statement, this LBR provides new strengths by leveraging innovative partnerships and interdisciplinary work to advance and diversify Florida's economy and opportunities for our STEM graduates. The advanced manufacturing industry will require high levels of intellectual capital and employees with specialized degrees. This LBR greatly expands partnerships with the Florida High Tech Corridor, an economic development initiative of three of the country's largest research institutions - UCF, USF and UF - to grow high-tech industry and innovation through partnerships that support research, marketing, workforce, and entrepreneurship. Since its inception, the Corridor engaged in 1,400 projects with 375 companies throughout the 23 county corridor in Central Florida.

2. This LBR will greatly expand opportunities for STEM and other students to gain industry-relevant experience through internships and other work-study experiences at ICAMR and associated industry. The advanced manufacturing research facility will provide unique research opportunities for faculty and students across many STEM disciplines. UCF plans to combine this LBR with its performance-based funding to hire faculty in areas critical to Florida's future and to achieve the quantitative goals of our Work Plan in extramural funding, scholarship, and student success.

**II. Return on Investment** - *Describe the outcome(s) anticipated, dashboard indicator(s) to be improved, or return on investment. Be specific. For example, if this issue focuses on improving retention rates, indicate the current retention rate and the expected increase in the retention rate. Similarly, if it focuses on expanding access to academic programs or student services, indicate the current and expected outcomes.*

Like star athletes, star faculty and students are attracted to universities with capabilities for them to develop their skills to the fullest and to be on nationally competitive teams. This LBR will greatly leverage our faculty recruitment opportunities associated with our performance-based funding, and the recruitment, education, and placement of top STEM graduates. Of special note, ICAMR is located in Osceola County, which has a 48% Hispanic population, and thus provides a special opportunity to recruit students from this underrepresented community into the STEM fields. Investing in ICAMR ultimately creates new job opportunities and an increased demand for highly skilled professionals, which UCF and the other SUS institutions

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**III. Facilities** *(If this issue requires an expansion or construction of a facility, please complete the following table.):*

	Facility Project Title	Fiscal Year	Amount Requested	Priority Number
1.				
2.				

**2017-2018 Legislative Budget Request  
Education and General  
Position and Fiscal Summary  
Operating Budget Form II  
(to be completed for each issue)**

**University:** University of Central Florida  
**Issue Title:** ICAMR

	<u>RECURRING</u>	<u>NON- RECURRING</u>	<u>TOTAL</u>
<u>Positions</u>			
Faculty	3.00	0.00	3.00
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	-----	-----	-----
Total	20.00	0.00	20.00
	=====	=====	=====
<u>Salary Rate (for all positions noted above)</u>			
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Operating Capital Outlay	\$2,000,000	\$0	\$2,000,000
Electronic Data Processing	\$575,000	\$0	\$575,000
Special Category (Specific)	\$500,000	\$0	\$500,000
	\$0	\$0	\$0
	\$0	\$0	\$0
	\$0	\$0	\$0
	-----	-----	-----
Total All Categories	\$8,000,000	\$0	\$8,000,000
	=====	=====	=====

**ITEM: FFC-5**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** UCF Downtown Purchase and Sale Agreement

**DATE:** February 22, 2017

---

**PROPOSED COMMITTEE ACTION**

Approve the Purchase and Sale Agreement for the acquisition of property located at 500 West Livingston Street in downtown Orlando for the development of the UCF Downtown campus.

**BACKGROUND INFORMATION**

The University of Central Florida and the City of Orlando previously entered into the Memorandum of Understanding UCF Downtown Orlando Campus that was approved by Orlando City Council on February 8, 2016, and signed by President John C. Hitt on February 16, 2016. The Memorandum of Understanding sets forth the terms and conditions for the city's donation of approximately 15 acres of property to UCF.

Since that time, UCF has received the necessary approval from the Florida Board of Governors to develop the UCF Downtown campus contingent upon several factors, including securing ownership of downtown property through a donation by the city.

The property has been defined as three sites for which the city will convey. The attached Purchase and Sale Agreement outlines the specific terms of the transfer of two of the three sites (Site 1 and Site 2), as set forth in Exhibit A. The transfer of Site 3 will occur at a future date.

UCF has conducted due diligence in anticipation of the acquisition of Site 1 and has determined that the site is suitable for development. UCF will continue to have a due diligence period after the Purchase and Sale Agreement is executed related to the acquisition of both Site 1 and Site 2. Closing for Site 1 is anticipated to occur on or around April 30, 2017, and on or around July 31, 2017, for Site 2.

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**Supporting documentation:** Attachment A: Purchase and Sale Agreement

**Prepared by:** Jennifer Cerasa, Associate General Counsel

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

Attachment A

**PURCHASE AND SALE AGREEMENT**

**THIS PURCHASE AND SALE AGREEMENT** (this “Agreement”) is made and effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2017 (the “Effective Date”), by and between the **CITY OF ORLANDO, FLORIDA**, a municipal corporation of the State of Florida (the “City”), and **UNIVERSITY OF CENTRAL FLORIDA**, on behalf of its Board of Trustees (“UCF”). City and UCF are referred to separately as “Party” and collectively as “Parties” in this Agreement.

**RECITALS:**

The City is the fee owner of certain real property located in Orlando, Florida, and more particularly described on Exhibit “A”, attached hereto and incorporated herein (the “Property”). The Property is generally referred to as approximately \_\_\_\_\_ acres and consists of the area generally located south of the new West Livingston Street realignment, and north of the CSX right of way, east of N. Parramore Avenue and West of the existing hotel site. It encompasses the existing building known as the Center for Emerging Media, with a street address of 500 West Livingston Street, Orlando, Florida 32801; and

The Property is located in the area commonly known as the Creative Village. UCF desires to assist with the transformation of this area by redeveloping the Property into a University of Central Florida campus located in downtown Orlando (“Downtown Campus”). UCF’s proposed conceptual plan for the Project is depicted on Composite Exhibit “B”, attached hereto and made a part hereof; and

UCF and the City have previously entered into that certain Memorandum of Understanding UCF Downtown Orlando Campus (the “MOU”) that was approved by City Council on February 8, 2016, generally outlining the terms and conditions for the necessary conveyances; and

UCF has received the necessary approval from its Board of Trustees, as well as the Florida Board of Governors, to develop the Downtown Campus contingent upon securing ownership of this Property through a donation by the City. The City, therefore, desires to convey the Property to UCF to construct the Downtown Campus, upon and subject to the terms and conditions of this Agreement.

**AGREEMENT:**

For and in consideration of the covenants and agreements herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by UCF and the City, UCF and the City hereby represent, warrant, covenant and agree as follows:

1. **Sale and Purchase.**

(a) The City agrees to convey the Property to UCF, and UCF agrees to accept the Property from City, for no monetary compensation (\$0.00), subject to the

terms and conditions set forth in this Agreement.

(b) The City shall convey the Property to UCF as described in this Agreement subject to the Permitted Exceptions (as defined below).

(c) Escrow Agent will be selected by the City and will coordinate the Closing.

(d) UCF and the City acknowledge that there will be two conveyances of parcels within the Property, all of which are covered by this Agreement. The initial conveyance will include the Center for Emerging Media ("Site 1"), and the second conveyance will include the Nap Ford Charter School and former CSX Parcel ("Site 2"), all as generally labeled on Exhibit "A". UCF acknowledges that UCF has been occupying Site 1 pursuant to that certain Expo Centre Lease Agreement entered into as of October 12, 2004 by and between the City and UCF.

## 2. **Title Commitment and Survey.**

(a) The City will obtain, at the City's sole cost and expense, an Owner's Commitment for Title Insurance ("Title Commitment") on behalf of and certified to UCF, from First American Title (the "Title Company") setting forth the status of the title of the portion of the Property that is subject to the Closing. Unless otherwise provided by Title Company, the City will provide UCF a copy of each recorded document referenced in the Title Commitment as a requirement to issuance of a title policy or exception to title. Copies of such documents will be provided to UCF as appearing in the Public Records, but legibility of such documents is not guaranteed.

(b) The City will obtain, at the City's expense, an ALTA/ACSM Land Title Survey of the Property ("Survey") that is certified to UCF in accordance with the minimum standard detail requirements for an upland survey as adopted by ALTA, ACSM, as well as in compliance with Chapter 177, Florida Statutes and City of Orlando Land Development Code. The Survey will include the entire Property, but will contain separate legal descriptions of Site 1 and Site 2, and will be updated in connection with each Closing. UCF agrees to reimburse the City for half the cost of the Survey, in an amount not to exceed Fifty Thousand and 00/100 Dollars (\$50,000).

(c) If the Title Commitment and any Survey disclose any matters which render title to the Property unmarketable or undesirable, then UCF shall give the City written notice thereof within fifteen (15) business days after receipt of the document, specifying those matters shown on the Title Commitment which render title unmarketable and to which UCF objects ("Objections"). All matters shown on the Title Commitment which are not made the subject of the Objections shall be "Permitted Exceptions."

(d) The City shall have no obligation to cure any objection to title; however, if UCF gives notice of Objections within the time period specified above, the City, at its option, in its sole and absolute discretion, may elect to attempt to cure such Objections. In the event the City is unable or elects not to cure any Objections properly and timely made by UCF, the City shall so notify UCF and UCF shall have the right to

either (i) terminate the Agreement (except the rights, obligations and liabilities of the Parties that expressly survive the termination of the Agreement), or (ii) waive any and all Objections and proceed to Closing.

(e) In the event the City does not respond to UCF's notice of Objections, the City shall be deemed to elect not to cure such Objections. Notwithstanding anything herein to the contrary, the City shall not be required to cure any of UCF's objections to title.

(f) UCF may request that the City obtain, at the City's expense, updates to the Title Commitment at any time prior to Closing. If such an update reveals that a matter encumbering the Property rendering title unmarketable has been recorded after the expiration of the Due Diligence Period, defined below, then UCF shall give the City written notice thereof within fifteen (15) business days after receipt of such updated Title Commitment, specifying those matters shown on the Title Commitment which render title unmarketable and to which UCF objects ("New Objections"). All matters shown on any updated Title Commitment which are not made the subject of the New Objections shall be included within the definition of "Permitted Exceptions." subsections (d) and (e) above shall apply to any New Objections.

(g) UCF will be responsible for the purchase of any Owner's Policy for Title Insurance, at UCF's sole cost and expense, if UCF so chooses to purchase.

3. **Due Diligence Items.** The City has provided UCF with all copies of due diligence documents related to Site 1 and 2 in its possession.

UCF will review the Due Diligence Items and make a determination on whether additional due diligence investigation by UCF is required. Should UCF determine that additional investigation is required, UCF shall conduct such additional investigation at its sole cost and expense.

UCF acknowledges and agrees that the City makes no representation or warranties concerning the Property unless specifically set forth in this Agreement, and the City is selling the Property "AS IS".

4. **Additional Due Diligence.**

(a) Notwithstanding the Due Diligence Items set forth above, UCF shall have ninety (90) days, beginning on the Effective Date (the "Due Diligence Period") during which time UCF, its employees, agents, contractors, engineers, surveyors and representatives (collectively, "Consultants") shall have the right to enter the Property, upon at least two (2) days advance notice to the City, to make inspections, surveys, soil analysis and other tests, studies and surveys, including without limitation, general building, radon and termite inspections, environmental tests, soil borings, drill testing or monitoring wells, as well as analysis and studies within the Property.

(b) Following any site work during the Due Diligence Period, the Property shall be restored to its original condition by the Party or Consultants performing

or requesting the work at its sole expense.

(c) If, prior to the end of the Due Diligence Period, UCF finds any information or conditions relating to the Property that are objectionable to UCF, it shall notify the City of such objectionable conditions, and UCF and the City shall have thirty (30) days after the end of the Due Diligence Period (the “Notice Period”) to mutually agree on appropriate remediation strategies. In no event shall UCF have an obligation to undertake any environmental remediation of hazardous materials on the Property. If the Parties cannot mutually agree on a course of remediation, then, in UCF’s sole and absolute discretion, UCF shall have the right to terminate this Agreement by giving written notice of termination to the City no later than the end of the Notice Period.

#### 5. **Environmental Conditions and Remediation.**

UCF acknowledges that it has been advised by the City that some portion of the Property may be subject to environmental remediation of certain Hazardous Materials. UCF shall have no obligation to undertake any environmental remediation of Hazardous Materials on the Property if: (i) such Hazardous Materials existed on the Property prior to the Effective Date and UCF has not caused, permitted, contributed to or exacerbated the presence of such Hazardous Materials; or (ii) such Hazardous Materials have migrated on to the Property from an off-site source and UCF has not caused, contributed to or exacerbated the presence of such Hazardous Materials. Without limiting the generality of the foregoing, UCF shall have no obligation to remediate or take any action with regard to Hazardous Materials identified during the Due Diligence Period. UCF acknowledges and agrees that the City makes no representation or warranties with respect to the environmental condition of the Property unless specifically set forth in this Agreement, and the City is selling the Property “AS IS”.

(a) Nothing contained herein shall obviate the duty of UCF to undertake such due diligence as is required to qualify UCF as a Bona Fide Prospective Purchaser so as to meet the criteria set forth in 42 USC 9601(40) and 42 USC 9607(b) of CERCLA. An election to purchase after having made all appropriate inquiry shall not operate as a discharge of the City’s duty to remediate, if any, but shall bar any claim against the City by reason of the election to purchase by UCF and UCF shall consummate the transaction contemplated acting solely in reliance upon its own environmental investigation.

(b) If the City receives any assurances, “no further action” determinations, indemnities or releases from federal or state environmental regulatory agencies in connection with any environmental remediation undertaken on the Property, the City shall provide copies of such documents to UCF promptly.

(c) UCF and the City shall each, in conducting any activity on the Property, comply with all applicable local, state or federal environmental rules, regulations, statutes, laws or orders, as amended from time to time (collectively “Environmental Requirements”), including but not limited to Environmental Requirements regarding the storage, use and disposal of Hazardous Materials and

regarding releases or threatened releases of Hazardous Materials to the environment. For purposes of this Agreement, Hazardous Materials shall mean asbestos and asbestos-containing materials, special wastes, polychlorinated biphenyls (PCBs), used oil or any petroleum products, natural gas, radioactive source material, pesticides, any hazardous waste as defined at 42 U.S.C. § 6903(5) of the Solid Waste Disposal Act, any hazardous substance as defined at 42 U.S.C. § 9601(14) of the Comprehensive Environmental Response, Compensation and Liability Act, and chemical substance as defined at 15 U.S.C. §2602(2) of the Toxic Substances Control Act, and any rules or regulations promulgated pursuant to such statutes. Neither UCF nor the City will knowingly cause, and both UCF and the City shall endeavor to prohibit any discharge or disposal of any Hazardous Materials to floors, floor drains, storm or sanitary sewer systems, surface water or ground water, or the land and Buildings that comprise the Property.

6. **Effective Date.** The Effective Date, for purposes of calculating any timeframes for the acquisition of Site 1 and Site 2 is the date identified in the opening paragraph of this Agreement.

7. **Closing.**

(a) Subject to extension, as provided elsewhere in this Agreement, and provided that all conditions precedent to the Parties' obligations to close set forth in this Agreement have been satisfied or waived in writing, the closing of Site 1 (the "Closing") shall be held on or before April 30, 2017 (the "Closing Date").

(b) Subject to extension as provided elsewhere in this Agreement, and provided that all conditions precedent to the Parties' obligations to close set forth in this Agreement have been satisfied or waived in writing, the closing of Site 2 (the "Closing") shall be held on or before July 31, 2017 (the "Closing Date").

(c) Notwithstanding the foregoing, UCF and the City may mutually elect a different date for Closing. The Closing shall take place at the offices of the Escrow Agent at such time of day as may be mutually agreed upon by the Parties hereto. Neither Party shall be required to attend the Closing. Instead, the Closing may take place by means of an escrow arrangement pursuant to which each Party shall deliver to the Escrow Agent all fully executed documents and funds required by this Agreement, together with any desired escrow instructions that are not inconsistent with this Agreement.

(d) Any reference to Closing or Closing Date contained in this Agreement shall refer to the associated Closing and Closing Date of the individual Site 1, or 2, as applicable.

8. **Closing Conditions.**

(a) The Parties will execute and deliver documents reasonably necessary to consummate the sale-purchase transaction of the Property, or any portion thereof, contemplated by the Agreement, including without limitation:

(i) A special warranty deed (“Deed”), in form approved by UCF and the City, subject only to the Permitted Encumbrances;

(ii) A closing statement executed by all Parties evidencing the financial terms of the transaction (“Closing Statement”);

(iii) Duly executed certificate of City stating City’s U.S. Taxpayer Identification Number, and that the City is not a “foreign person” within the meaning of the Internal Revenue Code for the purposes of substantiating exemption from the withholding provisions of the Tax Reform Act of 1984;

(iv) Instruments in form and substance satisfactory to the City evidencing the status, capacity and authority of UCF and its representatives to consummate the transaction contemplated by this Agreement; and

(v) Other documents or certifications reasonably requested by the City or the Title Company.

(b) City will obtain a fully executed release of any existing third party rights or Options to Purchase that currently exists, including but not limited to, the rights set forth in that certain Purchase Option Agreement between the City and Creative Village Development, LLC, as the Master Developer as it solely relates to the Property.

(c) UCF shall pay all closing expenses of any kind, including, without limitation, (i) all recording fees payable in connection with the transfer of the Property; (ii) all title premiums incurred for the Owner’s Policy, and (iii) UCF’s portion of the costs of Survey, as set forth in paragraph 2. Notwithstanding the foregoing, the City has agreed to pay for the title search and commitment.

(d) There shall be no proration of any ad valorem and similar taxes and assessments, if any, relating to the Property and the City will not be responsible for any ad valorem taxes or any assessments.

(e) UCF shall notify all water, gas, electric and other utility companies servicing the Property (collectively, “Utility Companies”) that as of the date of Closing, UCF shall own the Property and that all utility bills for the period commencing on the date of Closing are to be sent to UCF. If any of the Utility Companies sends the City a bill for a period in which the Closing occurs, UCF shall pay any and all such bills outside of the Closing.

(f) Subject to the Permitted Encumbrances and the other matters described herein, the City shall deliver possession of the Property to UCF on the date of

Closing.

(g) UCF will have: (i) satisfied the philanthropic efforts required by the Governor and Board of Governors of fundraising Twenty Million and 00/100 Dollars (\$20,000,000.00); and (ii) selected the architecture firm and construction company and any appeal periods related to the selections will have expired.

(h) The City will have performed all environmental remediation, as required by this Agreement.

(i) The City shall be responsible for the demolition and site clearing of Site 2, prior to the Closing Date, at the City's sole cost and expense. The City shall take all reasonable efforts to ensure any environmental conditions are not exacerbated and no new environmental issues are introduced as a result of the demolition and site clearing; in the event environmental conditions are exacerbated or introduced, the City and UCF shall work together to identify appropriate remediation.

9. **City's Covenants.** From the Effective Date through the Closing Date(s), the City shall (i) maintain the Property in its present condition, subject to the activities described in subsection 8(h) and 8(i), subject to normal wear and tear, it being agreed, however, that the City will not be required by this Agreement to make any repairs to the Property or to bring the Property into compliance with any applicable governmental requirements, (ii) not enter into any leases for the Property without UCF's consent, (iii) not enter into any long-term service or maintenance contracts regarding the Property without UCF's consent that are not cancellable by UCF without penalty upon thirty (30) days advance notice.

10. **Representations and Warranties.**

(a) **City's Representations and Warranties.** The City represents and warrants to UCF as follows:

(i) The City has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery and performance of this Agreement and the other agreements and documents to be executed and delivered by the City pursuant to the provisions of this Agreement have been duly authorized by all necessary municipal action on the part of the City.

(ii) The City is not a "foreign person" as such term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

(iii) To the City's knowledge, there are no pending or threatened condemnations or similar proceedings to take any portion of the Property by power of eminent domain.

(b) **UCF's Representations and Warranties.** UCF hereby represents and warrants to the City as follows:

(i) UCF is a Florida public state university and is part of the State University System in the State of Florida, and UCF has obtained the necessary approvals from its governmental board and has the power and authority to carry on its business as now being conducted and to own and operate the properties and assets now owned and being operated by it.

(ii) UCF has the requisite legal power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery and performance of this Agreement and any other agreements and documents to be executed and delivered by UCF pursuant to the provisions of this Agreement have been duly authorized by all necessary action on the part of UCF. This Agreement has been duly executed and delivered on behalf of UCF and is a legal, valid, and binding obligation of UCF enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles relating to or affecting the enforcement of creditors' rights.

11. **Agents.** The City and UCF each represent and warrant to the other that it has not engaged the services of any agent, broker, or other similar party who is seeking a commission in connection with this transaction.

12. **Notices.**

(a) Any notice under this Agreement shall be in writing and shall be deemed to have been served and received (i) when delivered in person to the address set forth below for the party to whom the notice is given, (ii) within 3 business days if placed in the United States mail, return receipt requested, addressed to such party at the address specified below, (iii) the next business day if deposited into the custody of FedEx Corporation to be sent by FedEx Overnight Delivery or other reputable overnight carrier for next day delivery, addressed to the party at the address specified below, or (iv) upon transmission if electronically transmitted to the party at the email address or telecopy number listed below, provided that the electronic transmission is confirmed by the recipient on the date of the transmission.

(b) Addresses:

City's Address:

City of Orlando  
400 South Orange Avenue, 6<sup>th</sup> Floor  
Orlando, Florida 32801  
Attn: Brooke R. Bonnett, AICP, Director

With a copy to:  
City of Orlando  
400 South Orange Avenue, 3<sup>rd</sup> floor  
Orlando, Florida 32801  
Attn: City Attorney

UCF's Address:

University of Central Florida  
4365 Andromeda Loop North  
Orlando, Florida 32816  
Attn: A. Dale Whittaker, Executive Vice  
President and Provost

With a copy to:

University of Central Florida  
4365 Andromeda Loop North, Suite 360  
Orlando, Florida 32816  
Attn: W. Scott Cole, Vice President and  
General Counsel

Escrow Agent:

From time to time either party may designate another address or telecopy number under this Agreement by giving the other party advance written notice of the change.

13. **Termination, Default, and Remedies.**

(a) If UCF fails or refuses to consummate the purchase of the Property pursuant to this Agreement on or before the date of Closing for any reason other than the City's prior failure to perform the City's material obligations under this Agreement, then the City, as its sole and exclusive remedy, shall have the right to terminate this Agreement by giving written notice thereof to UCF on or before the date of Closing, whereupon neither Party hereto shall have any further rights or obligations hereunder except those which expressly survive termination of the Agreement.

(b) If the City fails or refuses to consummate the sale of the Property pursuant to this Agreement on or before the date of Closing or fails to perform any of the City's material obligations hereunder for any reason other than due to UCF's prior failure to perform UCF's material obligations under this Agreement, then UCF, at UCF's option, shall have the right to (i) terminate this Agreement by giving written notice thereof to the City on or before the date of Closing and neither Party hereto shall have any further rights or obligations hereunder except those which expressly survive termination of the Agreement and (ii) file, within thirty (30) days after the date of the alleged material breach by the City, an action for specific performance.

(c) In no event shall UCF or the City be liable for any special, indirect, punitive, exemplary, incidental or consequential loss or damages of any natures howsoever caused, and whether based on contract, tort (including negligence), indemnity, strict liability or any other theory of the law.

14. **Entire Agreement/Amendment.** This Agreement and any written addenda and all exhibits hereto (which are expressly incorporated herein by this reference) shall constitute the entire agreement between UCF and the City; no prior written or prior or contemporaneous oral promises or representations shall be binding. All prior understandings and agreements between the Parties with respect to the subject matter of this Agreement are merged within this Agreement, which alone fully and completely sets forth the understanding of the Parties with respect thereto. This Agreement shall not be amended, changed or extended except by written instrument signed by both parties hereto.

15. **Successors and Assigns.** Subject to the restrictions on transfer set forth in this Agreement, this Agreement shall be binding upon and inure to the benefits of the heirs, successors and assigns of the parties hereto. In no event shall UCF have any right to delay or postpone the Closing to create a partnership, corporation or other form of business association or to obtain financing to acquire title to the Property or to coordinate with any other sale, transfer, exchange or conveyance. This Agreement is for the sole benefit of the Parties hereto and no other person or entity shall be a third party beneficiary hereunder.

16. **Assignment.** This Agreement is personal to the City and UCF and the City and UCF shall not be entitled to assign such rights under this Agreement.

17. **Time of the Essence.** Time is of the essence under this Agreement.

18. **Taking Prior to Closing.** If, prior to Closing, the Property or any portion thereof becomes subject to a taking by virtue of eminent domain, UCF may, in UCF's sole discretion, either (i) terminate this Agreement and neither Party shall have any further rights or obligations hereunder, or (ii) proceed with the Closing of the transaction.

19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

20. **Attorneys' Fees.** If any action or proceeding is commenced by either Party to enforce their rights under this Agreement or to collect damages as a result of the breach of any of the provisions of this Agreement, neither Party in such action or proceeding, including any bankruptcy, insolvency or appellate proceedings, shall be entitled to recover costs and expenses, including, without limitation, attorneys' fees and court costs, in addition to any other relief awarded by the court. The provisions of this Section will survive the Closing or the termination of this Agreement.

21. **Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect and the underlying intent of the Agreement can be maintained, such invalidity, illegality, or unenforceability will not affect any other provision, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

22. **Business Days.** If the date of Closing or the day for performance of any

act required under this Agreement falls on a Saturday, Sunday, or legal holiday, then the date of Closing or the day for such performance, as the case may be, shall be the next following regular business day.

23. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which will be deemed an original, but which together will constitute one instrument.

24. **Intentionally Deleted**

25. **Fire and Other Casualty.** In the event of damage by fire or other casualty to the Property prior to the Closing UCF may, in UCF's sole discretion, either (i) terminate this Agreement and neither Party shall have any further rights or obligations hereunder, or (ii) proceed with the Closing, and as such, would be entitled to any insurance proceeds available..

26. **Extensions.** The Real Estate Manager for the City of Orlando, Florida, in her absolute discretion, may act on City's behalf in connection with any and all actions required deemed expedient of City as described in this Agreement and that in her discretion, she may on behalf of City, elect to extend each and every deadline or any timeframe set forth in this Agreement for a period of up to ninety (90) days.

27. **Disclaimer.** UCF represents and warrants that UCF has, or shall have inspected tests and studies of the Property, and that UCF is or will be familiar, in all respects, with the condition of the Property. UCF represents and warrants that UCF is acting, and will act only, upon information obtained by UCF directly from the related inspection of the Property and that no person acting on behalf of City is authorized to make, and that no person has made any representation, agreement, statement, warranty, guarantee or promise regarding the Property or the transaction contemplated herein or the zoning, construction, physical condition or other status of the Property except as may be expressly set forth in this Agreement.

28. **As Is, Where is Condition.** UCF ACKNOWLEDGES AND AGREES THAT, EXCEPT AS MAY BE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER CITY NOR ANY OF CITY'S OFFICERS, DIRECTORS, ELECTED OR UNELECTED OFFICIALS, EMPLOYEES, MEMBERS, PRINCIPALS, OR AFFILIATES NOR ANY OF THEIR AGENTS OR REPRESENTATIVES HAS MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, OR GUARANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) THE VALUE OF THE PROPERTY; (II) THE INCOME TO BE DERIVED FROM THE PROPERTY; (III) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH UCF MAY CONDUCT THEREON; (IV) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (V) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (VI) THE

NATURE, QUALITY OR CONDITION OF THE PROPERTY; (VII) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (VIII) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY; (IX) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS; (X) THE PRESENCE OR ABSENCE OF HAZARDOUS SUBSTANCES, MATERIALS OR WASTES, POLLUTANTS OR CONTAMINANTS, MOLD, OR OTHER CONDITIONS AFFECTING HEALTH AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (XI) THE CONFORMITY OF THE IMPROVEMENTS TO ANY PLANS OR SPECIFICATIONS FOR THE PROPERTY; (XII) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (XIII) DEFICIENCY OF ANY DRAINAGE; (XIV) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROPERTY; (XV) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE, SINKHOLE, FLOOD ZONE OR OTHER NATURAL HAZARD; (XVI) SERVICE OF THE PROPERTY BY WATER, POWER AND/OR ANY OTHER UTILITY; OR (XVII) WITH RESPECT TO ANY OTHER MATTER. AS PART OF UCF'S AGREEMENT TO PURCHASE AND ACCEPT THE PROPERTY "AS-IS WHERE-IS," AND NOT AS A LIMITATION ON SUCH AGREEMENT, UCF HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL ACTUAL OR POTENTIAL RIGHTS UCF MIGHT HAVE REGARDING ANY FORM OF WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR TYPE, RELATING TO THE PROPERTY. SUCH WAIVER IS ABSOLUTE, COMPLETE, TOTAL AND UNLIMITED IN ANY WAY. SUCH WAIVER INCLUDES, BUT IS NOT LIMITED TO, A WAIVER OF EXPRESS WARRANTIES, IMPLIED WARRANTIES, WARRANTIES OF FITNESS FOR A PARTICULAR USE, WARRANTIES OF MERCHANTABILITY, WARRANTIES OF HABITABILITY, STRICT LIABILITY RIGHTS, AND CLAIMS, LIABILITIES, DEMANDS OR CAUSES OF ACTION OF EVERY KIND AND TYPE, WHETHER STATUTORY, CONTRACTUAL OR UNDER TORT PRINCIPLES, AT LAW OR IN EQUITY.

29. **Hazardous Materials.** If UCF discovers any hydrocarbon substances, polychlorinated biphenyls, or any other hazardous or toxic substances, wastes or materials (as determined under federal, state or local law then in effect), asbestos or asbestos-bearing materials or other environmental condition subject to legal requirements for corrective action or affecting the Property, UCF shall immediately notify City, and if such discovery is made after the Closing, UCF shall cause the condition to be corrected in accordance with applicable law.

30. **Waiver of Trial By Jury.** UCF AND CITY HEREBY AGREE AS FOLLOWS: (A) EACH OF THEM KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR

OTHER LITIGATION (AN “ACTION”) BASED UPON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY RELATED DOCUMENTS, INSTRUMENTS, OR AGREEMENTS (WHETHER ORAL OR WRITTEN AND WHETHER EXPRESS OR IMPLIED AS A RESULT OF A COURSE OF DEALING, A COURSE OF CONDUCT, A STATEMENT, OR OTHER ACTION OF EITHER PARTY); (B) NEITHER OF THEM MAY SEEK A TRIAL BY JURY IN ANY SUCH ACTION; (C) NEITHER OF THEM WILL SEEK TO CONSOLIDATE ANY SUCH ACTION (IN WHICH A JURY TRIAL HAS BEEN WAIVED) WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED; AND (D) NEITHER OF THEM HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER OF THEM THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

31. **Sovereign Immunity.** UCF is a state university and City is a Florida municipal corporation, both of whom have limits of liability set forth in section 768.28, Florida Statutes, and nothing herein shall be construed to extend the liabilities of UCF or City beyond that provided in section 768.28, Florida Statutes. Further, nothing herein is intended as a waiver of UCF or City’s sovereign immunity under section 768.28, Florida Statutes. Nothing hereby shall inure to the benefit of any third party for any purpose, including but not limited to, anything which might allow claims otherwise barred by sovereign immunity or operation of law.

32. **Radon Gas.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health department. [Note: This paragraph is provided for informational purposes.]

33. **Annual Appropriations.** The University’s performance and obligations under this Agreement are subject to and contingent upon the legislature’s annual appropriations by the Florida Legislature and other funding sources.

34. **Personal Property.** City and UCF acknowledge that all personal property contained at or on the Property is the personal property of UCF and no personal property needs to be conveyed or removed at Closing.

35. **MOU.** Nothing contained herein shall terminate the obligations set forth in the MOU, including but not limited to, road construction, site acquisition, sanitary sewer capacity and storm water infrastructure.

**Signatures appear on following pages**

*City Execution Page*

**IN WITNESS WHEREOF**, the Parties have caused these presents to be executed on the day and year indicated above.

**CITY**

Witnesses (two are required):

\_\_\_\_\_

Printed name: \_\_\_\_\_

\_\_\_\_\_

Printed name: \_\_\_\_\_

CITY OF ORLANDO, FLORIDA  
a municipal corporation of the State of  
Florida

By: \_\_\_\_\_  
Buddy Dyer, Mayor

Approved as to form and legality  
For the use and reliance of the  
City of Orlando only

\_\_\_\_\_, 2017

\_\_\_\_\_  
Assistant City Attorney

**ATTEST:**

\_\_\_\_\_  
City Clerk

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_, as \_\_\_\_\_, of \_\_\_\_\_, who is/are personally known to me or who has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of Florida

\_\_\_\_\_  
Print/Type Notary Name  
Commission Number:  
Commission Expires:

**UCF**

Witnesses (two are required):

UNIVERSITY OF CENTRAL FLORIDA,  
ON BEHALF OF ITS BOARD OF  
TRUSTEES

\_\_\_\_\_

Printed name: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Printed name: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of  
\_\_\_\_\_, 2017, by \_\_\_\_\_, as  
\_\_\_\_\_, of \_\_\_\_\_, who is/are personally  
known to me or who has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of Florida

\_\_\_\_\_  
Print/Type Notary Name

Commission Number:  
Commission Expires:

Approved as to form and legality  
For the use and reliance of the  
UCF only

\_\_\_\_\_, 2017

\_\_\_\_\_  
Associate General Counsel

EXHIBIT "A"  
PROPERTY (Pending Legal)

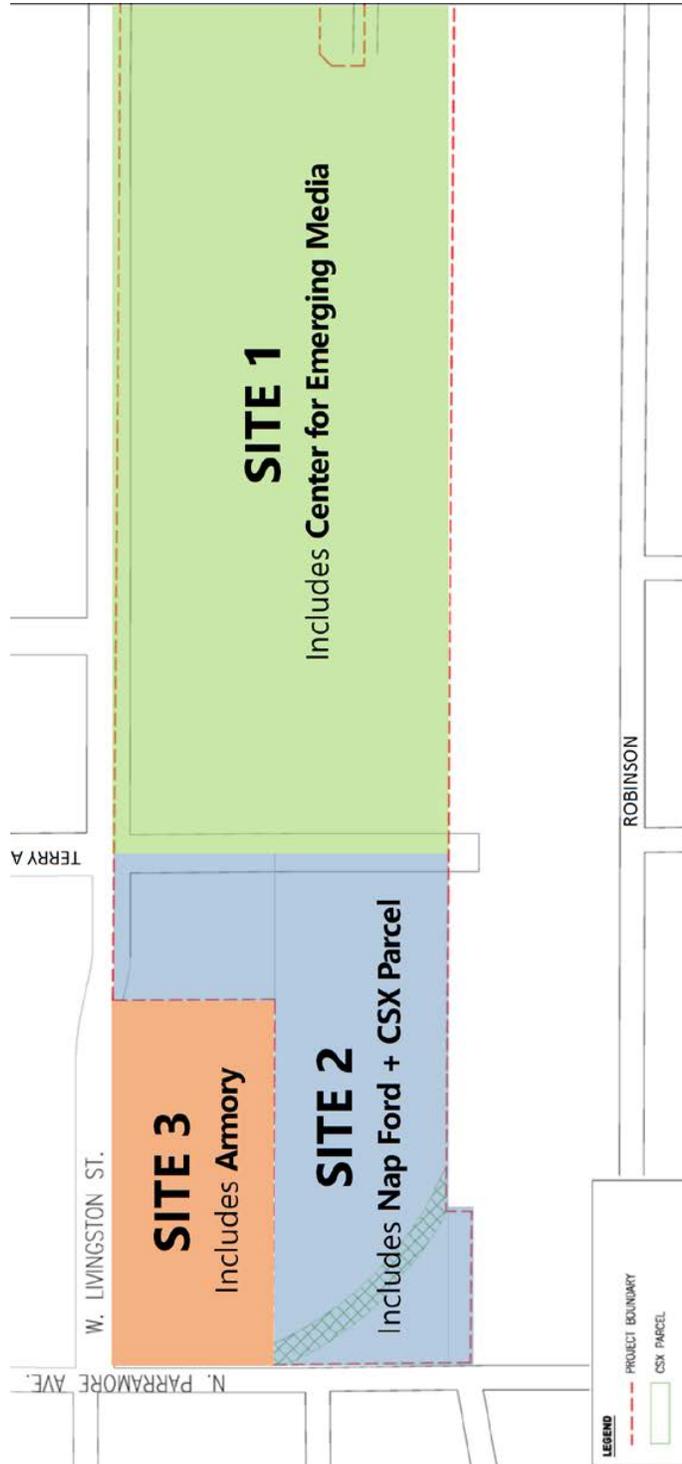
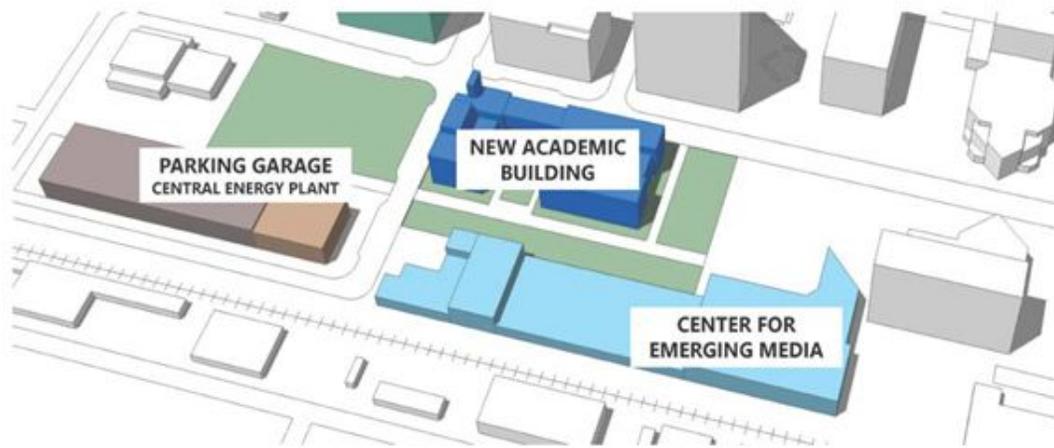


EXHIBIT "B"  
PROJECT CONCEPTUAL PLAN



**ITEM: FFC-6**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** UCF Finance Corporation Renewal of Letter of Credit

**DATE:** February 22, 2017

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**PROPOSED COMMITTEE ACTION**

The UCF Finance Corporation seeks approval to renew a three-year Letter of Credit with Fifth Third Bank backing \$51,315,000 of outstanding bonds for the Burnett School of Biomedical Sciences research facility located on the Health Sciences Campus at Lake Nona.

**BACKGROUND INFORMATION**

In 2007, the UCF Finance Corporation issued \$60,000,000 in variable-rate demand bonds secured by a 10-year Letter of Credit with Fifth Third Bank. The Corporation, hedging against rising interest rates at the time, also entered a 30-year swap agreement to synthetically fix the interest rate at 4.376 percent. The Letter of Credit expires in June 2017, and the financing team recommends its renewal.

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**Supporting documentation:** Attachment A: Renewal letter from Fifth Third Bank

**Prepared by:** John C. Pittman, Associate Vice President for Administration and Finance,  
Debt Management

**Submitted by:** William F. Merck II, Vice President for Administration and Finance  
and Chief Financial Officer

Attachment A



February 15, 2017

Mr. John C. Pittman  
Associate Vice President  
Debt Management  
University of Central Florida  
4365 Andromedia Loop N.  
Millican Hall, Suite 384  
Orlando, FL 32816-0020

Re: Extension of Letter of Credit - Letter of Credit Agreement dated June 1, 2007 for Series 2007 UCF Finance Corporation's Capital Improvement Revenue Bonds - \$51.9 million outstanding

Dear John,

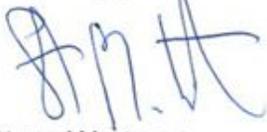
I am pleased to provide this letter constituting the Commitment of Fifth Third Bank ("Lender") to extend the existing Letter of Credit which is currently set to expire on June 14, 2017. The Letter of Credit will be extended for a three (3) year period with a new expiration date of June 14, 2020 (the "Commitment Term"). With this extension, the annual fee for the Letter of Credit will be 1.75% of the "Stated Amount", as described in the Letter of Credit.

All other terms and conditions associated with the existing Letter of Credit shall remain in place for the duration of the Commitment Term.

This Commitment is based upon the accuracy of your representations and statements, and all information, exhibits and other matters submitted to Lender for consideration. Lender shall have the option to amend or rescind this Commitment if there shall have been any material misrepresentation or misstatement or any material error in anything submitted to Lender, or if prior to the extension, there shall have been a material adverse change in the financial condition of UCF Finance Corporation.

John, we look forward to a successful conclusion for this Letter of Credit extension for UCF Finance Corporation. Please feel free to call me at 407-999-3276 with any questions you may have.

Very truly yours,



Steve Wortman  
Vice President  
Commercial Relationship Manager  
Fifth Third Bank  
200 East Robinson Street  
Orlando, Florida 32801

Cc: Mr. James Weiss, Fifth Third Bank  
Mr. Mark Galvin, Hilltop Securities, Inc.

333054

**ITEM: INFO-1**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Technology Fee Report

**DATE:** February 22, 2017

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For information only.

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**Supporting documentation:** Attachment A: Technology Fee Award Summary

**Prepared by:** Joel Hartman, Vice Provost for Information Technologies and Resources  
and Chief Information Officer

**Submitted by:** Dale Whittaker, Provost and Executive Vice President

Attachment A

**Technology Fee Award Summary**

	2009-10 thru			Cumulative
	2015-16	2016-17	Cumulative Total	Total Awarded per College/Unit
Proposals Submitted	504	63	567	
Proposals Types Requested:				
<i>Student-facing</i>	391	55	446	
<i>Faculty-facing</i>	18	0	18	
<i>Infrastructure</i>	95	8	103	
Total Budget Requested	\$ 104,200,895	\$ 10,678,802	\$ 114,879,697	
Proposals Funded	346	45	391	
Proposals Types Funded:				
<i>Student-facing</i>	259	38	297	
<i>Faculty-facing</i>	10	0	10	
<i>Infrastructure</i>	77	7	84	
Total Budget Funded	\$ 57,331,820	\$ 8,034,572	\$ 65,366,392	
<b>Colleges or Units: Awarded - Requested</b>				
Academic Affairs	1 of 3	0 of 0	1 of 3	\$ 96,993
Burnett Honors College	6 of 8	1 of 1	7 of 9	\$ 692,130
College of Arts and Humanities	56 of 67	9 of 11	65 of 78	\$ 5,231,204
College of Business Administration	5 of 7	2 of 2	7 of 9	\$ 1,490,657
College of Education and Human Performance	44 of 79	6 of 8	50 of 87	\$ 5,864,776
College of Electrical Engineering and Computer Science	26 of 43	3 of 3	29 of 46	\$ 5,566,082
College of Graduate Studies	4 of 5	0 of 0	4 of 5	\$ 226,425
College of Health and Public Affairs	13 of 23	0 of 0	13 of 23	\$ 3,506,387
College of Medicine	8 of 16	1 of 1	9 of 17	\$ 678,178
College of Nursing	8 of 9	1 of 2	9 of 11	\$ 1,163,740
College of Optics and Photonics	8 of 8	1 of 1	9 of 9	\$ 1,143,035
College of Sciences	50 of 66	8 of 18	58 of 84	\$ 10,541,007
Information Technologies and Resources	67 of 85	6 of 8	73 of 93	\$ 18,488,484
Office of Research and Commercialization	1 of 3	0 of 0	1 of 3	\$ 531,461
Office of the President	2 of 2	0 of 0	2 of 2	\$ 370,000
Regional Campuses	23 of 31	3 of 3	25 of 34	\$ 5,553,052
Rosen College of Hospitality Management	7 of 12	1 of 1	8 of 13	\$ 1,955,558
Student Development and Enrollment Services	16 of 34	2 of 3	18 of 37	\$ 1,163,208
Office of Undergraduate Studies	1 of 3	1 of 1	2 of 4	\$ 1,104,015
<b>Cumulative Total</b>				<b>\$ 65,366,392</b>

**ITEM: INFO-2**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** UCF Investments Quarterly Report Ended December 31, 2016

**DATE:** February 22, 2017

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For information only.

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**Supporting documentation:** Attachment A: UCF Investments Quarterly Report

**Prepared by:** Tracy Clark, Associate Provost for Budget, Planning, and  
Administration and Associate Vice President for Finance

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and  
Chief Financial Officer

Attachment A

University of Central Florida  
**Total Operating Portfolio Summary<sup>(1)</sup>**  
 As of December 31, 2016

Cash & Non-Investment Portfolio	6/30/2016 Reported Value	9/30/2016 Reported Value
Bank of America	\$12,841,351	\$1,319,459
Valley National Bank - Money Market (formerly CNL)	\$5,015	\$5,019
SPIA	\$305,963,187	\$401,006,285
<b>Total Cash &amp; Non-Investment Portfolio</b>	<b>\$318,809,553</b>	<b>\$402,330,762</b>

12/31/2016 Reported Value
\$17,065,593
\$5,022
\$310,661,000
<b>\$327,731,615</b>

Structured Investment Portfolio (BNY)	6/30/2016 Market Value	9/30/2016 Market Value	3rd Quarter Gain/(Loss)	12/31/2016 Market Value	4th Quarter Gain/(Loss)	Inception Gain/(Loss) <sup>(2)</sup>
<b>Pool I</b>	<b>\$30,017,041</b>	<b>\$0</b>	<b>\$19,231</b>	<b>\$0</b>	<b>\$4,428</b>	<b>\$85,786</b>
<b>Pool II</b>	<b>\$20,378,297</b>	<b>\$50,389,636</b>	<b>\$32,034</b>	<b>\$50,426,244</b>	<b>\$44,301</b>	<b>\$604,277</b>
Fixed Income (Pool III) <sup>(3)</sup>	\$104,162,860	\$104,319,795	\$186,463	\$103,382,890	(\$897,548)	\$11,095,441
Domestic Equity (Pool III)	\$20,862,633	\$21,664,872	\$802,239	\$22,492,032	\$827,161	\$12,594,269
<b>Total Pool III</b>	<b>\$125,025,493</b>	<b>\$125,984,667</b>	<b>\$988,702</b>	<b>\$125,874,922</b>	<b>(\$70,387)</b>	<b>\$23,689,710</b>
Fixed Income (Pool IV) <sup>(4)</sup>	\$26,729,203	\$27,004,111	\$259,516	\$26,288,190	(\$695,803)	\$5,631,219
Domestic Equity (Pool IV)	\$40,951,221	\$42,525,933	\$1,574,712	\$44,149,565	\$1,623,632	\$25,127,370
International Equity (Pool IV)	\$9,147,087	\$9,896,883	\$749,796	\$9,484,451	(\$412,431)	\$1,824,755
<b>Total Pool IV</b>	<b>\$76,827,511</b>	<b>\$79,426,927</b>	<b>\$2,584,023</b>	<b>\$79,922,207</b>	<b>\$515,398</b>	<b>\$32,583,344</b>
<b>Total Structured Investment Portfolio</b>	<b>\$252,248,342</b>	<b>\$255,801,229</b>	<b>\$3,623,990</b>	<b>\$256,223,373</b>	<b>\$493,741</b>	<b>\$56,963,119</b>

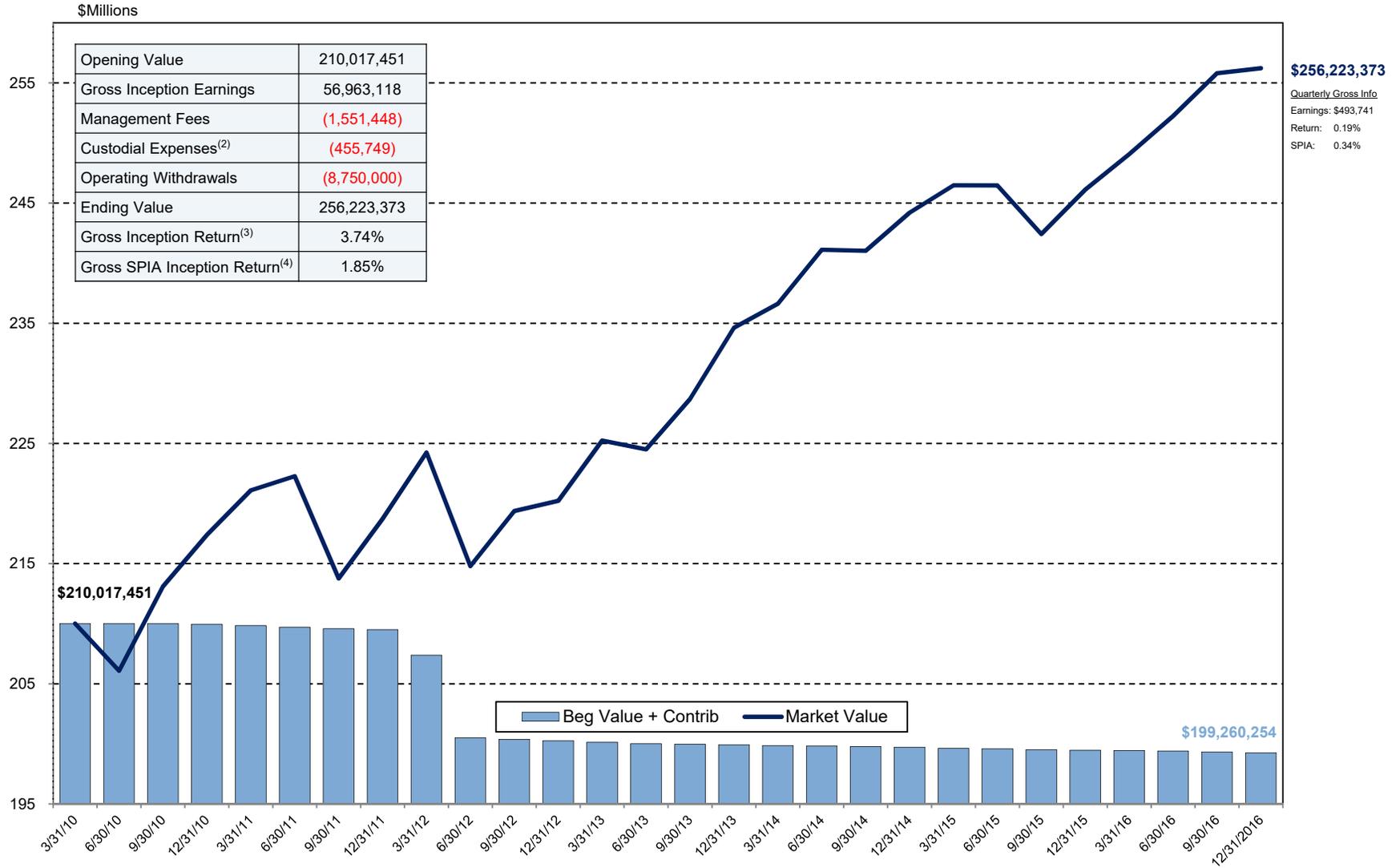
<b>Total Operating Portfolio</b>	<b>\$624,452,335</b>	<b>\$571,057,895</b>
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<b>\$583,954,987</b>	<b>Total Equity Allocation</b>	<b>13.04%</b>
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1. The portfolio gain/(loss) data is presented gross of management fees and portfolio expenses but net of physical cash flows.  
 2. The inception date for analysis is 3/31/10. The actual funding of the various portfolios occurred during March 2010.  
 3. Pool III's fixed Income market value includes the \$11,170 cash balance held in the Pool III mutual fund account.  
 4. Pool IV's fixed Income market value includes the \$36,020 cash balance held in the Pool IV mutual fund account.



**University of Central Florida**  
**Structured Investment Portfolio vs. Net Contributions<sup>(1)</sup>**  
 As of December 31, 2016



1. Net contributions include cash flows associated with management fees, portfolio expenses and physical cash flows  
 2. Custodial expense figure is reduced by commission recapture income received  
 3. Annualized performance number. Net of management fees inception earnings = \$55,411,670. Net inception return = 3.63%  
 4. The gross SPIA inception return corresponds with the 3/31/10 inception of UCF's investment portfolio. Net inception SPIA return = 1.73%



**University of Central Florida**  
**Structured Investment Portfolio Investment Policy Compliance Checklist<sup>(1)</sup>**  
 As of December 31, 2016

Pool I:	Yes	No	N/A
Investments limited to registered 2a-7 mutual funds, CDARS, and or/SPIA.			✓

Pool II:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA+" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the Merrill Lynch 1-Year Treasury index by 25%.	✓		
The maximum average effective maturity of any single security shall not exceed 3 years.	✓		
Operating Pool II shall maintain a dollar-weighted average effective maturity of 1 years or less.	✓		

Pool III Equity:	Yes	No	N/A
Investments in equity securities shall not exceed twenty percent (20%) of the market value of Operating Pool III's assets.	✓		

Pool III Fixed:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "A-" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "AA-" or higher.	✓		
The duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		
Operating Pool III shall maintain a dollar-weighted average effective maturity of 7 years or less.	✓		

Pool IV Equity:	Yes	No	N/A
Investment in equity securities shall not exceed seventy-five percent (75%) of the market value of Operating Pool IV's assets.	✓		
Foreign securities shall not exceed twenty-percent (20%) of the market value of Operating Pool IV's assets.	✓		

Pool IV Fixed:	Yes	No	N/A
All fixed income investments shall maintain a minimum rating of "investment grade" or higher by a major credit rating service.	✓		
The weighted average quality of the fixed income portfolio shall maintain a rating of "A-" or higher.	✓		
Duration of the fixed income portfolio shall not exceed the effective duration of the benchmark by 50%.	✓		

1. Taken as an excerpt from the UCF quarterly performance evaluation report. Individual managers are also measured on an ongoing basis against a combination of 15 quantitative and qualitative criteria.



Target Policy Summary	
Pool I	100% 90 Day US T-Bills
Pool II	75% ML 1-Year Treasury + 25% 90 Day US T-bills
Pool III	85% ML 1-5 Year G/C A or Better + 15% S&P 500
Pool IV	35% Barclays Agg + 50% S&P 500 + 15% MSCI-ACWxUS

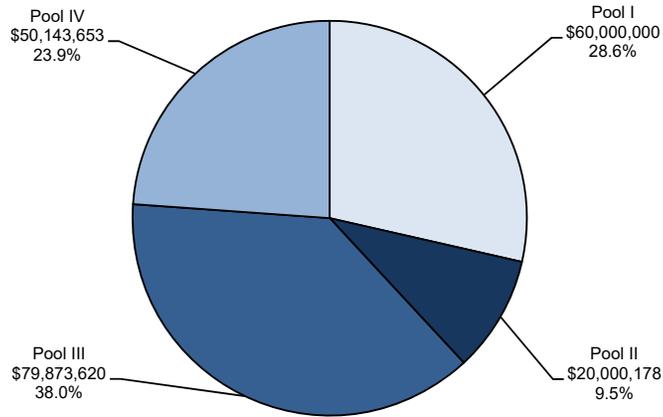
<b>Pool I</b>	<b>\$0</b>	<b>Current Allocation</b>	<b>Pool II</b>	<b>\$50,426,244</b>	<b>Current Allocation</b>
<b>Cash &amp; Equivalents</b>	<b>\$0</b>	<b>100.0%</b>	<b>Short-Term Fixed Income</b>	<b>\$50,426,244</b>	<b>100.0%</b>
Fidelity Money Market	\$0		Galliard Capital Management	\$50,426,244	
<b>Pool III</b>	<b>\$125,874,922</b>	<b>Current Allocation</b>	<b>Pool IV</b>	<b>\$79,922,207</b>	<b>Current Allocation</b>
<b>Intermediate Fixed Income (85%)</b>	<b>\$103,382,890</b>	<b>82.1%</b>	<b>Broad Market Fixed Income (35%)</b>	<b>\$26,288,190</b>	<b>32.9%</b>
Galliard Capital Management	\$55,764,689		Galliard Capital Management	\$18,540,049	
Sawgrass Asset Management <sup>(1)</sup>	\$47,618,201		Dodge & Cox Income <sup>(2)</sup>	\$7,748,141	
<b>Domestic Equity (15%)</b>	<b>\$22,492,032</b>	<b>17.9%</b>	<b>Domestic Equity (50%)</b>	<b>\$44,149,565</b>	<b>55.2%</b>
Vanguard Institutional Index	\$22,492,032		Vanguard Institutional Index	\$44,149,565	
			<b>International Equity (15%)</b>	<b>\$9,484,451</b>	<b>11.9%</b>
			Europacific Growth	\$9,484,451	

1. Pool III's Sawgrass Asset Management's market value includes the \$11,170 cash balance held in the Pool III mutual fund account.  
 2. Pool IV's Dodge & Cox Income market value includes the \$36,020 cash balance held in the Pool IV mutual fund account.

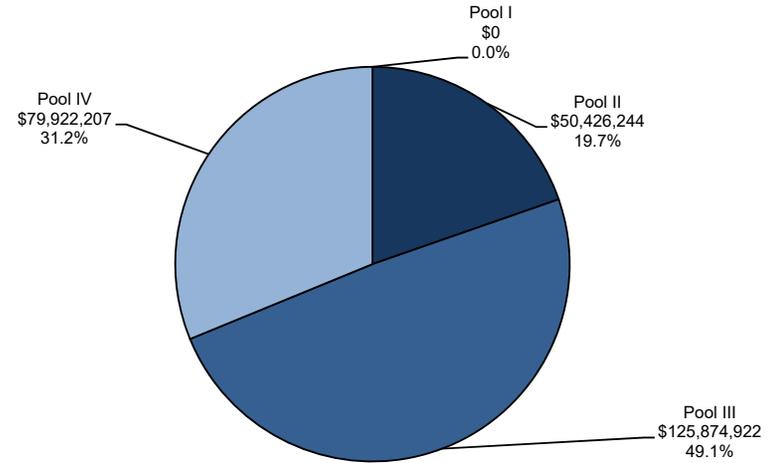


**University of Central Florida**  
**Initial Pool & Asset Allocation vs. Current Structured Investment Portfolio**  
 As of December 31, 2016

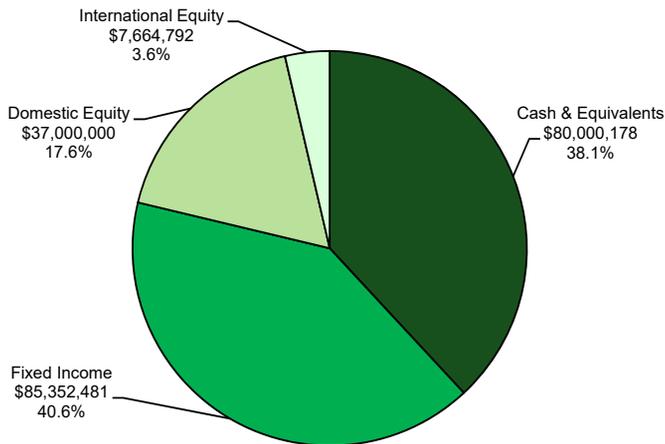
**3/31/2010: \$210,017,451**  
**Pool Allocation**



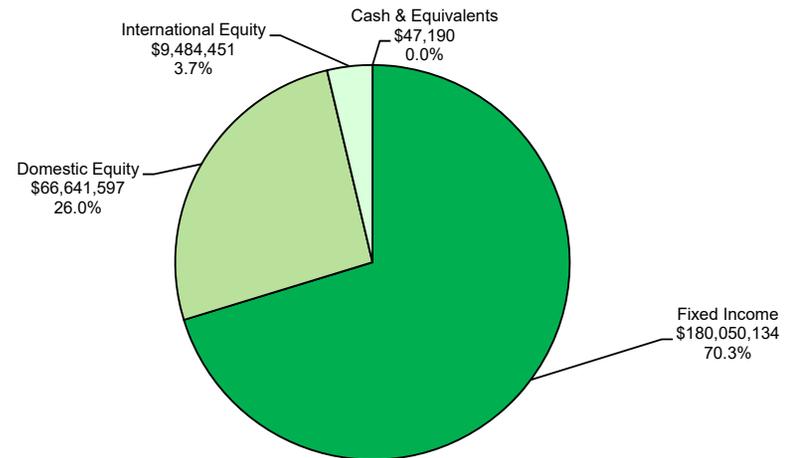
**12/31/2016: \$256,223,373**  
**Pool Allocation**



**Asset Allocation**



**Asset Allocation**



**ITEM: INFO-3**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** University Operating Budget Report Quarter Ended December 31, 2016

**DATE:** February 22, 2017

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For information only.

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**Supporting documentation:** Attachment A: UCF Operating Budget Quarterly Report

**Prepared by:** Tracy Clark, Associate Provost for Budget, Planning, and  
Administration and Associate Vice President for Finance

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and  
Chief Financial Officer

Attachment A

**University of Central Florida  
Operating Budget Status**

**December 31, 2016**

*Year-to-Date Activity and Variances*

The attached reports include revenues and expenditures for the six months ended December 31, 2016, compared to the operating budget. Student credit hours are higher than the enrollment plan by 1.1 percent and are higher than the prior year by 3 percent. Revenue and expenditures as a percentage of budget are consistent with prior year. Overall, revenues and expenditures as a percent of the operating budget are 52 percent and 40 percent, respectively. Specific activities and variances in certain budget categories are described below.

Educational & General

E&G revenues increased \$32.3 million. Tuition and fees increased \$11.1 million, which is primarily due to growth in enrollment including an increase in out-of-state students. State appropriations increased \$20.9 million, primarily due to new performance-based funding, emerging-preeminence funding, and funding for the Center for Students with Unique Abilities.

E&G expenditures increased by \$11.5 million. Salaries and benefits increased \$10.1 million, which includes headcount, pay rate, and related employer contributions for benefits increases.

Medical School

Medical school revenues decreased by \$0.6 million due to the timing of receipt of tuition payments from U.S. military agencies and fewer out-of-state students.

Total medical school expenditures increased by \$1.8 million, primarily due to salaries and benefits increases.

Auxiliary

Revenues increased by \$7 million from various sources, including market rate programs, sponsorships, College of Medicine residency programs, and interest income.

Expenditures increased by \$2.8 million, primarily due to salaries and benefits increases.

Sponsored Research

Revenues to date increased by \$1.3 million, primarily related to increases in private grant funds.

## **University of Central Florida Operating Budget Status**

**December 31, 2016**

Expenditures to date increased \$2.7 million, primarily due to salaries and benefits increasing by \$1.9 million and the funding to student financial aid for institutional awards of \$0.7 million.

### Student Financial Aid

Revenues increased \$0.5 million. Federal funding for loans decreased \$2.1 million and was offset by an increase in Pell Grants of \$0.5 million. State funding for Bright Futures decreased by \$3.3 million and was offset by an increase in other state awards by \$0.9 million. Private loans and scholarship funding increased \$1.1 million. Institutional funding increased \$3 million, primarily related to timing differences between funding for merit awards between the two years, as well as new funding for doctoral fellowships for research awards.

Expenditures decreased \$0.6 million. Federal-funded awards decreased \$1.6 million. State-funded awards decreased \$1.1 million. Private-funded awards increased \$1.2 million. Institutional grants increased \$1.2 million.

### Student Activities

Revenues were consistent with prior year. Expenses increased \$1.1 million, primarily due to repayment of a short-term advance from auxiliary general operations.

### Concessions

Revenues increased due to the timing of receipt of commission and sponsorship revenue from Coca-Cola. Expenses increased by \$0.3 million to support the construction of academic buildings.

### Technology Fee

Technology fee revenues were consistent with the prior year. Technology fee expense variances are due to timing differences in the progress of the various projects. Approximately 68 percent of 2015-16 and 91 percent of the prior years' awarded funds have been spent or transferred to Computer Services and Telecommunications for projects completed or in progress.

# University of Central Florida Operating Budget Report

as of December 31, 2016 (50% of year)

## 2016-17

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 421,543,165	\$ 293,915,979	\$ 758,903,400	38.7%	55.5%	\$ 127,627,186	\$ 156,615,927
Medical School	17,024,127	21,293,432	58,902,394	36.2%	28.9%	(4,269,306)	20,959,005
Auxiliary Enterprises	127,233,449	93,451,329	251,990,997	37.1%	50.5%	33,782,120	167,003,290
Sponsored Research	68,782,235	67,108,773	160,694,000	41.8%	42.8%	1,673,462	23,155,510
Student Financial Aid	271,692,443	225,234,612	513,219,163	43.9%	52.9%	46,457,830	28,184,468
Student Activities	16,069,119	9,920,927	23,750,000	41.8%	67.7%	6,148,192	9,832,332
Concessions	430,251	417,170	750,000	55.6%	57.4%	13,081	1,369,302
Technology Fee	7,034,361	3,043,242	9,100,000	33.4%	77.3%	3,991,119	8,648,574
	<b>\$ 929,809,149</b>	<b>\$ 714,385,464</b>	<b>\$ 1,777,309,954</b>	<b>40.2%</b>	<b>52.3%</b>	<b>\$ 215,423,686</b>	<b>\$ 415,768,408</b>

## 2015-16

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 389,207,535	\$ 282,406,704	\$709,837,313	39.8%	54.8%	\$ 106,800,831	\$ 171,602,281
Medical School	17,661,887	19,486,600	61,564,339	31.7%	28.7%	(1,824,713)	23,520,276
Auxiliary Enterprises	120,254,086	90,645,285	236,260,851	38.4%	50.9%	29,608,801	169,828,744
Sponsored Research	67,437,351	64,370,044	155,283,000	41.5%	43.4%	3,067,307	27,239,596
Student Financial Aid	271,147,093	225,819,261	507,419,674	44.5%	53.4%	45,327,832	27,646,086
Student Activities	16,112,154	8,843,389	20,500,000	43.1%	78.6%	7,268,765	9,020,033
Concessions	138,838	167,148	500,000	33.4%	27.8%	(28,311)	1,283,179
Technology Fee	7,346,994	1,941,379	9,100,000	21.3%	80.7%	5,405,614	7,347,815
	<b>\$ 889,305,937</b>	<b>\$ 693,679,811</b>	<b>\$ 1,700,465,177</b>	<b>40.8%</b>	<b>52.3%</b>	<b>\$ 195,626,126</b>	<b>\$ 437,488,009</b>

# University of Central Florida Operating Expenditure Report

as of December 31, 2016 (50% of year)

## 2016-17

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 184,905,245	\$ 105,334,226	\$ 3,676,509	\$ -	\$ 293,915,979	62.9%	35.8%	1.3%	-	100.0%
Medical School	14,527,155	5,375,325	1,390,953	-	21,293,432	68.2%	25.2%	6.5%	-	100.0%
Auxiliary Enterprises	32,258,750	52,691,235	941,657	7,559,687	93,451,329	34.5%	56.4%	1.0%	8.1%	100.0%
Sponsored Research	29,690,061	34,228,247	3,190,465	-	67,108,773	44.2%	51.0%	4.8%	-	100.0%
Student Financial Aid	1,794,000	223,440,612	-	-	225,234,612	0.8%	99.2%	-	-	100.0%
Student Activities	4,883,542	5,023,317	14,068	-	9,920,927	49.2%	50.6%	0.1%	-	100.0%
Concessions	1,178	415,992	-	-	417,170	0.3%	99.7%	-	-	100.0%
Technology Fee	169,373	2,433,395	440,473	-	3,043,242	5.6%	80.0%	14.5%	-	100.0%
	<u>\$ 268,229,303</u>	<u>\$ 428,942,349</u>	<u>\$ 9,654,125</u>	<u>\$ 7,559,687</u>	<u>\$ 714,385,464</u>	<u>37.5%</u>	<u>60.0%</u>	<u>1.4%</u>	<u>1.1%</u>	<u>100.0%</u>

## 2015-16

	Expenditures - Amount					Expenditures - Percent of Total				
	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total	Salaries and Benefits	Expenses	Capital Purchases	Debt Service	Total
Educational & General	\$ 174,726,135	\$ 102,748,886	\$ 4,923,100	\$ 8,583	\$ 282,406,704	61.9%	36.4%	1.7%	0.0%	100.0%
Medical School	12,714,983	5,667,101	1,104,515	-	19,486,600	65.2%	29.1%	5.7%	-	100.0%
Auxiliary Enterprises	28,269,304	53,879,298	947,507	7,549,177	90,645,285	31.2%	59.4%	1.0%	8.3%	100.0%
Sponsored Research	27,752,511	33,573,879	3,043,653	-	64,370,044	43.1%	52.2%	4.7%	-	100.0%
Student Financial Aid	2,131,639	223,687,623	-	-	225,819,261	0.9%	99.1%	-	-	100.0%
Student Activities	4,752,414	4,059,335	31,641	-	8,843,389	53.7%	45.9%	0.4%	-	100.0%
Concessions	2,862	164,286	-	-	167,148	1.7%	98.3%	-	-	100.0%
Technology Fee	539	1,427,684	513,157	-	1,941,379	0.0%	73.5%	26.4%	-	100.0%
	<u>\$ 250,350,387</u>	<u>\$ 425,208,091</u>	<u>\$ 10,563,573</u>	<u>\$ 7,557,760</u>	<u>\$ 693,679,811</u>	<u>36.1%</u>	<u>61.3%</u>	<u>1.5%</u>	<u>1.1%</u>	<u>100.0%</u>

# University of Central Florida Operating Budget Report

as of December 31, 2016 (50% of year)

## Statistical Information

### *Student Credit Hours*<sup>1</sup>

<i>Actual Compared to UCF Plan</i>	2016-17				2015-16			
	Actual	Plan	Difference	% Variance	Actual	Plan	Difference	% Variance
Summer	244,369	239,222	5,147	2.2%	233,465	229,982	3,483	1.5%
Fall <sup>4</sup>	689,965	685,040	4,925	0.7%	673,558	659,726	13,832	2.1%
Spring	-	-	-	-	-	-	-	-
	<u>934,334</u>	<u>924,262</u>	<u>10,072</u>	<u>1.1%</u>	<u>907,023</u>	<u>889,708</u>	<u>17,315</u>	<u>1.9%</u>

<i>Current Year Compared to Prior Year</i>	2016-17				2015-16			
	2016-17	2015-16	Difference	% Variance	2015-16	2014-15	Difference	% Variance
Summer	244,369	233,465	10,904	4.7%	233,465	225,671	7,794	3.5%
Fall <sup>4</sup>	689,965	673,558	16,407	2.4%	673,558	651,023	22,535	3.5%
Spring	-	-	-	-	-	-	-	-
	<u>934,334</u>	<u>907,023</u>	<u>27,311</u>	<u>3.0%</u>	<u>907,023</u>	<u>876,694</u>	<u>30,329</u>	<u>3.5%</u>

### *Additional Statistical Information*

	2016-17	2015-16	Difference	% Variance
Student headcount - Fall 2016 <sup>4</sup> and 2015	64,318	63,016	1,302	2.1%
Percent in-state students - Fall 2016 <sup>4</sup> and 2015	92.4%	93.3%	-0.9%	
Foundation endowment - June 30, 2016, and 2015	\$144,921,082	\$148,880,171	\$ (3,959,089)	-2.7%
Foundation assets - June 30, 2016, and 2015	\$301,206,225	\$289,918,298	\$ 11,287,927	3.9%
On-campus housing, including Greek housing <sup>2</sup>	6,907			
Rosen Campus housing <sup>2</sup>	384			
Affiliated housing <sup>2</sup>	3,756			
Managed housing <sup>2</sup>	594			
Gross square footage - Orlando Campus <sup>3</sup>	8,217,095			
Acreage - Orlando Campus <sup>3</sup>	1,415			

<sup>1</sup> Medical students are not included in student credit hours.

<sup>2</sup> As of September 2016.

<sup>3</sup> As of March 2016.

<sup>4</sup> Fall 2016 data is preliminary.

## University of Central Florida Operating Budget Status

December 31, 2016

### *Budgets*

**Educational & General.** The Educational & General budget includes expenditures for instructional activities and related administrative support. This budget is funded by general revenue, Educational Enhancement funds, and student fees. E&G student fees include tuition and out-of-state fees.

**Auxiliary Enterprises.** Auxiliary enterprises include those activities that are not instructional in nature but support the operation of the university. The primary auxiliary areas include Housing, Student Health Services, Parking Services, Computer Store, Telecommunications, Continuing Education, Dining Services, and the Bookstore. The auxiliaries must generate adequate revenue to cover expenditures and allow for future renovations and building or equipment replacement, if applicable. Several of the auxiliaries are partially or wholly funded by student fees, including Student Health Services, Parking Services, and Material and Supply Fees.

**Sponsored Research.** Sponsored research includes research activities that are funded by federal, state, local, and private funds.

**Student Financial Aid.** The student financial aid budget largely represents scholarship and loan funds that are received by the university and subsequently disbursed to students. Large disbursements of these funds occur at the beginning of the Fall and Spring semesters. The expenditures in this budget will, therefore, not coincide with the months remaining in the year.

**Student Activities.** The student activities budget is funded by the Activity and Service Fee paid by the students and includes expenditures for student government and student clubs and organizations. This budget also includes all expenditures for the Student Union and the Recreation and Wellness Center. Expenditures for these entities are funded by the Activity and Service Fee and by revenue generated through functions in the facilities.

**Concessions.** The concessions budget is funded from vending machine revenue. These funds are used for events and other expenditures that support the university.

**Technology Fee.** The technology fee was established in January 2009 as allowed by Florida Statute 1009.24. The university began charging 5 percent of the tuition per credit hour beginning in the Fall term of the 2009-10 academic year. A committee and guidelines for the allocation and use of the technology resources were established. The revenue from this fee will be used to enhance instructional technology resources for students and faculty.

**University of Central Florida  
Operating Budget Status**

**December 31, 2016**

*Expenditure Categories*

**Salaries and Benefits.** Salaries and benefits include salary payments, along with employer benefit costs, including FICA, health insurance, life insurance, disability insurance, and pre-tax benefits. Benefits are approximately 30 percent of salaries for permanent employees.

**Expenses.** Expenses include office supplies, repairs, maintenance costs, contract services, and all other items not included as salaries, capital purchases, or debt service.

**Capital Purchases.** Capital purchases include personal property with a value of \$5,000 or more and library resources with a value of \$250 or more, and an expected life of one year or more.

**Debt Service.** Debt service includes principal and interest payments on bonds and other loans within the university.

**ITEM: INFO-4**

**University of Central Florida  
Board of Trustees  
Finance and Facilities Committee**

**SUBJECT:** Direct Support Organizations' 2016-17 First-Quarter Financial Reports

**DATE:** February 22, 2017

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For information only.

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**Supporting documentation:** Attachment A: UCF Foundation

**Prepared by:** John C. Pittman, Associate Vice President for Administration and  
Finance, Debt Management

**Submitted by:** William F. Merck II, Vice President for Administration and Finance and  
Chief Financial Officer

Attachment A  
**UCF Foundation**  
**Unrestricted Operations**  
**For the quarter ended September 30, 2016**

	2016 - 17				2015 - 16			
	Actual	Budget	Variance Favorable (Unfavorable)		Actual	Budget	Variance Favorable (Unfavorable)	
<b>Unrestricted revenues</b>								
University and other related support	\$ 3,616,955	\$ 3,513,620	\$ 103,335	2.9 %	\$ 2,439,923	\$ 2,405,000	\$ 34,923	1.5 %
Gifts, fees, and investment earnings	1,374,628	1,310,417	64,211	4.9 %	1,292,000	1,385,917	(93,917)	(6.8)%
Real estate operations	595,557	544,500	51,057	9.4 %	344,615	340,000	4,615	1.4 %
<b>Total unrestricted revenue</b>	<u>5,587,140</u>	<u>5,368,537</u>	<u>218,603</u>	<u>4.1 %</u>	<u>4,076,538</u>	<u>4,130,917</u>	<u>(54,379)</u>	<u>(1.3)%</u>
<b>Unrestricted expenses</b>								
Academic and university support	1,374,592	1,512,092	137,500	9.1 %	1,343,618	1,341,166	(2,452)	(0.2)%
Development, alumni relations, and operations <sup>1</sup>	4,595,254	5,385,157	789,903	14.7 %	3,383,234	3,380,000	(3,234)	(0.1)%
<b>Total unrestricted expenses</b>	<u>5,969,846</u>	<u>6,897,249</u>	<u>927,403</u>	<u>13.4 %</u>	<u>4,726,852</u>	<u>4,721,166</u>	<u>(5,686)</u>	<u>(0.1)%</u>
<b>Net decrease from unrestricted operations</b>	<u>\$ (382,706)</u>	<u>\$ (1,528,712)</u>	<u>\$ 1,146,006</u>	<u>75.0 %</u>	<u>\$ (650,314)</u>	<u>\$ (590,249)</u>	<u>\$ (60,065)</u>	<u>10.2 %</u>
<b>Debt Service</b>								
Principal	\$ 397,500				\$ 376,250			
Interest	301,777				323,548			
<b>Total Debt Service</b>	<u>\$ 699,277</u>				<u>\$ 699,798</u>			

<sup>1</sup> Development, alumni relations, and operations expense is under budget due to the timing of campaign events planned for later this year.