

Finance and Facilities Committee Meeting

Oct 14, 2020 2:00 PM - 4:00 PM EDT

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UNIVERSITY OF CENTRAL FLORIDA

**Board of Trustees
Finance and Facilities Committee
Virtual Meeting
October 14, 2020, 2:00-4:00 p.m.**

Livestream:

<https://ucf.webex.com/ucf/onstage/g.php?MTID=e9fad901541ee53dbafd22e17689542d9>

Conference call number: 1-408-418-9388, access code: 132 372 8242 #

AGENDA

- | | |
|--|---|
| 1. Call to order | Alex Martins, <i>Chair, Finance and Facilities Committee</i> |
| 2. Roll Call | Elizabeth Hamilton, <i>Assistant Vice President For Strategic Initiatives</i> |
| 3. Minutes of the September 10, 2020 meeting | Chair Martins |
| 4. Reports | Chair Martins |
| Discussion | CFO Update
<i>Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer</i> |
| 5. New Business | Chair Martins |
| INFO-1 | ERP Vendor and Software Implementation Partner Selection Process
<i>Joseph Trubacz</i>
<i>Michael Sink, Interim Chief Information Officer</i> |
| FFC-1 | Approval of Enterprise Resource Planning (ERP) Vendor Contract
<i>Joseph Trubacz</i>
<i>Michael Sink</i> |

FFC-2	Approval of Enterprise Resource Planning (ERP) Software Implementation Partner Contract <i>Joseph Trubacz</i> <i>Michael Sink</i>
FFC-3	First Amendment to Promissory Note and Mortgage for the Lake Nona Cancer Center <i>Joseph Trubacz</i> <i>Jennifer Cerasa</i>
INFO-2	Contract Prepayment Guidelines <i>Joseph Trubacz</i> <i>Joel Levenson, Assistant Vice President for Tax, Payables, and Procurement</i>
INFO-3	Campus Master Plan Neighborhood Meeting Public Comments <i>Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer</i> <i>Bill Martin, Senior Director, Facilities Planning and Construction</i>
INFO-4	University Operating Budget, Quarter Ended June 30, 2020 <i>Joseph Trubacz</i> <i>Kristie Harris, Associate Vice President for Financial Affairs</i>
6. Adjournment	Chair Martins



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees
Finance and Facilities Committee Meeting
September 10, 2020
Virtual Meeting

MINUTES

CALL TO ORDER

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 2:30 p.m. Committee members Danny Gaekwad, Caryl McAlpin, Harold Mills, and William Yeargin attended virtually. Committee member David Walsh attended in person. Board of Trustees Chair Beverly Seay attended virtually. Trustees Kenneth Bradley, Joseph Conte, Joseph Harrington, Sabrina La Rosa, Michael Okaty, and John Sprouls attended virtually.

MEETING MINUTES

Mills made a motion to approve the minutes of the August 12, 2020 Finance and Facilities Committee meeting. Walsh seconded the motion.

The committee unanimously approved the minutes of the August 12, 2020 Finance and Facilities Committee Meeting.

REPORTS

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer, provided the committee with a brief financial update.

Tuition revenue was up over \$7.1 million in the summer and up over \$5.3 million for the fall semester.

Disbursement of CARES Act funding has continued, including \$25.5 million awarded to 24,521 students. The University has \$3.8 million in funds remaining and has until June 2021 to spend the balance. CARES funding has gone to various initiatives throughout the University, including housing refunds, meal plan refunds, direct student grants, and remote instruction support. The university has allocated \$6.1 million of CARES funding to support remote instruction and \$4.1 million to COVID-19 response and campus preparedness, including increased campus signage, COVID rapid testing, and updated light bulbs within University housing have been utilized for University safety.

UCF is currently at 78 percent occupancy within University housing. Housing occupancy throughout the SUS ranges between 53 percent and 82 percent. Summer rental revenues began the year down \$1.5 million due to campus closures during summer 2020. Fall rental revenues are projected to be \$2.8 million lower than originally projected due to 452 double to single room conversions, 82 isolation spaces, and projected occupancy shortfalls. Spring rental revenues are projected to be \$1.5 million lower than originally projected due to 452 double to single room conversions, 82 isolation spaces, and improved occupancy.

Revenues for cancellations, late fees, conferences, and events are projected to be \$1.3 million less than originally projected, primarily due to reduced conference and event revenues and reduced management fees on managed housing properties.

Cost-cutting measures are being implemented to offset decreased occupancy. The University has not filled 25 vacant positions within housing and has eliminated the Residence Hall Auxiliary Patrol services for a projected savings of \$1.8 million.

Operating services and supplies are projected to decrease by \$1.1 million in FY 2020, primarily due to the elimination of cable TV service, reductions in travel and training, the elimination of budgeted vehicle purchases, and a reduction of all other operating expenses by 10 percent.

The original budgeted transfer of \$1.3 million to improve the University's ResNet on-campus Housing internet service is being deferred to future years.

Housing has begun working with Brailsford and Dunlavy to review opportunities for efficiencies and management optimization for additional cost savings.

The University also began the fiscal year with the following areas to address:

1. A non-recurring base reduction of \$7.2 million for excess carryforward;
2. Performance Base funding reduction of \$1.6 million; and
3. An assessment of \$2.1 million to support the Complete Florida statewide virtual learning management system that was vetoed by the governor.

The governor is also temporarily holding back six percent of the University's legislative appropriations, effective July 1st.

This summer, President Cartwright set forward a vision to elevate the academic status of UCF. Every division was asked to plan for a three percent E&G budget cut for reallocation into a Strategic Investment Fund. The fund is currently at \$68 million, which will allow the University to move forward with President Cartwright's vision unless the governor's temporary holdback becomes permanent.

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer, then provided the committee with the COO update.

Shepherd informed the committee that Parking revenues are down for FY 2020; however, actions taken to reduce expenses not only mitigated the lost revenue but resulted in a better than expected net income for the year. The biggest impact came from swift action to reduce shuttle

services as declines in ridership occurred. Shepherd is confident about the University's ability to meet debt covenants and anticipates that Parking will end the year with a surplus. While Parking's permit and citation revenues are down, they have been slightly offset by an increase in transportation fees collected due to increased enrollment. The new shuttle service agreement is expected to save more than \$2 million annually over prior years with full operation. Shepherd stated that Parking is continuing to implement a decreased shuttle schedule based on monitoring of the rideshare program.

Shepherd then provided the committee with an update on dining services. The University generates revenues from meal plan sales, total food sales, and rental of retail space. The University has two dining halls, as well as 27 branded food service locations. Currently the University is 34 percent behind in meal plan sales and 71 percent behind in overall food sales. Shepherd stated that she is not overly concerned with the fiscal impact from the loss but is concerned about the campus environment. Shepherd stressed the importance of looking into providing support for the small businesses located in University space. Shepherd assured the committee that they will closely monitor the situation and focus on how to best partner with University retailers.

Bookstore sales started out strong at the beginning of the fall semester and only decreased 15 percent from the prior year. Shepherd stated that recent sales have taken a sharper decline due to minimal activity in apparel and café sales, which are attributable to the decreased on-campus population. Shepherd noted that the debt for the bookstore has been paid off, but the University does rely on bookstore funds as the primary support for Business Services and have made corresponding reductions to these expenses.

Shepherd provided the committee with background related to the Coke agreement. The University receives \$1.5 million and a \$300,000 vending guarantee from the agreement. The primary beneficiary for these funds is Athletics. Coke has indicated that they are evaluating the potential for a decreased payment this year.

Shepherd stated that she will continue to closely monitor operations and make adjustments to mitigate lost revenue. She will share a more comprehensive report after the close of the first quarter.

2019-20 Fixed Capital Outlay Budget Update (INFO-1)

Shepherd gave the committee background on the 2019-20 Fixed Capital Outlay Budget, stating that it was approved originally by the Board of Trustees (BOT) on Sept. 19, 2019. Board of Governors (BOG) regulations instructed that any project over \$1 million must be separately identified, so the budget included 47 specifically identified projects.

An amended budget was presented to the BOT on October 16, 2019, after receiving further guidance from BOG staff. The amendment provided for the addition of the Howard Phillips Hall renovation and Biological Sciences renovation, two projects that were previously approved as part of the university's request for state Public Education Capital Outlay (PECO) funding. BOG staff indicated that UCF had not shown a significant need for new state funding to complete these two projects due to UCF's significant carryforward balance. UCF was instructed to remove them from the State request and instead fund them from existing carryforward funds. These projects totaled

\$12.4 million and \$21.7 million, respectively. The University made the decision to postpone the Howard Phillips Hall project.

Shepherd also noted that the newly adopted BOG Reg. 14.003 *Fixed Capital Outlay Budgets* established maximum thresholds for projects that could be funded from carryforward, including \$5 million for renovation projects and \$10 million for remodeling projects. BOG Reg 14.001 *Construction Program Definitions* spelled out the definitions for a renovation and a remodel. These BOG regulation changes caused the University to reassess the overall scope of the Biology renovation. The most critical component of the renovation is the HVAC system, which has reached the end of its useful life and needs a full system replacement, at an estimated cost of \$9 million. Shepherd indicated that the adjustment was noted on the Fixed Capital Outlay budget.

Shepherd stressed that UCF has raised the concern that the threshold is unrealistic with BOG staff, but they have been unwilling to reconsider because the regulation is driven by statute. UCF is continuing to evaluate next steps to address this issue.

Shepherd explained that the BOT had approved \$2 million for the creation of a chemical warehouse to store and distribute controlled chemicals using carryforward funds. This project did not meet the new BOG regulation requirements, so the University is exploring alternatives to support the project.

The Student Union expansion project was completed in time for the beginning of classes. With construction now complete, the project is being closed out and a final accounting will be brought before the committee soon.

2020-21 Fixed Capital Outlay Budget (FFC-1)

Shepherd presented the committee with the 2020-21 Fixed Capital Outlay Budget. Projects have been categorized into sections based on their funding source, in accordance with new BOG guidelines. The three project categories are E&G, state-appropriated projects, and non-appropriated projects. Shepherd explained that the most critical projects are the Biology building, the Chemistry building, and the Communications Media building on the downtown campus. The Chemistry building faces challenges similar to the Biology building, including the need for a new HVAC system.

The category for state-appropriated projects, which are funded from PECO or Capital Improvement Fee Trust Fund (CITF), created a challenge for several SUS institutions because many projects funded by state appropriation also include supplemental funding from other sources. Most of UCF's projects fell within this category.

The final category is non-appropriated projects, which includes capital projects planned using auxiliary, athletic, philanthropy, or other funds not provided by the state. All projects listed in this category were approved last year as part of UCF's budget, and all but one will be closed out before the end of the year.

Shepherd summarized that this year's budget has a total of 28 projects with a total cost of \$332 million.

Trustees then discussed whether all projects, such as the chemical warehouse, should be listed on the Fixed Capital Outlay Budget. Martins made a motion to amend the Fixed Capital Outlay Budget to include all projects, even those without funding sources. After an explanation was provided to trustees regarding the BOG's requirements for the format of the Fixed Capital Outlay Budget, the motion was withdrawn with the understanding that trustees will be provided with a management report on all capital projects, including those without a current plan for funding.

The committee unanimously approved the 2020-21 Fixed Capital Outlay Budget.

2019-20 University Carryforward Year-End Update (INFO-2)

Trubacz provided the committee with brief highlights of the FY 2020 Carryforward Spending Plan.

UCF's total budgeted expenditures for FY 2020 were approximately \$155 million. However, UCF's total actual expenditures were \$117 million, about 75 percent of what was budgeted. Trubacz explained this was due in part to the purchasing, travel, and hiring freezes that were implemented on April 1st because of the pandemic.

2020-21 University Carryforward Spending Plan (FFC-2)

Trubacz informed the committee that the University is required to submit an annual carryforward plan to the BOG, which must be approved by the BOT by October 1st. Trubacz explained the challenges associated with this year, such as holding back the remaining 50 percent of units' carryforward until after the elections, when UCF will have a more accurate fiscal picture.

Derek Horton, Assistant Vice President of Budget Planning and Analysis, walked the committee through the 2020-21 University E&G Carryforward Spending Plan. Horton explained that the first two sections of the plan lay out the composition of UCF's carryforward balances across its three appropriation entities. The total balance available is \$258.7 million, compared to \$302 million last year. The University has a spendable balance of \$210 million E&G carryforward funds after the required seven percent statutory reserve of \$48.3 million.

Another section of the plan summarizes the University's encumbrances as of July 1st. Horton stated that the University has a total \$16.7 million in carryforward encumbrances, including \$54,000 restricted by appropriation specifically for the Florida Center for Students with Unique Abilities.

The next section of the plan lists contractual obligations. Horton stated that the university has a total of \$60 million in contractual obligations from carryforward, including \$1 million for UCF Main that includes the Florida High Tech Corridor and the BOG Team Grant, which is a targeted educational attainment grant given to UCF to address educational gaps in IT and accounting.

The final section of the plan addresses commitments. Horton stated that the university has a total of \$133.7 million in commitments from carryforward funds, including \$1.5 million for BRIDG/IMEC investment in research and \$12.8 million in deferred maintenance. The deferred maintenance includes projects that do not meet the requirements for fixed capital outlay per BOG Reg 14.003, which is \$100,000 and a useful life of 20 years.

Yeargin made a motion to approve the 2020-21 University Carryforward Spending Plan. Mills seconded the motion.

The motion passed with an opposition from Walsh.

ADJOURNMENT

Martins adjourned the Finance and Facilities Committee meeting at 4:21 p.m.

Reviewed by:

Alex Martins	Date
Chair, Finance and Facilities Committee	

Respectfully submitted:

Janet Owen	Date
Associate Corporate Secretary	

UCF BOARD OF TRUSTEES**Agenda Item Summary**

Finance and Facilities

October 14, 2020

Title: ERP Vendor and Implementation Partner Selection Process

☒ **Information**☐ **Information for upcoming action**☐ **Action****Meeting Date for Upcoming Action:** _____**Purpose and Issues to be Considered:**

Staff will provide a comprehensive overview of the process used to select and procure the cloud-based ERP vendor and software implementation partner prior to the presentation of the individual contracts for board action.

Background Information:

At the May 21, 2020, Board of Trustees retreat, a business case for implementing a new ERP system was presented. The primary benefits are to provide increased financial transparency and more accurate and timely reporting; to upgrade outdated, disparate, and duplicative systems; and transform business processes.

At the June 18, 2020, Board of Trustees meeting, the Board approved proceeding with the procurement process to select a cloud-based ERP system (starting with Finance and Human Resources) and software implementation partner. The board approved \$50 million in carryforward funding for the project, which will take 24-months to implement.

Pursuant to Invitation to Negotiate (ITN) 1919MCSA, the university selected Moran Technology Consulting (Moran) to provide consulting services for the selection of an ERP cloud solution (i.e., software vendor) and a software implementation (SI) partner. Current PeopleSoft ERP applications considered for replacement with a cloud solution include Human Capital Management, Financials, Supply Chain and Grants Management, Budgeting, Campus Solutions (student system), and Reporting and Analytics. Moran worked closely with UCF leadership to assist in developing the ERP vendor and SI partner selection strategy and timeline.

In partnership with UCF Procurement Services, Moran developed the request for Oracle and Workday to submit specific, detailed information regarding their cloud software solutions and their applicability to UCF's requirements. In addition to written submissions, each of the cloud software vendors spent a week demonstrating their products, with scheduled times for Financials, Student, Human Resources, Technical, and Reporting and Analytics presentations. Over 500 UCF employees participated in the vendor demonstrations.

Moran and UCF Procurement developed a scoring process for evaluating the vendor submissions, product demonstrations, and the references that were called for each vendor. Moran then combined the scoring of the software vendors' response to the university's questions, reference checks, and product demonstrations. The software vendors were scored based on the following criteria:

- Software functionality and experience
- Strategic direction of the vendor
- Vendor commitment to higher education

- Technical architecture of the platform
- Cost of ownership and pricing

The results were presented to the ERP Business Owners' Council (BOC), showing Workday scored higher than Oracle. The BOC accepted the score ranking of the two vendors and forwarded that ranking to the Executive Steering Committee. The Executive Steering Committee also accepted the ranking and forwarded the information to Provost Michael Johnson, who made the final decision to negotiate with Workday as the ERP cloud solution. UCF Procurement with support from Moran negotiated with Workday on a final contract, which was then accepted by Provost Johnson and will be presented for approval as FFC-1.

A similar process was followed to select a SI partner, with requests sent to Accenture, Collaborative, Deloitte, and Huron Consulting to submit specific, detailed information regarding their project plan for UCF. After reviewing the vendors' submissions and scoring summaries, Accenture and Huron were the higher-ranked SI partners, which was accepted by the BOC. Provost Michael Johnson made the decision to proceed with full-day interviews with Accenture and Huron.

Following their interviews, Moran then combined the scoring of the two SI partners' response to the university's questions, reference checks, and interviews. The SI partners were scored based on the following criteria:

- Project plan and approach
- Project timeline
- Resource plan and staffing requirements for UCF and partner
- Training and communication plans
- Pricing
- Company and Consulting team experience
- Company commitment to higher education

The results were presented to the BOC, showing Accenture scored higher than Huron. The BOC accepted the score ranking of the two SI partners and forwarded that ranking to the Executive Steering Committee. The Executive Steering Committee accepted the ranking and forwarded the information to Provost Michael Johnson, who made the final decision to negotiate with Accenture as the SI Partner. UCF Procurement with support from Moran negotiated with Accenture on a final contract, which was then accepted by Provost Johnson and will be presented for approval as FFC-2.

After the Finance and HR systems are implemented, the university will consider beginning implementation of a Student ERP system, based on the readiness of the university and the maturity of the Student system.

Recommended Action:

NA - For information prior to presentation of individual contracts which will require action.

Alternatives to Decision:

NA - For information prior to presentation of individual contracts which will require action.

Fiscal Impact and Source of Funding:

On June 18, 2020, the board approved \$50 million in carryforward funding for the acquisition and implementation of a new cloud-based ERP system over a period of 24-months.

Following the selection and negotiation process, the implementation costs of the new system is estimated to cost \$27,598,060 and is allocated as follows.

Workday License (2 of 10 years)	\$ 4,362,000
Software Implementation Partner	\$ 11,736,060
Temporary Staff and Backfill	\$ 7,500,000
Contingency	\$ 4,000,000

Once implementation is complete, recurring E&G funds that are currently allocated to support UCF's existing ERP system will be used to support the on-going licensing costs.

Authority for Board of Trustees Action:

N/A

Contract Reviewed/Approved by General Counsel ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒

Submitted by:

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Michael Sink, Interim Chief Information Officer

Supporting Documentation:

Attachment A - ERP Overview - PowerPoint Presentation

Facilitators/Presenters:

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Michael Sink, Interim Chief Information Officer

Emerging Issue: ERP

Board of Trustees Finance and Facilities Committee

October 14th, 2020

“Knight Vision”

People, Process, and Technology
Transformation

Michael Sink

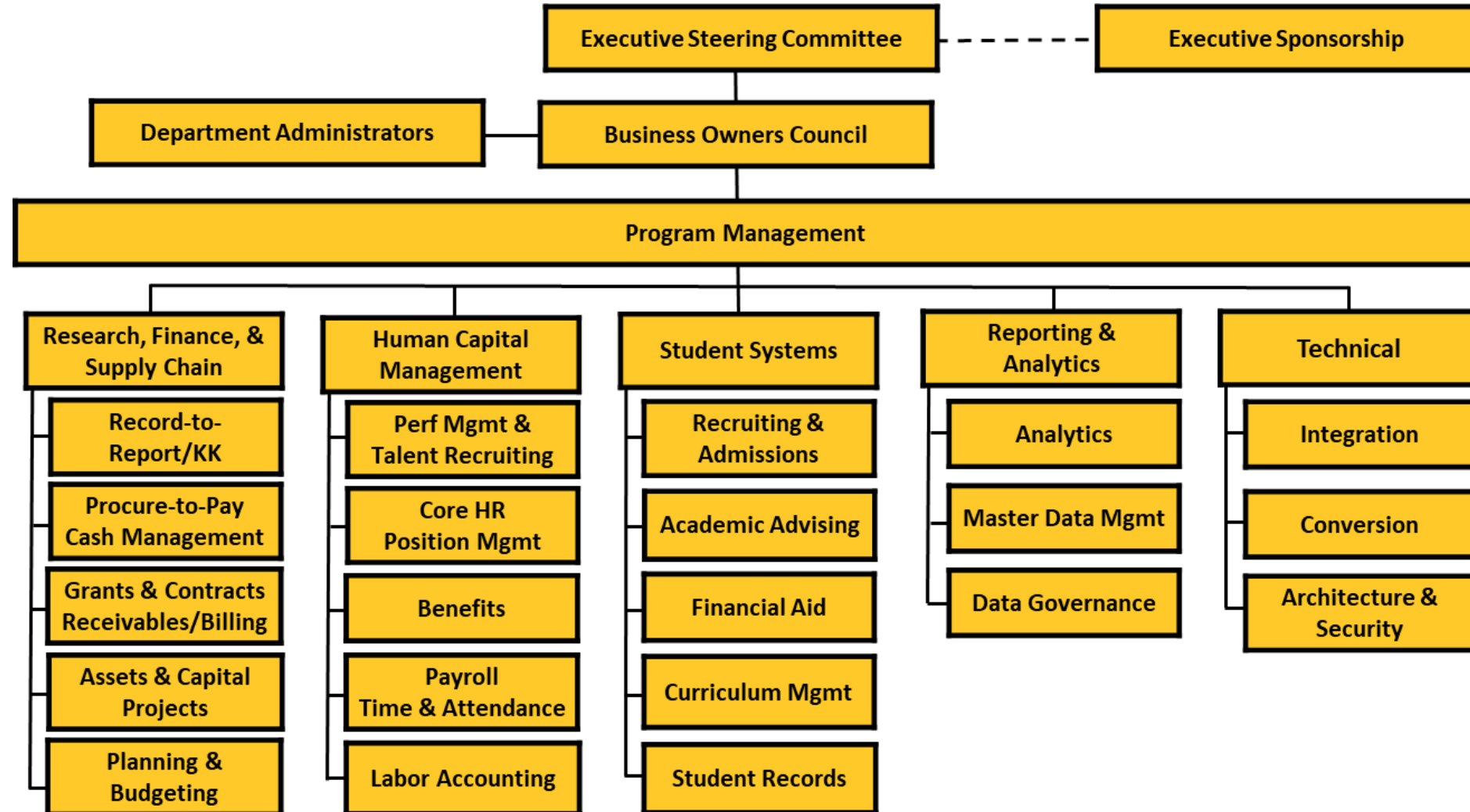
Interim Vice President and Chief Information Officer



UCF + workday® + accenture

= Knight Vision

Knight Vision Program



Selection Approach

UCF is adopting competitively bid* contracts for the ERP vendor and system integration partner in compliance with procurement guidelines and with the help of Moran Technology Consulting.

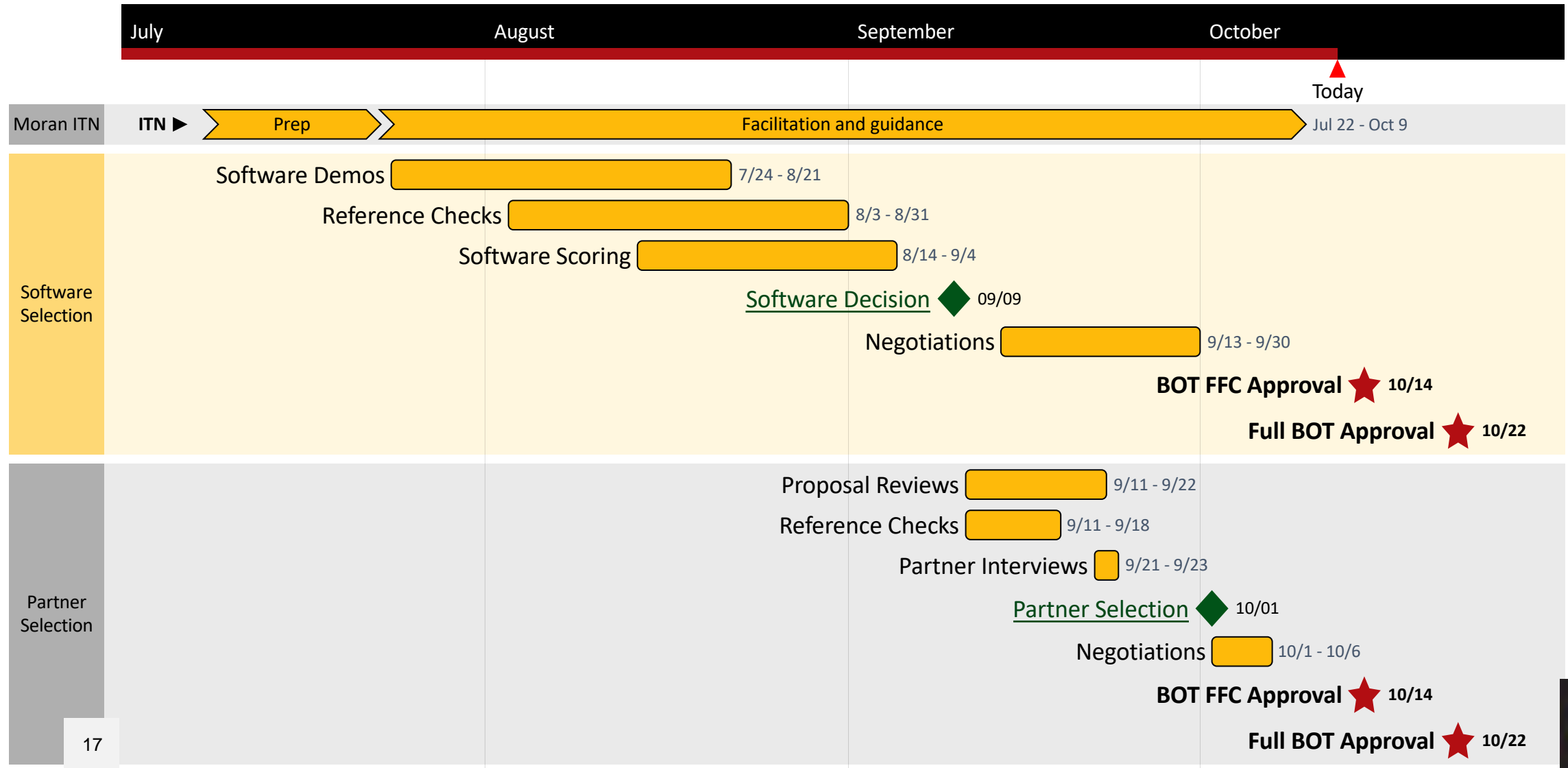
The following considerations are central to our approach:

- Focus on UCF's needs and desired outcomes
- Consistency and fairness in solicitations and evaluations
- Maintaining a competitive process
- Engaging UCF constituent input whenever possible
- Expediting our selection

* UCF Regulation 7.130 exempts from the competitive solicitation requirement purchases from competitively bid Contracts and Negotiated Annual Price Agreements established by the State or other governmental entities, other public or private educational institutions, and any purchasing cooperative or consortium.

Selection Timeline

2020



ERP Vendor Selection Events

Oracle and Workday were asked to engage in the following activities:

- ✓ Written proposals in response to Request for Information
- ✓ Scripted, five-day vendor demonstrations for each vendor
- ✓ Four Higher Education reference interviews for each vendor
 - Oracle: UC San Diego, Vanderbilt, Boise State, Baylor
 - Workday: University of Virginia, UT Austin, Iowa State, Brandeis University
- ✓ Executive briefings with each vendor

ERP Vendor Selection Criteria

Moran and UCF Procurement developed a scoring process for evaluating the vendor activities. The scoring of the software vendors' response to the university's questions, reference checks, and product demonstrations were based on the following criteria:

- Software functionality, intuitiveness, and aesthetics
- Strategic direction of the vendor
- Vendor commitment to higher education
- Technical architecture of the platform
- Cost of ownership and pricing

Selection Participation

	Written Responses	Reference Calls	Demos	Executive Briefings
Campus Community (800+ Surveys)			✓	
Functional Departments			✓	
Business Owners Council	✓	✓	✓	
Executive Steering		✓	✓	✓
Executive Leadership				✓

ERP Vendor Pricing - Oracle

Invoice Year	Annual Cost
Year 1	\$ 578,118
Year 2	\$ 1,105,013
Year 3	\$ 2,332,621
Year 4	\$ 2,913,621
Year 5	\$ 2,913,621
Year 6	\$ 3,148,921
Year 7	\$ 3,148,921
Year 8	\$ 3,148,921
Year 9	\$ 3,148,921
Year 10	\$ 3,148,921
Total 10-year Price	\$ 25,587,601

- Oracle offered to reduce our current annual PeopleSoft fees providing an additional savings of \$3,761,087 for the first five years.
- Net total cost of ownership over 10 years:
\$21,826,514

ERP Vendor Pricing - Workday

Invoice Year	Annual Cost
Year 1	\$ 2,181,000
Year 2	\$ 2,181,000
Year 3	\$ 2,181,000
Year 4	\$ 2,181,000
Year 5	\$ 2,181,000
Year 6	\$ 2,181,000
Year 7	\$ 2,181,000
Year 8	\$ 2,181,000
Year 9	\$ 2,181,000
Year 10	\$ 2,181,000
Total 10-year Price	\$ 21,810,000

- UCF already has a separate agreement with Workday for Adaptive Planning budgeting application. This cost of \$2,236,000 is added to the TCO for Workday for comparison.
- Net total cost of ownership over 10 years:
\$24,046,000

Scoring Summary

Vendor/Proposal Evaluation Scoring	Summary Totals			Scripted Demos / Discussion			Executive Briefings			RFR Document Score			Requirements Fit		Reference Calls		Pricing Review		
Evaluation Criteria	MAX Pts.	Workday	Oracle		Workday	Oracle		Workday	Oracle		Workday	Oracle		Workday	Oracle		Workday	Oracle	Points Total
Software Functionality	20	19.0	17.6		9.4	8.4					1.9	1.7		6.0	5.9		1.7	1.5	20
User Experience	15	14.3	12.0		11.5	9.6								2.0	1.6		0.8	0.8	15
Application and Data Services	15	14.4	12.9		4.6	4.1					6.0	5.5		3.0	2.4		0.8	0.9	15
System Support Model	10	8.7	8.5		0.9	0.8		0.8	0.8		3.6	3.5		1.0	0.8		2.4	2.6	10
Strategic Direction	5	4.8	3.3		0.9	0.8		3.0	1.8		0.8	0.8							5
Commitment to Higher Education	8	7.7	6.4		2.9	2.3		3.0	2.4		0.9	0.8					0.9	0.9	8
Company Qual./ Experience	2	1.9	1.7		0.5	0.5		1.0	0.8		0.5	0.5							2
Subscription \$\$\$ and Total Cost of Ownership	25	22.8	25.0																25
Final Score	100	93.6	87.5		30.7	26.5		7.8	5.8		13.7	12.8		12.0	10.7		6.6	6.7	100

ERP Vendor Selection Summary

Workday scored higher in most of the categories and had the highest total score in the selection process. The scoring reflected the following strengths that lead UCF to select Workday as its Knight Vision solution:

- Intuitive interface with powerful functionality
- Workday's strong commitment to Higher Education and leading in the development of a modern student platform
- Strategic direction of Workday as a platform of engagement
- Robust technical architecture

System Integrator Selection Events

Upon selecting Workday as the ERP Vendor, four System Integration firms engaged with UCF to bid on Knight Vision. Accenture, Collaborative Solutions, Deloitte, and Huron participated in the following activities:

- ✓ Written proposals in response to Request for Information
- ✓ Comprehensive Scope of Work plan
- ✓ Two Higher Education reference interviews for each vendor

System Integrator Selection Events

Accenture and Huron scored the highest in the first round of selection activities and were asked to participate in full-day interviews to provide the following:

- ✓ Present an overview of their approach to Knight Vision
- ✓ Walk through the project plan
- ✓ Introduce the named team members to be assigned to Knight Vision
- ✓ Provide functional area break out sessions for team members to be interviewed in their area of expertise

System Integrator Selection Criteria

- Project plan and approach
- Project timeline
- Resource plan and staffing for UCF and partner
- Training and communication plans
- Pricing
- Company and Consulting team experience
- Company commitment to higher education

Software Selection Participation

	Written Responses	Scope of Work	References	Interviews
Functional Departments	✓	✓	✓	✓
Business Owners Council	✓	✓	✓	✓
Executive Steering			✓	✓

Scoring Summary

Evaluator Group	Evaluation Category	Accenture	Huron
BOC	SI FIRM Interview Evaluations	4.04	4.63
	SI TEAM Evaluations	4.06	4.86
Non-BOC	SI FIRM Interview Evaluations	4.49	4.18
	SI TEAM Evaluations	4.48	3.61
Combined BOC and Non-BOC	SI Total Evaluation	4.29	4.28

- BOC and Non-BOC scores for both the Interview and Team Member Evaluations were reversed.
 - In both cases, the BOC preferred Huron and the Non-BOC preferred Accenture
- The combined evaluation score was extremely close.
 - In the combined category scores, Huron scored highest in Firm Interview Evaluations and Accenture scored highest in Team Member Evaluations.

Pricing Comparison: Accenture and Huron

	Accenture	Huron
Comparison Item	Price	Price
Estimated Implementation Costs	\$ 10,586,060.00	\$ 18,552,630.00
Other fixed costs	\$ 250,000.00	
Organizational Planning	\$ 1,250,000.00	<i>included</i>
Other discounts	\$ (350,000.00)	
Total Price Estimate	\$ 11,736,060.00	\$ 18,552,630.00
% Delta from lowest bid		58.1%
\$ Delta from lowest bid		\$ 6,816,570.00

- Blended rates are similar
- Pricing reflects a different approach to staffing the project
- Accenture has the lowest price for their proposed solution

System Integrator Summary

Accenture and Huron were very close in their scoring, and the cost of the approach from Accenture provided a clear advantage. The decision to select Accenture as the System Integration partner for Knight Vision is based on:

- ✓ An effective, efficient implementation approach
- ✓ Significant team experience with Workday implementations in Higher Education and within the state of Florida
- ✓ Commitment to Higher Education and Workday as a focus
- ✓ Compelling budget plan for Knight Vision

Phase 1 (24 months) Cost Summary

Workday License	\$ 4,362,000.00
Implementation Partner Costs	\$ 11,736,060.00
Estimated Backfill	\$ 7,500,000.00
Contingency	\$ 4,000,000.00
Total	\$ 27,598,060.00

Thank you.



UCF BOARD OF TRUSTEES

Agenda Item Summary

Finance and Facilities

October 14, 2020

Title: Approval of Enterprise Resource Planning (ERP) Vendor Contract

☐ Information☐ Information for upcoming action☒ Action**Meeting Date for Upcoming Action:** _____**Purpose and Issues to be Considered:**

Review and take action on the proposed 10-year contract between UCF and Workday, the ERP software vendor that was selected for Finance, Human Resources, Grants Management, and Reporting and Analytics applications. UCF Procurement and UCF Leadership with support from Moran Consulting negotiated the contract with Workday following a comprehensive selection process.

UCF is adopting a Workday contract that had been previously bid and negotiated by a procurement consortium, pursuant to UCF Purchasing regulations, and achieved equal or better terms and pricing for the university during negotiations.

Background Information:

In partnership with UCF Procurement Services, Moran developed a request for Oracle and Workday to submit specific, detailed information regarding their cloud software solutions and their applicability to UCF's requirements. In addition to written submissions, each of the cloud software vendors spent a week demonstrating their products, with scheduled times for Financials, Student, Human Resources, Technical, and Reporting and Analytics presentations. Over 500 UCF employees participated in the vendor demonstrations.

Moran and UCF Procurement developed a scoring process for evaluating the vendor submissions, product demonstrations, and the references that were called for each vendor. The software vendors were scored based on the following criteria: Software functionality and experience, strategic direction of the vendor, vendor commitment to higher education, technical architecture of the platform, and cost of ownership and pricing. Workday scored higher in the evaluation and with the support of the Business Owners Council and Executive Steering Committee was selected by Provost Michael Johnson following contract negotiations.

UCF Procurement with support from Moran Consulting negotiated with Workday on a final contract by adopting a Workday contract that had been previously bid and negotiated and achieved equal or better terms and pricing for the university.

The adopted contract stated a rate of \$408.63 per Full-Service Equivalent for the HR, Finance, Grants Management, and Reporting and Analytics functions. During negotiations, UCF secured a rate of \$265.42 per Full-Service Equivalent, resulting in \$1.1 million in annual savings from contracted rate.

Pursuant to UCF Regulation 7.130 Section 3.h.3. Procurements from competitively bid Contracts and Negotiated Annual Price Agreements established by the State, other governmental entities, other public or private educational institutions, and any procurement cooperative or consortium are not subject to competitive solicitation.

After the Finance and HR systems are implemented, the university will consider beginning implementation of a Student ERP system, based on the readiness of the university and the maturity of the Student system. While UCF is not making the decision to purchase Workday's Student ERP system, UCF's contract states a price hold of \$30 per FTE per year, which is less than the \$66.83 per FTE per year stated in the adopted contract. This would result in an annual savings of over \$2.2 million.

Recommended Action:

Recommend approval of the Workday contract.

Alternatives to Decision:

Identify additional or alternate contract terms with Workday.

Negotiate a contract with a different ERP vendor.

Fiscal Impact and Source of Funding:

The total cost of the agreement with Workday is \$21,810,000 over a period of 10 years.

The first two years of the Workday licensing (\$4,362,000) will be paid from the E&G Carryforward funds allocated for the acquisition and implementation of a new ERP system.

Through savings from reductions in hardware, licensing, maintenance, and operational costs that will be realized as UCF migrates from PeopleSoft to Workday, the remaining 8 years of annual license costs will be paid from recurring E&G funds already budgeted to service UCF's ERP system.

Authority for Board of Trustees Action:

Board of Governors Regulation 1.001

Board of Trustees Delegation of Authority to the President, Items requiring specific approval of the Board, contractual obligation with an aggregate net value of five million or more dollars.

Contract Reviewed/Approved by General Counsel ☒ N/A ☐

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒

Submitted by:

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Michael Sink, Interim Chief Information Officer

Supporting Documentation:

Attachment A - Workday Contract Summary Form

Facilitators/Presenters:

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Michael Sink, Interim Chief Information Officer

Summary of Agreement

Purpose/Background	<p>UCF is entering into this contract with Workday, Inc. for Workday Cloud Services (ERP) that includes Core HR, Payroll, Financials, Grants Management, Analytics, Procurement, Time Tracking, and Expenses.</p> <p>UCF is a participating member of Educational and Institutional Cooperative Services, Inc (E&I) and is eligible to purchase products and services from Workday under contract CNR 01476 as entered into between Workday and E&I on May 1, 2019 for competitive procurement purposes.</p> <p>All terms governing Workday, Inc. and UCF will be solely subject to the UCF-Workday Master Services Agreement and Order Forms. The Workday Order Forms specify the products and pricing terms, as well as additional legal terms and are subject to the terms and conditions of the UCF-Workday MSA.</p> <p>UCF Regulation 7.130(1)(f) allows contract adoption from existing contracts when competitively sourced and awarded, inclusive of cooperatives and consortia as detailed herein: <i>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.</i></p>
Parties	Workday, Inc. and The University of Central Florida Board of Trustees
Term	The term of the Master Service Agreement (MSA) is concurrent with the term of any Order Forms executed thereunder. The term of the Order Form with the longest term, executed concurrent with the MSA, is ten (10) years. The term runs from October 30, 2020 through October 29, 2030.
Obligations of UCF	UCF is obligated to make payments to Workday as outlined in the Financial terms section below.

Summary of Agreement

Obligations of other party	During the term of the MSA and Order Form(s), Workday shall make their Cloud Services products specified in the Order Form available to UCF.																																				
Financial terms	<div>The below Payment Schedule Table* is a flat rate schedule that Workday has agreed upon to simplify payments over the 10-year contract term.</div> <div>Payment Schedule Table<table><tr><th>Payment #</th><th>Payment Due Date</th><th>Payment Amount</th></tr><tr><td>1</td><td>Due in accordance with the MSA, invoiced upon Order Effective Date</td><td>2,181,000</td></tr><tr><td>2</td><td>Due on first anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td>3</td><td>Due on second anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td>4</td><td>Due on third anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td>5</td><td>Due on fourth anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td>6</td><td>Due on fifth anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td>7</td><td>Due on sixth anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td>8</td><td>Due on seventh anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td>9</td><td>Due on eighth anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td>10</td><td>Due on ninth anniversary of the Order Term start date</td><td>2,181,000</td></tr><tr><td></td><td>Total Payment Amount</td><td>21,810,000</td></tr></table></div> <div>* Workday requires an annual 4% innovation fee increase to all customers, but we negotiated a 2% annual increase over the term and structured an average annual payment to simplify our payment schedule.</div>	Payment #	Payment Due Date	Payment Amount	1	Due in accordance with the MSA, invoiced upon Order Effective Date	2,181,000	2	Due on first anniversary of the Order Term start date	2,181,000	3	Due on second anniversary of the Order Term start date	2,181,000	4	Due on third anniversary of the Order Term start date	2,181,000	5	Due on fourth anniversary of the Order Term start date	2,181,000	6	Due on fifth anniversary of the Order Term start date	2,181,000	7	Due on sixth anniversary of the Order Term start date	2,181,000	8	Due on seventh anniversary of the Order Term start date	2,181,000	9	Due on eighth anniversary of the Order Term start date	2,181,000	10	Due on ninth anniversary of the Order Term start date	2,181,000		Total Payment Amount	21,810,000
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	Total Payment Amount	21,810,000																																			

Summary of Agreement

Termination rights	<p>Either party may terminate this Agreement,: (i) upon thirty (30) days prior written notice to the other party of a material breach by the other party if such breach remains uncured at the expiration of such notice period; or (ii) immediately in the event the other party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors.</p> <p>In addition, UCF may also terminate due to lack of fiscal funding: UCF will seek to obtain funding for each fiscal year of an Order Form. When State or Federal funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, UCF may terminate the impacted portion of an Order Form, in whole or in part.</p>
Additional terms	<p>The Limitation of Liability Section only effectively:</p> <ul style="list-style-type: none"> - Limits UCF's liability to the amounts of Section 768.28, Florida Statutes as it pertains to tort - Does not limit UCF's liability for contract or in equity - Does not limit UCF's liability for reckless misconduct, gross negligence, willful misconduct and/or fraud <p>Thus, UCF's liability with respect to reckless misconduct, gross negligence, willful misconduct and/or fraud would be unlimited and any other claims (except for tort), e.g. contract/equity claims would be subject to the 24 months cap = \$ 4.4 million</p> <p>Workday's liability is not subject to its liability cap for (1) any infringement by Workday of any third party intellectual property, (2) for any Workday Remediation of Certain Unauthorized Disclosures by Workday, and (3) for reckless misconduct, gross negligence, willful misconduct and/or fraud.</p> <p>With the exceptions noted above, Workday's liability is capped at the fees actually paid or payable by UCF under the Agreement during the immediately preceding twenty-four (24) months period for the service (\$4,400,000).</p>
Link to agreement	<p>https://bot.ucf.edu/files/2020/10/FFC-1-MSA-232445-The-University-of-Central-Florida-Board_encrypted_.pdf</p>

UCF BOARD OF TRUSTEES**Agenda Item Summary**

Finance and Facilities

October 14, 2020

Title: Approval of Enterprise Resource Planning (ERP) Software Implementation Partner Contract

☐ **Information**☐ **Information for upcoming action**☒ **Action****Meeting Date for Upcoming Action:** _____**Purpose and Issues to be Considered:**

Review and take action on the proposed contract between UCF and Accenture, the software implementation partner that was selected to implement the Workday Finance, Human Resources, Grants Management, and Reporting and Analytics applications. UCF Procurement and UCF Leadership with support from Moran Consulting negotiated the contract with Accenture following a comprehensive selection process.

UCF is adopting an Accenture contract that had been previously bid and negotiated within the State University System, pursuant to UCF Purchasing regulations, and achieved equal or better terms and pricing for the university during negotiations.

Background Information:

In partnership with UCF Procurement Services, Moran developed a request for Accenture, Collaborative, Deloitte, and Huron Consulting to submit specific, detailed information regarding their project plan for UCF. After reviewing the vendors' submissions and scoring summaries, Accenture and Huron were the higher-ranked SI partners, which was accepted by the Business Owners Council (BOC). Provost Michael Johnson made the decision to proceed with full-day interviews with Accenture and Huron.

Moran and UCF Procurement combined the scoring of the two SI partners' responses to the university's questions, reference checks, and interviews. The SI partners were scored based on the following criteria: project plan and approach, project timeline, resource plan and staffing requirements for UCF and partner, training and communication plans, pricing, Company and Consulting team experience, and Company commitment to higher education. Accenture scored higher in the evaluation and with the support of the BOC and Executive Steering Committee was selected by Provost Michael Johnson following contract negotiations.

UCF Procurement with support from Moran Consulting negotiated with Accenture on a final contract by adopting an Accenture contract that had been previously bid and negotiated within the State University System and achieved equal or better terms and pricing for the university. UCF was able to negotiate a 16% savings on the blended consulting rates that will be utilized in the engagement.

Pursuant to UCF Regulation 7.130 Section 3.h.3. Procurements from competitively bid Contracts and Negotiated Annual Price Agreements established by the State, other governmental entities, other public or private educational institutions, and any procurement cooperative or consortium are not subject to competitive solicitation.

After the Finance and HR systems are implemented, the university will consider beginning implementation of a Student ERP system, based on the readiness of the university and the maturity of the Student system.

Recommended Action:

Recommend approval of the Accenture contract.

Alternatives to Decision:

Identify additional or alternate contract terms with Accenture.

Negotiate a contract with a different software implementation partner.

Fiscal Impact and Source of Funding:

The total cost of the agreement with Accenture is \$11,736,060 over a period of 2 years.

The full \$11,736,060 will be paid from the E&G Carryforward funds allocated for the acquisition and implementation of a new ERP system over the next 2 years.

Authority for Board of Trustees Action:

Board of Governors Regulation 1.001

Board of Trustees Delegation of Authority to the President, Items requiring specific approval of the Board, contractual obligation with an aggregate net value of five million or more dollars.

Contract Reviewed/Approved by General Counsel ☒ N/A ☐

Committee Chair or Chair of the Board has approved adding this item to the agenda ☒

Submitted by:

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Michael Sink, Interim Chief Information Officer

Supporting Documentation:

Attachment A - Accenture Contract Summary Form

Facilitators/Presenters:

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Michael Sink, Interim Chief Information Officer

Summary of Agreement

Purpose/Background	<p>UCF is entering into this Consulting Services Agreement with Accenture to provide consulting and implementation services for Workday Cloud Services (ERP) that includes core HR, Payroll Financials, Grants Management, Analytics, Procurement, Time Tracking, and Expenses.</p> <p>Florida Gulf Coast University issued a solicitation for Enterprise Resource Planning Implementation Program ("Solicitation"), and awarded the Solicitation to Accenture, and entered into a contract with Accenture for implementation services for Workday on May 30, 2019.</p> <p>UCF is engaging Accenture for services set forth in the Solicitation and is using the FGCU Solicitation for procurement purposes for this Agreement. However, only the terms provided in the Consulting Services Agreement between Accenture and UCF shall apply here.</p> <p>UCF Regulation 7.130(1)(f) allows contract adoption from existing contracts when competitively sourced and awarded, inclusive of cooperatives and consortia as detailed herein: <i>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.</i></p>
Parties	Accenture, Inc. and The University of Central Florida Board of Trustees
Term	Accenture's services under this Agreement shall commence on November 2, 2020 and end 36 months from this commencement date.
Obligations of UCF	UCF is obligated to make payments to Accenture as outlined in the Financial terms section below.
Obligations of other party	Accenture is obligated to provide consulting and implementation services for Workday Cloud Services (ERP) that includes core HR, Payroll Financials, Grants Management, Analytics, Procurement, Time Tracking, and Expenses.

Summary of Agreement

Financial terms	<p>This engagement is a Time and Materials agreement according to the the fee table below. Estimated costs for this project, based on an estimate of hours needed from Accenture is \$11,696,060 over the two-year implementation for the scope of functionality listed in the Purpose/Background statement.</p> <table><tr><th>Role</th><th>2020 Rate</th><th>2021 Rate</th><th>2022 Rate</th><th>2023 Rate</th></tr><tr><td>Service Delivery Consultant</td><td>\$350</td><td>\$350</td><td>\$355</td><td>\$360</td></tr><tr><td>Tower Lead</td><td>\$285</td><td>\$285</td><td>\$290</td><td>\$295</td></tr><tr><td>Senior Consultant</td><td>\$250</td><td>\$255</td><td>\$260</td><td>\$265</td></tr><tr><td>Consultant</td><td>\$190</td><td>\$195</td><td>\$200</td><td>\$205</td></tr><tr><td>Experienced Analyst</td><td>\$180</td><td>\$185</td><td>\$190</td><td>\$195</td></tr><tr><td>Analyst</td><td>\$155</td><td>\$155</td><td>\$160</td><td>\$165</td></tr><tr><td>Supporting Analyst</td><td>\$99</td><td>\$99</td><td>\$104</td><td>\$109</td></tr><tr><td>Delivery Center Senior Consultant</td><td>\$79</td><td>\$79</td><td>\$83</td><td>\$87</td></tr><tr><td>Delivery Center Consultant</td><td>\$69</td><td>\$69</td><td>\$72</td><td>\$76</td></tr><tr><td>Delivery Center Experienced Analyst</td><td>\$59</td><td>\$59</td><td>\$62</td><td>\$65</td></tr><tr><td>Delivery Center Analyst</td><td>\$45</td><td>\$45</td><td>\$47</td><td>\$50</td></tr></table>	Role	2020 Rate	2021 Rate	2022 Rate	2023 Rate	Service Delivery Consultant	\$350	\$350	\$355	\$360	Tower Lead	\$285	\$285	\$290	\$295	Senior Consultant	\$250	\$255	\$260	\$265	Consultant	\$190	\$195	\$200	\$205	Experienced Analyst	\$180	\$185	\$190	\$195	Analyst	\$155	\$155	\$160	\$165	Supporting Analyst	\$99	\$99	\$104	\$109	Delivery Center Senior Consultant	\$79	\$79	\$83	\$87	Delivery Center Consultant	\$69	\$69	\$72	\$76	Delivery Center Experienced Analyst	\$59	\$59	\$62	\$65	Delivery Center Analyst	\$45	\$45	\$47	\$50
Role	2020 Rate	2021 Rate	2022 Rate	2023 Rate																																																									
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Termination rights	<p>Either party may terminate this Agreement with thirty (30) days’ prior written notice to the other party. UCF shall be responsible only for payments still due to Accenture for services performed in accordance with this Agreement up to the time of termination.</p> <p>UCF may terminate this Agreement at any time for refusal by Accenture 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 Accenture or UCF in conjunction with this Agreement.</p>																																																												
Additional terms	<p><u>Accenture’s liability:</u></p> <p>The liability of Accenture will be limited:</p> <ul style="list-style-type: none">- in the aggregate to the fees received under the applicable SOW during the 12-month period immediately preceding the event giving rise to the first such claim or,- in respect of any such event occurring during the first 12 months of the SOW, the fees payable under the applicable SOW during the first 12 months).																																																												

Summary of Agreement

	<p>This cap covers all direct damages up to the cap amount, except for Accenture's liability for breach of confidential information (other than with respect to personal data, which is subject to the cap) and Accenture's intellectual property indemnification, both of which are carved out of the cap.</p> <p>Accenture also indemnifies UCF for third party claims related to security incidents. Accenture's liability related to personal data (including the related indemnity for third party claims related to security incidents) is also included within the cap referenced above.</p> <p>In no event will either Party be liable (whether in contract, tort, negligence, strict liability in tort, by statute or otherwise) for any: (i) consequential, indirect, incidental, special or punitive damages, or (ii) loss of profits, business, opportunity or anticipated savings (whether directly or indirectly arising). Nothing in the Agreement excludes or limits either Party's liability to the other which cannot lawfully be excluded or limited.</p> <p><u>UCF's liability:</u></p> <p><i>The cap on the amount and total liability of UCF for damages, regardless of the number or nature of claims in tort, equity or contract, shall not exceed the dollar amount set by the legislature for tort, which is \$200,000 per person/\$300,000 per occurrence. Any UCF indemnification obligations are also subject to this cap.</i></p>
Link to agreement	https://bot.ucf.edu/files/2020/10/FFC-2-RFR2020-06_AccentureContract_Final.pdf

UCF BOARD OF TRUSTEES**Agenda Item Summary**

Finance and Facilities Committee

October 14, 2020

Title: First Amendment to Promissory Note and Mortgage - UCF Lake Nona Cancer Center☐ **Information**☐ **Information for upcoming action**☒ **Action****Meeting Date for Upcoming Action:** Not Applicable**Purpose and Issues to be Considered:**

The purpose of the First Amendment to the Promissory Note and Mortgage ("First Amendment") is to provide for an extension of time for payment of the first quarterly principal payment on the Promissory Note for the UCF Lake Nona Cancer Center from December 1, 2020 until July 1, 2021 and shift the remaining payment schedule accordingly. This will allow critical time needed by UCF, UCF Academic Health (UCFAH) and private tenants to manage the COVID-19-related delays and resulting financial impacts.

If the First Amendment is not approved, the University of Central Florida Real Estate Foundation, LLC (UCFREF) will have to pull from the University of Central Florida Foundation (UCFF) reserves to pay for approximately the first two quarterly principal payments, which would amount to \$1,000,000. The building was intended to serve as a net neutral asset for the UCFREF, with the note payments covered by UCFAH rental of space to third party tenants. This would significantly impact UCFF's financial position and limit opportunities to provide University funding for this fiscal year and beyond.

Background Information:

In 2018, UCFREF purchased from Orange County property previously known as the Sanford-Burnham Prebys Medical Discovery Institute in order to develop a cancer research and treatment center, now known as the UCF Lake Nona Cancer Center. The purchase price was \$50,000,000. Orange County provided an interest free loan to UCFREF for the purchase of the building, in coordination with the City of Orlando and Lake Nona Land Company, secured by a conventional mortgage held by Orange County.

Through a "Master Lease," UCFREF immediately leased the property to the University of Central Florida (UCF) for the development of a comprehensive cancer research and treatment center, which will include wet lab space for UCF College of Medicine cancer research, with clinical research and oncology and other clinical services to be provided by private partners. On December 1, 2018, UCF sublet approximately 80,000 rentable square feet of the building to UCFAH so that UCFAH could develop partnerships and sub-subleases with private sub-tenants. The UCF Board of Trustees approved the original Master Lease on August 21, 2018 and a First Amendment on June 18, 2020.

The first quarterly principal note payment is scheduled to begin on December 1, 2020. Each partner tenant is handling its own specialized design and construction of tenant improvements, and UCF is undertaking construction needed to convert the building from a single use to enable multiple tenants and uses. Due to the impact of COVID-19, there have been unavoidable delays in planning, leasing and construction of spaces. As a result, without delaying the payment schedule, the first quarterly payment will become due prior to UCFAH receiving rental income from private long-term sub-tenants.

Therefore, UCFREF, together with UCF, requested that Orange County delay the first quarterly principal payment through the proposed First Amendment. The First Amendment modifies section 3(c) of the Promissory Note to provide that "the 'First Principal Payment Date' shall be July 1, 2021." This revised payment date aligns with UCF's fiscal year and will enable UCF and UCFAH to manage the serious financial impact of the COVID-19 -related delays on this important community project.

Recommended Action:

Approval of the First Amendment to Promissory Note and Mortgage.

Alternatives to Decision:

Identify an alternative commencement date for the note payment.

Request payment from the UCFF reserves

Fiscal Impact and Source of Funding:

If approved, there is no fiscal impact as the repayment amount remains the same

Authority for Board of Trustees Action:

Finance and Facilities Committee Charter 2.1

Florida Statutes 1004.28

Contract Reviewed/Approved by General Counsel: ☒ N/A ☐

Committee Chair or Chair of the Board has approved adding this item to the agenda: ☒

Submitted by:

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Jennifer Cerasa, Legal Counsel to the UCF Foundation and Sr. Assoc. General Counsel to UCF

Jeanette Schreiber, Sr. Assoc. Vice President for Health Affairs and Chief Legal Officer, College of Medicine

Supporting Documentation:

Attachment A: Board of Trustees Contract Summary Form

Facilitators/Presenters:

Jennifer Cerasa, Legal Counsel to the UCF Foundation and Sr. Assoc. General Counsel to UCF

Jeanette Schreiber, Sr. Assoc. Vice President for Health Affairs and Chief Legal Officer, College of Medicine

Summary

Purpose/Background	<p>In 2018, UCFREF purchased from Orange County property previously known as the Sanford-Burnham Prebys Medical Discovery Institute in order to develop a cancer research and treatment center, now known as the UCF Lake Nona Cancer Center. The purchase price was \$50,000,000. Orange County provided an interest free loan to UCFREF for the purchase of the building, in coordination with the City of Orlando and Lake Nona Land Company, secured by a conventional mortgage held by Orange County.</p> <p>Through a "Master Lease," UCFREF immediately leased the property to the University of Central Florida (UCF) for the development of a comprehensive cancer research and treatment center, which will include wet lab space for UCF College of Medicine cancer research, with clinical research and oncology and other clinical services to be provided by private partners. On December 1, 2018, UCF sublet approximately 80,000 rentable square feet of the building to UCFAH so that UCFAH could develop partnerships and sub-subleases with private sub-tenants. The UCF Board of Trustees approved the original Master Lease on August 21, 2018 and a First Amendment on June 18, 2020.</p> <p>The first quarterly principal note payment is scheduled to begin on December 1, 2020. Each partner tenant is handling its own specialized design and construction of tenant improvements, and UCF is undertaking construction needed to convert the building from a single use to enable multiple tenants and uses. Due to the impact of COVID-19, there have been unavoidable delays in planning, leasing and construction of spaces. As a result, without delaying the payment schedule, the first quarterly payment will become due prior to UCFAH receiving rental income from private long-term sub-tenants.</p> <p>Therefore, UCFREF, together with UCF, requested that Orange County delay the first quarterly principal payment through the proposed First Amendment. The First Amendment modifies section 3(c) of the Promissory Note to provide that "the 'First Principal Payment Date' shall be July 1, 2021." This revised payment date aligns with UCF's fiscal year and will enable UCF and UCFAH to manage the serious financial impact of the COVID-19 -related delays on this important community project.</p>
Parties	University of Central Florida Real Estate Foundation, L.L.C. Orange County
Term	30 years plus 7 months, effective date December 1, 2018
Obligations of UCF	No change

Obligations of other party	No change
Financial terms	<p>Current First Principal Payment Date: December 1, 2020 Revised First Principal Payment Date: July 1, 2021</p> <p>Total repayment amount remains the same.</p>
Termination rights	No change
Additional terms	N/A
Link to agreement	<ul style="list-style-type: none"> • FFC-3-27-FULLY-EXECUTED-Promissory-Note-UCF-Cancer-Center: https://bot.ucf.edu/files/2020/09/FFC-3-27-FULLY-EXECUTED-Promissory-Note-UCF-Cancer-Center.pdf • FFC-3-28-FULLY-EXECUTED-Mortgage-UCF-Cancer-Center: https://bot.ucf.edu/files/2020/09/FFC-3-28-FULLY-EXECUTED-Mortgage-UCF-Cancer-Center.pdf • FFC-3-First-Amendment-to-Promissory-Note-and-Mortgage-v-2-REM-2020-08-21: https://bot.ucf.edu/files/2020/10/FFC-3-First-Amendment-to-Promissory-Note-and-Mortgage-v-2-REM-2020-08-21-2.pdf

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 October 14, 2020

Title: Contract Prepayment Guidelines

☒ **Information**

☐ **Information for upcoming action**

☐ **Action**

Meeting Date for Upcoming Action: Not Applicable

Purpose and Issues to be Considered:

Requesting departments must document that the benefits of contract prepayment outweigh the risks. Advance payments are a common business practice and are required by certain suppliers for a variety of reasons; however, the risk that the vendor will not provide the agreed-upon goods or services at an acceptable standard of quality and timeliness must be considered prior to any prepayments.

Background Information:

On December 11, 2019, during the discussion of amendment #4 to the Huron Master Services Agreement, trustees expressed concern that 80 percent of the initial contract had been prepaid. Staff explained that this was done to receive a 20 percent discount on the contracted price and that the university had an extensive history with Huron demonstrating their ability to provide quality work; further, this was approved by the project's steering committee and the University Budget Committee.

Then-trustee Garvy requested, and Chair Martins agreed, that a discussion of prepayment for services be brought to a future committee meeting. Accordingly, the Division of Finance has updated its policy for advance payments and is bringing it to the committee for discussion.

Recommended Action:

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

Advance payment of certain contracts will accelerate the timing of expenditures. The university's PeopleSoft financial system will prevent payments where the department does not have adequate budget for the expense.

Authority for Board of Trustees Action:

Specific trustee request.

Contract Reviewed/Approved by General Counsel: ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda: ☒

Submitted by:

Joseph Trubacz, Interim Vice President for Finance and Chief Financial Officer

Supporting Documentation:

Attachment A: Division of Finance Policy on Advance Payments

Facilitators/Presenters:

Joseph Trubacz, Interim Vice President for Finance and Chief Operating Officer

Joel Levenson, Assistant Vice President for Tax, Payables, and Procurement



University of Central Florida

Division of Finance

Procedures Document

Purpose of Procedure:	Documentation of advance payment authorizations
Who Processes:	Disbursements (Vendors Payable & PCard) staff
How often:	As needed
What is Processed:	Invoices requiring a payment prior to receiving goods or services
Where are the results distributed:	PeopleSoft Financials
Date:	09/01/2017; Revised 05-19-2020
Author:	Joel Levenson, AVP for Tax, Payables, Procurement

Summary:

This documents the university's procedures for advanced vendor payments.

Background Information:

Although section 215.422(14), Florida Statutes, and Florida Administrative Code Rule 69I-40.120(3) concerning advance payments made by other state agencies do not apply to the Florida public universities, it is best practice to document the university's position and procedures for approving certain advance payments when the benefits outweigh the risks. Advance payments are a common business practice and are required by certain suppliers for a variety of reasons; however, the risk that the vendor will not provide the agreed-upon goods or services at acceptable standards of quality and timeliness must be considered prior to any prepayments.

Examples of items and services that may require advance payments include:

- operating capital for a specialized piece of equipment
- catering
- license agreements including, but not limited to, software approved through UCFIT
- monthly rent or lease payments

The following are examples of items and services that are qualified for automatic prepayment approval:

- 1) a continuous need for the maintenance or service of a research project
- 2) a mission-critical need of the department
- 3) customized equipment or furnishings
- 4) other (justification provided by the requesting department)

The following are examples of goods and services that are strictly prohibited from advance payments:

- 1) professional services, including but not limited to, consulting, accounting, and legal services.
- 2) internal UCF charges, other than monthly contracts. Example:
Department X receives an invoice in April for May's copier lease.
Payment for the copier lease in April for May is allowable. Payment for next fiscal year's anticipated copier invoices is prohibited.
- 3) Any expenditure with the intent to expend current year operating budget prior to fiscal year close.

Procedures:

- I. Review of payment terms
 - A. The Division of Finance (Finance) will review the prepayment during the vouchering process to ensure the payment meets the prepayment terms. Examples of allowable prepayment terms are provided below.
 - B. Non-research project invoices which include payment terms requiring a payment prior to the requesting department receiving the requested goods or services, will be automatically approved for an advanced payment by Finance **if the prepayment terms are documented on the invoice, or other agreement between the university and the payee. The advance payments must meet the criteria listed, above.**
 - C. For research projects requesting an advance payment, Finance will consider the prepayment approved after review and approval by the Office of Research.
- II. The disbursement staff processor is required to document the prepayment, if the payment meets both of criteria A and B, below. The documentation of the prepayment is an excel file titled, "Advance Multi-Year Payments" located on the Finance T:drive and is available for review by General Accounting.
 - A. The prepayment is for a term of service, or for goods expected to be received after a fiscal year end in which the payment occurs.
 - B. The payment is for \$5,000 or more.
- III. Any exceptions to this procedure must be approved in writing in advance of the purchase by the Assistant Vice President for Tax, Payables, and Procurement.

Examples of allowable prepayment terms:

BACKSTAGE EQUIPMENT, INC. 8052 Lankershim Bl. North Hollywood, CA 91605				<h1>Sales Order</h1>			
Tel: (818) 504-6026 Fax: (818) 504-6180				Customer No.: UCF Order No.: 26725			
Bill To: University Of Central Florida 12405 Aquarius Agora Drive Bldg 75, NSC 157 Film Orlando, FL 32816				Ship To: University Of Central Florida 12405 Aquarius Agora Drive Bldg 75, NSC 157 Film Orlando, FL 32816			

Date	Ship Via	F.O.B.	Terms
05/25/17	Pilot Freight	Origin	-Prepaid-

Purchase Order Number	Required Date	Sales Person	Our Order Number
Verbal	06/15/17	Zulema Flores	26725

Quantity	Item Number	Description	Serial Number	Unit Price	Amount
1	G-02	Super Duz-All Cart Dims. L63" x W29" x H68" 324 lbs.		\$1,995.00	\$1,995.00
1	E-15	Stinger Cart (Complete) L16" x W26" x H38" 79 lbs		\$495.00	\$495.00
1	GE-13	C-Stand/Hi-Roller Utility Cart Dims. L36" x W26" x H60" 100 lbs.		\$995.00	\$995.00
1	E-01	Electrician's Cart Dims. L61" x W29" x H64" 255 lbs.		\$1,575.00	\$1,575.00
6	B-03	Milk Crate w/ Ring		\$20.00	\$120.00
4	B-05	School Crate		\$20.00	\$80.00
6	B-04	Milk Crate Liner-Metal Dims. L19" x W13" x H11" 4 lbs.		\$10.50	\$63.00
4	B-06	School Crate Liner L17 3/4" x W11 3/4" x H4 7/8		\$10.00	\$40.00
1	PACK	Packing Charge 5% charge of the net price		\$268.15	\$268.15
				John Bowen (407) 823-3803 Jonathan.bowen@ucf.edu	
				Order subtotal	\$5,631.15
				Freight charges	\$931.48
				Order total	\$6,562.63



PRIVATE EVENT AGREEMENT

EVENT: UCF
DATE OF EVENT: August 03, 2017

ROOM	TIME IN	TIME OUT	ROOM FEE
Hamlin	08/03/2017 06:00 pm	08/03/2017 09:00 pm	\$0.00

ESTIMATED ATTENDEES:	35	FOOD AND BEVERAGE MINIMUM:	\$1,500.00
ESTIMATED COST:	\$1,948.95	NONREFUNDABLE DEPOSIT:	\$1,000.00
MEMBER/CLIENT:	UCF Executive Development Center		
PHONE:	(407) 235-3914	EMAIL:	rwagoner@bus.ucf.edu
CLIENT REP:	Becky Wagoner		
PHONE:	(407) 235-3914	EMAIL:	rwagoner@bus.ucf.edu

This Agreement is not binding upon the Club unless it is signed by both parties and any deposit paid by: 02/28/2017

This Private Event Agreement (this "Agreement") is between Citrus Club, Inc. ("Club"), located at 255 South Orange Ave, Orlando, FL, 32801-3481 and UCF Executive Development Center ("Member/Client").

Member/Client has requested that Club reserve a portion of Club's facilities for an event, party, banquet, or function (the "Event"). Member/Client has selected the arrangement summarized above, which will be more specifically described on Exhibit "A" to be attached hereto (the "Banquet Event Order"). Member/Client understands and agrees that the following are express terms and conditions applicable to the Event:

1. **Payment Schedule.** At the time of execution of this Agreement by both parties, Member/Client shall pay to Club a nonrefundable deposit of \$1,000.00 to secure the Event. This nonrefundable deposit will be applied to the total cost of the Event. No later than 06/04/2017 (or, if blank, 60 days prior to the Event), Member/Client will pay an additional deposit equal to 50% of the estimated cost for the Event set forth above (the "Estimated Cost"). The remaining 50%, less the nonrefundable deposit, is due no later than 07/27/2017 (or, if blank, 7 days prior to the Event). In the event of an overpayment, the Club shall issue a refund check to Member/Client for the difference within 20 days after the Event. Any outstanding amounts and any additional charges incurred with respect to the Event will be charged to Member/Client's authorized credit card. If any payment is not made when due, the Club may, at its option, deem the Event canceled, in which case cancellation charges will apply.

UCF BOARD OF TRUSTEES
Agenda Item Summary
Finance and Facilities Committee
October 14, 2020

Title: Campus Master Plan Neighborhood Meeting Public Comments

☒ **Information**

☐ **Information for upcoming action**

☐ **Action**

Meeting Date for Upcoming Action: Not Applicable

Purpose and Issues to be Considered:

This item supports the 2020-21 Presidential goal to elevate and promote UCF through community relations and communications efforts by keeping our neighbors informed of academic and athletic project development status, as required by our 2020-30 Campus Master Plan.

Background Information:

The trustees requested that the minutes from Campus Master Plan Neighborhood meetings be provided to the committee for information purposes. The minutes for the July 22, 2020 meeting are attached.

Recommended Action:

For information only.

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

Specific trustee request.

Contract Reviewed/Approved by General Counsel: ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda: ☒

Submitted by:

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer.

Supporting Documentation:

Attachment A: July 22, 2020 Meeting Minutes

Facilitators/Presenters:

Bill Martin, Senior Director, Facilities Planning and Construction



Facilities Planning and Construction

University of Central Florida
3528 North Perseus Loop – Building 16
Orlando, FL 32816-3020
<http://www.fp.ucf.edu/>

MEETING MINUTES

Project:	Neighborhood Meeting	Job Number:	N/A
Notes By:	Bill Martin, UCF Director FP&C	Meeting Location:	ZOOM meeting
Bldg / Rm#:	N/A	Meeting Date & Time:	Wednesday 7/22/20, 6:00pm

UCF Attendees:

Bill Martin, UCF FP&C
Suzy Hutson, UCF FP&C
Carl Kelly, UCF FP&C
Samantha Mason, UCF FP&C
Maritza Martinez, UCF Community Relations
David Hansen, UCF Athletics
Lashanda Brown-Neal, UCF F&S Business Office
Isabel Hagan, F&S Resource Management
Derrick Stockdreher, UCF Police

Neighbor/Vendor Attendees:

Richard Patch, Regency Park
Christy & Bob Lancaster, West Hampton
Ben Neri, University Estates
Ronald Brooke, University Estates
Donna DeGregory, University Estates
RJ Mueller, University Estates
Carole Goldsmith, River's Bend
Judy Simonet, River's Bend
Carol Pickler, RiverWalk Oviedo
Susan Williams, Carillon
Emily Lacy, Regency Park
* 12 additional residents registered, but did not attend

Tara Bleakley, TLC Engineering
Madison Graham, SGM Engineering
Francisco Alvarado, BRPH Architects
Amy Bitterling, Ajax Building Company
Chris Brunson, WJ Construction
Henry Ramos, Herman Miller (furniture vendor)
Prasad Chittaluru, EPIC Engineering

OBJECTIVE:

The purpose of the meeting was to update neighbors on current and upcoming construction projects, in accordance with the Campus Master Plan 2020-30 Intergovernmental Policy 1.7.6:

- POLICY 1.7.6: Continue to keep the neighboring communities apprised of UCF's development plans, by hosting biannual Neighborhood Meetings between Facilities Planning & Construction (FPC) and the neighboring communities. FPC will establish the agenda for each meeting, and invite pertinent UCF departments, including but not limited to, Student Development and Enrollment Services, Landscape and Natural Resources, UCF Athletics Association, the Division of Community Relations and Economic Development, the UCF Police Department, etc.

FORMAT:

As COVID is a continuing safety risk, FP&C held this meeting as an online ZOOM meeting. A number of actions were taken to help improve attendance of the meeting:

- The meeting time was coordinated with Ron Brooke and Emily Lacy, two highly engaged representatives of the neighborhoods immediately east of UCF (University Estates, Regency Park)
- The meeting was advertised 2 weeks ahead of time on the FP&C website.
- Maritza Martinez (UCF University Relations) sent an email announcement to our database of neighbors who have attended previous events.

- A notice was posted in the University Estates Facebook page, and on the NextDoor App.
- Bill Martin emailed the University Estates home-owners association, requesting a blast email to their community. Unfortunately, this request was denied by the home-owner's association, citing that our posting to their Facebook site was enough notice.

These outreach efforts, as well as the online format, led to significantly increased attendance, and we will continue these efforts and format in the future.

MEETING MINUTES:

- 1) GENERAL - Bill Martin opened the meeting, and took a roll call of those in attendance.
- 2) NEIGHBORHOOD UPDATE PRESENTATION – Bill Martin shared his screen and walked through a PowerPoint presentation covering the following topics (PPT can be viewed at this link: <https://fp.ucf.edu/wp-content/uploads/projects/072220%20Neighborhood%20Meetingx.pdf>):
 - a. **FACILITIES PLANNING AND CONSTRUCTION (FP&C) BASICS**
 - i. FP&C's role at the university
 - ii. Project Volume – July 2020
 - iii. Project Volume – 2-year history
 1. project volume has been very high in the past (ranging from 300-400 projects at any given time)
 2. project volume is trending lower (currently 250 projects) due to improvements in project close-out and fewer new projects due to COVID. COVID has allowed us to catch up on project close-out and assign workload closer to our PM capacity targets.
 - iv. Project Size – 50% under \$50K; 25% \$50K-\$200K; 22% \$200K-\$2M; 3% over \$2M
 - v. Project Types – breakdown of the types of projects that FP&C does, by %
 - b. **SAMPLE PROJECTS**
 - i. Slideshow with pictures showing example minor projects – research, classrooms, tech fees, offices, retail/restaurant, athletics, deferred maintenance, etc.
 - ii. Slideshow showing current or recently completed major projects (over \$2M) – CREOL Expansion, Roth Athletic Center, Library Expansion, Student Union Expansion, Partnership Renovations, UCF Hotel and Conference Center (Celeste Hotel), UCF Downtown
 - c. **CAMPUS MASTER PLAN 2020-30**
 - i. Overview of Masterplan process and the 10-year Schedule of Capital Projects (SCP)
 - ii. Reviewed projects that are in progress, or that are on the BOT approved 2021-22 Capital Improvement Plan (CIP)
 1. Biology Building Renovation – estimated \$9.5M project to renovate the MEP systems in Biology, with limited cosmetic upgrades – advertisement underway
 2. Library Renovation, Phase 2A (CITF funded) – under contract negotiations
 3. CIP Projects requesting state funding:
 - a. Learning Laboratory (requesting PECO funds year 1)
 - b. Research II Laboratory (requesting PECO funds year 2)
 - c. Chemistry Renovation (requesting PECO funds year 2)
 - d. Communications and Media Building (requesting PECO funds year 2)
 - e. Arts Complex, Phase II (requesting \$2M CITF year 1, PECO funds year 4)
 - f. Howard Phillips Hall (requesting PECO funds year 4)
 - iii. Discussed Housing Masterplan - study underway
 - iv. Reviewed “All PROPOSED DEBT OR P3 PROJECTS FOR FY 2021-22 THAT REQUIRE LEGISLATIVE APPROVAL” list that goes with the CIP, which the BOT has approved:
 1. College of Nursing – potential Private Public Partnership (P3) project
 2. Multiple UCFAA projects including McNamara Cove, the UCF Basketball Excellence Center, and other smaller projects. It is worth noting that a Stadium Expansion was not on this list, not discussed, and not asked about.

- v. Discussed the Campus Development Agreement (CDA) with our Host Local Government (Orange County)
 - 1. CDA discussions have begun with Orange County. Due to budget concerns from both Orange County and UCF, both parties want to focus on finishing projects currently committed to in the 2016 CDA and limit future projects which would require financial commitments.
 - 2. The most significant current project which is finishing construction documents is the pedestrian safety improvements on Alafaya Trail and University. This project involves adding a 4' tall guardrail along the entire length of UCF property to discourage pedestrians from crossing this street, except at traffic lights. The project also adds a 10-foot sidewalk along the entire length of UCF property along Alafaya. The project also includes a mid-block crossing (light that will stop vehicle traffic but is only activated by a pedestrian pushing a button on either side of the road), at Alafaya and Salon Drive. See images at the end of these minutes for the location of this guardrail and sidewalk. Note that in a forthcoming BOT FFC meeting, we will be requesting that UCF grant an easement to Orange County for the installation and maintenance of this sidewalk and guardrail.
 - 3. The most significant future project which Orange County will be doing a design study, is a similar 10' wide sidewalk along McCulloch Rd to the north of our campus, with vehicular and pedestrian lights, and two potential mid-block crossings located at the entrances to the apartment complexes. This project may continue to the east of UCF property, north of University Estates. The University Estates residents expressed strong support of this project.
 - d. COVID – Bill Martin provided an overview of measures being taken at UCF to prepare for students and faculty returning to campus
 - i. Seating capacity reductions to follow social distancing requirements
 - ii. Hand sanitizer stations
 - iii. Enhanced cleaning
 - iv. Foot pulls on doors, installation of some touch-free door activators
 - v. ¼ mile of plexiglass barriers being installed at transaction areas
 - vi. Enhanced filtration systems and UV lighting in targeted air handlers
 - vii. Significant remote instruction
 - viii. 30% max office occupancy (may increase over time)
 - ix. COVID self-check app
 - x. Masks mandatory while indoors
 - xi. Encourage eating outdoors
 - xii. Single occupancy dorms in most cases, phased move-in
 - xiii. No classes after Thanksgiving
- 3) QUESTIONS (questions in “quotations” were submitted via ZOOM’s chat feature; questions without “quotations” are approximations of questions asked verbally during the discussion)
- a. Carole Goldsmith – “When developers plan to build new student housing, is the University consulted to help determine need for additional student housing in the neighboring areas?”. Bill Martin answered that the university is not asked by developers about student housing needs (to my knowledge). For the ongoing UCF Housing Masterplan, we have provided the consultant data about surrounding developments to help them gauge the on-campus need.
 - b. Carol Pickler – “Are there plans for a new theater?”. Bill Martin referred to the Arts Complex, Phase II project, which is not conceived as a theater in the traditional sense of the word, but more of a flexible space that can be built out to accommodate a number of instructional uses – one of which may be performances.
 - c. RJ Mueller – “Ecstatic to hear about the improvements to the south side of McCulloch and especially the two pedestrian crosswalks. Will there be improvements to the trails in Lake Claire so students can use those to get to the campus area?”. Bill Martin and Suzy Hutson noted that we would like to improve those trails, as they are currently difficult to navigate – we envision more

of a boardwalk solution similar to what is implemented at the Student Union over the Cypress Dome wetland.

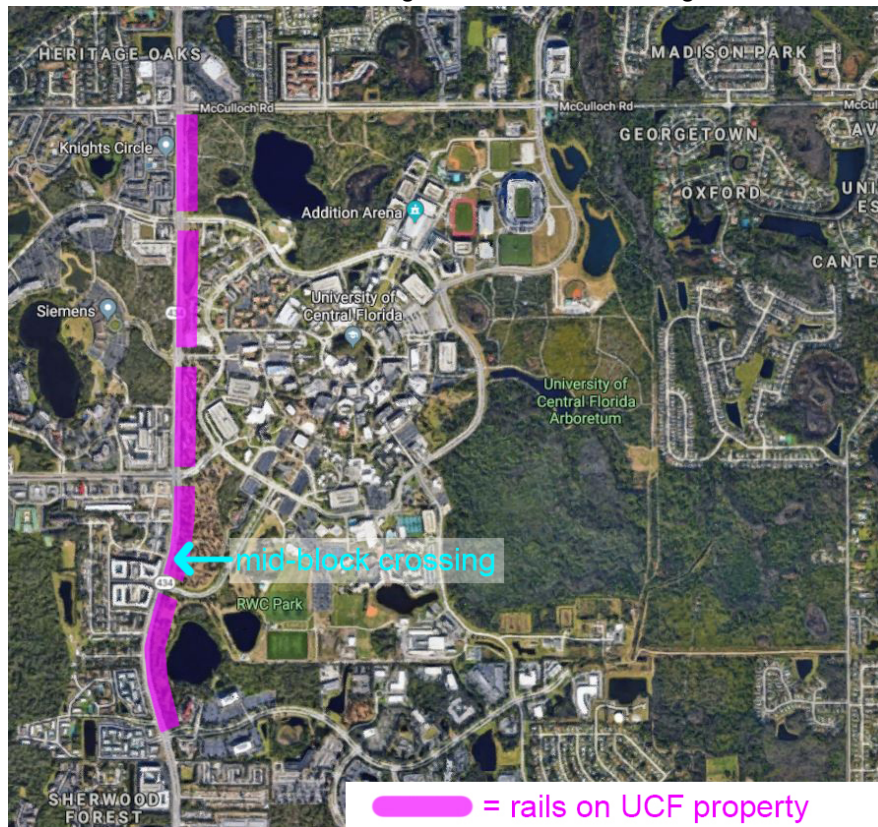
- d. Christy Lancaster – “Will the buffer (trees) between McCulloch & UCF stadium go away with the sidewalks?”. Bill Martin stated that the trees will not be removed, there is plenty of room for a sidewalk without tree removal.
- e. Christy Lancaster – “Will the new lights (on McCulloch) be coordinated to keep traffic moving?”. Bill Martin clarified that the two mid-block crossings will only stop traffic if activated by a pedestrian on the north or south side of the road, so they will have no impact on traffic when pedestrians are not present.
- f. Christy Lancaster – “What is being done to decrease the noise levels with the new splash park? Music? Etc.?”. Ronald Brooke echoed this question. David Hansen stated that the music in the McNamara Cove will be minimal, that the intent is that no sound will reach the neighbors, and that the sound package has not been finalized yet so he will make sure the neighbor concerns are considered in the final design.
- g. Ronald Brooke – Ronald pointed out that he believes UCF is at our limit for potable water use and asked how McNamara Cove will work with that restriction. Bill Martin noted that yes, we are currently at the limit of our Consumptive Use Permit for potable water – which will affect the construction of any new project on campus. But we are taking active measures to reduce our potable water use consumption in order to free up capacity for future developments. In particular, we have recently converted the cooling towers at our District Energy Plant IV from potable to reclaimed water.
- h. Ronald Brooke – asked if housing projects were on the Campus Master Plan. Bill Martin noted that they are – projects 21, 22, and 23 on the Schedule of Capital Projects, and that they are planned to be located in the middle of campus. Ronald Brooke expressed appreciation that they are not being considered to be located near the neighbors.
- i. Ronald Brooke – asked about the Tennis Complex – location is currently “TBD” and he did not want it located near the softball stadium due to noise and lights. David Hansen answered that a location has not been finalized and when discussions start again on the project, multiple locations will be evaluated.
- j. Ronald Brooke – noted that recent softball games seemed louder than in the past and wondered if something has changed with their sound system. David Hansen noted that there have not been changes to softball or baseball audio/visual, but UCFAA has plans to upgrade those system and they will take care to minimize impacts of sound to the neighbors.
- k. Ronald Brooke – asked if there were any additional efforts related to looking at stormwater overflow into Regency Park. Bill Martin noted that there have not been, but he will ask Patrick Bohlen (UCF Director of Landscape and Natural Resources) to engage on this topic.
- l. Susan Williams – asked if there are any solutions for parking challenges on campus. Bill Martin noted that UCF has a large transportation grant, part of which is aimed at installing technology which will report available parking spots to a cell phone app, so that students/faculty/staff/visitors can see which lots on campus have parking availability, real-time. Construction is on-going on campus with the installation of poles and equipment for this project.
- m. Carol Pickler – asked where the hotel is located. Bill Martin noted that it is on the northeast side of Alafaya/University, and pointed out the location on the Schedule of Capital Projects map.

With no further questions, Bill Martin thanked everyone for their participation, and the meeting was adjourned.

Please note the graphics on the following page related to the Alafaya Pedestrian Safety project, and please visit the link below to see the Neighborhood Update PowerPoint:

<https://fp.ucf.edu/wp-content/uploads/projects/072220%20Neighborhood%20Meetingx.pdf>

Location of fencing and mid-block crossing:



Rendering of the proposed fencing and sidewalk



End of Meeting Minutes

UCF BOARD OF TRUSTEES
Agenda Item Summary
 Finance and Facilities Committee
 October 14, 2020

Title: Quarterly Operating Budget Report Ended June 30, 2020

☒ **Information**

☐ **Information for upcoming action**

☐ **Action**

Meeting Date for Upcoming Action: Not Applicable

Purpose and Issues to be Considered:

The attached reports include revenues and expenditures for the year ended June 30, 2020, compared to the operating budget. Overall, revenues and expenditures as a percent of the operating budget are 82.7 percent and 82.4 percent, respectively, compared to 89.2 percent and 87.9 percent in the prior year. Additionally, the attached reports include statistical information primarily related to student enrollment. Student credit hours are 3.4 percent higher than the enrollment plan and 1.9 percent higher than the prior year. Specific activities and variances in certain budget categories are described in Attachment A.

Background Information:

This item provides quarterly operating financial information to the trustees for information purposes only.

Recommended Action:

For information only

Alternatives to Decision:

N/A

Fiscal Impact and Source of Funding:

N/A

Authority for Board of Trustees Action:

N/A

Contract Reviewed/Approved by General Counsel: ☐ N/A ☒

Committee Chair or Chair of the Board has approved adding this item to the agenda: ☒

Submitted by:

Joseph Trubacz, Interim Vice President for Financial Affairs and Chief Financial Officer

Supporting Documentation:

Attachment A: UCF Operating Budget Quarterly Report

Facilitators/Presenters:

Joseph Trubacz, Interim Vice President for Financial Affairs and Chief Financial Officer
 Kristie Harris, Associate Vice President of Financial Affairs

University of Central Florida

Operating Budget Report

as of June 30, 2020 (100% of year)

2019-20

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 674,429,691	\$ 713,414,949	\$ 950,003,856	75.1%	71.0%	\$ (38,985,258)	\$ 299,197,584
Medical School	50,648,987	48,359,557	60,508,900	79.9%	83.7%	2,289,430	12,116,561
Auxiliary Enterprises	282,573,942	259,987,401	302,385,900	86.0%	93.4%	22,586,540	93,942,113
Sponsored Research	192,099,219	177,414,102	188,528,000	94.1%	101.9%	14,685,118	16,355,439
Student Financial Aid	592,292,589	589,897,844	659,877,204	89.4%	89.8%	2,394,745	32,049,075
Student Activities	20,853,515	18,770,833	24,760,828	75.8%	84.2%	2,082,682	7,628,219
Concessions	448,457	345,455	800,000	43.2%	56.1%	103,003	1,291,908
Technology Fee	9,818,965	9,152,802	10,028,400	91.3%	97.9%	666,164	11,054,921
	<u>\$ 1,823,165,366</u>	<u>\$ 1,817,342,943</u>	<u>\$ 2,196,893,088</u>	<u>82.7%</u>	<u>83.0%</u>	<u>\$ 5,822,423</u>	<u>\$ 473,635,820</u>

2018-19

	Revenue	Expenditures	Expenditure Budget	% of Budget Spent	Revenue as % of Budget	Revenue less Expenditures	Fund Balance (as of July 1)
Educational & General	\$ 767,028,366	\$ 660,173,274	834,874,276	79.1%	91.9%	\$ 106,855,092	\$ 192,342,492
Medical School	45,570,196	45,922,859	57,746,237	79.5%	78.9%	(352,663)	12,469,224
Auxiliary Enterprises	262,225,088	339,045,700	342,073,719	99.1%	76.7%	(76,820,612)	170,762,725
Sponsored Research	163,568,268	164,475,432	171,988,000	95.6%	95.1%	(907,163)	17,262,602
Student Financial Aid	569,818,932	573,626,235	620,465,788	92.5%	91.8%	(3,807,303)	35,856,378
Student Activities	20,642,735	19,735,349	23,729,718	83.2%	87.0%	907,386	6,720,833
Concessions	573,548	408,914	750,000	54.5%	76.5%	164,634	1,127,274
Technology Fee	9,640,040	9,007,488	9,100,000	99.0%	105.9%	632,552	10,422,368
	<u>\$ 1,839,067,172</u>	<u>\$ 1,812,395,249</u>	<u>\$2,060,727,738</u>	<u>87.9%</u>	<u>89.2%</u>	<u>\$ 26,671,923</u>	<u>\$ 446,963,897</u>

University of Central Florida

Operating Expenditure Report

as of June 30, 2020 (100% of year)

2019-20

	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	\$ 478,897,303	\$ 223,552,116	\$ 10,965,530	\$ -	\$ 713,414,949	67.1%	31.3%	1.5%	-	100.0%
Medical School	37,810,083	9,733,972	759,705	55,798	48,359,557	78.2%	20.1%	1.6%	0.1%	100.0%
Auxiliary Enterprises	110,960,036	131,683,763	2,502,292	14,841,311	259,987,401	42.7%	50.7%	1.0%	5.7%	100.0%
Sponsored Research	83,583,226	88,021,886	5,808,990	-	177,414,102	47.1%	49.6%	3.3%	-	100.0%
Student Financial Aid	6,301,865	583,595,979	-	-	589,897,844	1.1%	98.9%	-	-	100.0%
Student Activities	10,428,234	8,056,164	286,436	-	18,770,833	55.6%	42.9%	1.5%	-	100.0%
Concessions	11,324	334,131	-	-	345,455	3.3%	96.7%	-	-	100.0%
Technology Fee	115	7,984,212	1,168,475	-	9,152,802	0.0%	87.2%	12.8%	-	100.0%
	\$ 727,992,184	\$ 1,052,962,223	\$ 21,491,427	\$ 14,897,108	\$ 1,817,342,943	40.1%	57.9%	1.2%	0.8%	100.0%

2018-19

	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	\$ 463,158,379	\$ 184,871,526	\$ 12,143,369	\$ -	\$ 660,173,274	70.2%	28.0%	1.8%	-	100.0%
Medical School	34,367,611	10,138,400	1,361,050	55,798	45,922,859	74.8%	22.1%	3.0%	0.1%	100.0%
Auxiliary Enterprises	102,711,172	221,641,691	1,450,512	13,242,324	339,045,700	30.3%	65.4%	0.4%	3.9%	100.0%
Sponsored Research	77,453,683	82,280,674	4,741,075	-	164,475,432	47.1%	50.0%	2.9%	-	100.0%
Student Financial Aid	5,758,692	567,867,543	-	-	573,626,235	1.0%	99.0%	-	-	100.0%
Student Activities	10,416,826	9,316,221	-	2,301	19,735,349	52.8%	47.2%	-	0.0%	100.0%
Concessions	487	408,427	-	-	408,914	0.1%	99.9%	-	-	100.0%
Technology Fee	42,944	7,189,991	1,774,554	-	9,007,488	0.5%	79.8%	19.7%	-	100.0%
	\$ 693,909,795	\$ 1,083,714,472	\$ 21,470,560	\$ 13,300,423	\$ 1,812,395,249	38.3%	59.8%	1.2%	0.7%	100.0%

University of Central Florida

Operating Budget Report

as of June 30, 2020 (100% of year)

Statistical Information

Student Credit Hours¹

Actual Compared to UCF Plan

	2019-20			
	Actual	Plan	Difference	% Variance
Summer	296,221	269,653	26,568	9.9%
Fall	751,594	743,617	7,977	1.1%
Spring	712,166	689,301	22,865	3.3%
	1,759,981	1,702,571	57,410	3.4%

	2018-19			
	Actual	Plan	Difference	% Variance
	278,485	267,046	11,439	4.3%
	741,315	724,314	17,001	2.3%
	707,325	691,916	15,409	2.2%
	1,727,125	1,683,276	43,849	2.6%

Current Year Compared to Prior Year

	2019-20	2018-19	Difference	% Variance
Summer	296,221	278,485	17,736	6.4%
Fall	751,594	741,315	10,279	1.4%
Spring	712,166	707,325	4,841	0.7%
	1,759,981	1,727,125	32,856	1.9%

	2018-19	2017-18	Difference	% Variance
	278,485	254,450	24,035	9.4%
	741,315	712,335	28,980	4.1%
	707,325	686,316	21,010	3.1%
	1,727,125	1,653,101	74,025	4.5%

Additional Statistical Information

	2019-20	2018-19	Difference	% Variance
Student headcount - Fall 2019 and 2018	69,525	68,558	967	1.4%
Percent in-state students - Fall 2019 and 2018	90.8%	90.7%	0.1%	

Foundation endowment - June 30, 2019 and 2018	\$ 162,816,774	\$ 161,573,513	\$ 1,243,261	0.8%
Foundation assets - June 30, 2019 and 2018	\$ 397,772,897	\$ 338,113,316	\$ 59,659,581	17.6%

On-campus housing, including Greek housing ²	6,907
Rosen Campus housing ²	384
Affiliated housing ²	3,756
Managed housing ²	1,235
Gross square footage - Orlando Campus ²	10,832,105
Acreage - Orlando Campus ²	1,415

¹ Medical students are not included in student credit hours.

² As of Fall 2019.

University of Central Florida Operating Budget Status

June 30, 2020

Year-to-Date Activity and Variances

The attached reports include revenues and expenditures for the year ended June 30, 2020, compared to the operating budget. Overall, revenues and expenditures as a percent of the operating budget are 82.7 percent and 82.4 percent, respectively, compared to 89.2 percent and 87.9 percent in the prior year. Additionally, the attached reports include statistical information primarily related to student enrollment. Student credit hours are 3.4 percent higher than the enrollment plan and 1.9 percent higher than the prior year. Specific activities and variances in certain budget categories are described below.

Educational & General

Revenues decreased by \$92.6 million which is primarily driven by a decrease in return of funds (\$84.7 million returned in prior year) related to various construction projects and a reduction in state appropriations base funding (\$5.3 million).

Expenditures increased \$53.2 million primarily due to the following: \$20.9 million increase in transfers to fund deferred maintenance projects, \$15.3 million increase in Salaries and Benefits expenditures due to salary adjustments in fiscal year 2020, one-time University-wide bonus payments in quarter 2, \$8.0 million transferred to Sponsored Research related to the Florida Center for Students with Unique Abilities, \$6.8 million increase in funding transfers to support Student Financial Aid due to an increase in Scholarship Investment Funds from the Provost, and \$4.6 million of funding transfers related to COVID-19 housing refunds.

Medical School

Revenues increased \$5.1 million primarily driven by a \$4.2 million increase in state appropriations for the Professional and Graduate Degree Excellence Program and to cover budget redistributions due to the implementation of composite fringe benefits rate.

Expenditures increased \$2.4 million due to \$3.4 million increase in Salaries and Benefits which was partially offset by a \$0.6 million decrease in capital purchases (primarily scientific equipment).

Auxiliary

Revenues increased \$20.3 million primarily driven by a \$6.2 million net increase in investment earnings allocated to auxiliaries, \$6.5 million UCF Foundation support for the Lake Nona Cancer Center, \$5.5 million receipt of CARES Act funding used to reimburse UCF Housing for its breach of contract payment to the UCF Convocation Corp (DSO) related to student refunds and cancelled student leases, \$4.6 million transfer from E&G to cover housing refunds, and \$4.5 million transfer from C&G for repayment of the internal loan. These increases were partially

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Operating Budget Status

June 30, 2020

offset by a \$5.9 million decrease in Housing revenues due to COVID-19 closures and refunds and a \$2.6 million decrease in payments from Aramark.

Expenditures decreased by \$79.1 million primarily driven by a \$78.8 million decrease in transfers to construction for various projects. There was a \$4.2 million decrease in resale-related expenses and \$1.3 million decrease in travel-related expenses (COVID-19 travel ban). These decreases were partially offset by increases of \$8.2 million in salaries and benefits, \$5.5 million breach of contract payment to the UCF Convocation Corp (DSO), and \$1.6 million in debt services payments (early payoff of Health Center bonds).

Sponsored Research

Revenues increased by \$28.5 million primarily related to federal (including \$5.5 million CARES Act institutional funding) and private funding, and an increase in transfers from E&G for the Florida Center for Students with Unique Abilities.

Expenditures increased \$12.9 million primarily due to a \$6.1 million increase in salaries and benefits expenses, \$5.5 million distribution of CARES Act funding to Auxiliaries to cover the breach of contract payment to the UCF Convocation Corp (DSO), \$4.5 million internal loan repayment, \$3.1 million in transfers to overhead & unrestricted scholarships, and \$1.1 million increase in capital purchases primarily related to CREOL and Psychology lab equipment. These increases were partially offset by a decrease of \$7.8 million due to nonrecurring expenses in fiscal year 2019 used to replace E&G funds.

Student Financial Aid

Revenues increased \$22.5 million primarily due to \$16.0 million of CARES Act funding draw downs, an increase in Scholarship Investment Funds transferred from E&G, and an increase in Bright Futures funding. These increases were partially offset by a decrease in federal loans.

Expenditures increased \$16.3 million primarily due to increases in non-need-based aid disbursed from CARES Act funding and state funded awards (\$21.4 million), as well as an increase in Athletics scholarships (\$4.1 million). These increases were partially offset by decreases in need-based student awards (\$10.2 million). Differences between revenues and expenditures by category are primarily related to timing differences between receipt and disbursement of funds, and a decrease in Stafford direct loans.

Student Activities

There was no significant change in revenues.

Expenditures decreased \$1.0 million primarily due to the COVID-19 pandemic which restricted travel (decrease of \$0.3 million) and canceled events resulting in less equipment rent & lease expense (decrease of \$0.3 million). There were also decreases in expenses due to nonrecurring

University of Central Florida Operating Budget Status

June 30, 2020

projects completed in the prior year related to the Student Union and Recreation & Wellness Center (gym floor replacement).

Concessions

There was no significant change in revenues or expenditures.

Technology Fee

There was no significant change in revenues.

Technology fee expenditure variances are due to timing differences of various projects in progress. Approximately 45 percent of 2019-20, 88 percent of 2018-19, 84 percent of 2017-18 and 94 percent of 2016-17 awarded funds have been spent or transferred to Computer Services and Telecommunications for projects completed or in progress. Fiscal year 2015-16 has been completely closed out.

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Operating Budget Status

June 30, 2020

Budgets

Educational & General. The Educational & General budget includes expenditures for operating activities (including general instruction, research, public service, plant operations and maintenance, student services, libraries, administrative support, and other enrollment related operations). This budget is funded by general revenue, Educational Enhancement funds (Lottery), 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, grant, 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 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 commissions and related sponsorship revenue. These funds are used for events and other expenditures that support the university.

Technology Fee. The revenue from this fee will be used to enhance instructional technology resources for students and faculty.

University of Central Florida Operating Budget Status

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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.