



UNIVERSITY OF CENTRAL FLORIDA

Board of Trustees  
Finance and Facilities Committee Meeting  
October 14, 2020  
President's Boardroom, Millican Hall

**MINUTES**

**CALL TO ORDER**

Trustee Alex Martins, chair of the Finance and Facilities Committee, called the meeting to order at 2:00 p.m. Committee members Harold Mills and William Yeargin attended by teleconference. Committee member David Walsh attended in person. Board of Trustees Chair Beverly Seay attended by teleconference. Trustee Joseph Harrington attended by teleconference.

**MEETING MINUTES**

Mills made a motion to approve the minutes of the September 10, 2020, Finance and Facilities Committee meeting. Walsh seconded the motion.

The committee unanimously approved the minutes of the September 10, 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.

Semester credit hours are up 3.6 percent, resulting in a tuition revenue increase of \$5.7 million. Heading into the next fiscal year, the University is \$7.1 million ahead of projections for Summer and \$5.7 million ahead for Fall, for a total of \$12.8 million in new tuition revenue.

Housing has seen a significant increase in housing agreements for Spring 2021, with 618 new Spring agreements completed.

All units have had three percent of their recurring E&G allocations withheld, which approximates the Governor's six percent holdback of state appropriations. The University Budget Committee will be hearing plans from the administrative units on how they would handle an additional three percent cut and any impacts to the services offered by the units. The committee plans to make recommendations to the President about the additional three percent cuts in November. These budget reallocations will generate up to \$25.4 million that may be used to offset any cuts from the legislature if necessary.

Disbursement of CARES Act funding has continued. The university awarded an additional \$2.5 million of CARES Act institutional funds for financial aid, bringing the total financial aid to students from CARES Act funds to over \$28 million.

Trubacz provided the committee with items that will be presented at future committee meetings, including a revised budget for the current fiscal year, a revised format for presenting the University Operating Budget, a report from Brailsford and Dunlavey regarding housing operations, an update on the financial position of the auxiliaries and direct support organizations, an update on the Solar Farm project, and an update on the status of internal loans.

#### INFO-1 Enterprise Resource Planning Vendor and Software Implementation Partner Selection Process

Michael Sink, Interim Chief Information Officer, provided a comprehensive overview of the process used to select and procure the cloud-based Enterprise Resource Planning (ERP) vendor and software implementation partner prior to the presentation of the individual contracts for board action.

Sink reminded that committee that 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 to transform business processes.

The university selected Moran Technology Consulting (Moran) to provide consulting services for the selection of an ERP cloud solution. Moran worked closely with UCF leadership to assist in developing the ERP vendor and software implementation (SI) partner selection strategy and timeline. Moran partnered with UCF Procurement Services to develop the request for Oracle and Workday to submit specific, detailed information regarding their cloud software solutions and their applicability to UCF's requirements.

Sink explained the software vendors were scored based on the following criteria:

1. software functionality and experience
2. strategic direction of the vendor
3. vendor commitment to higher education
4. technical architecture of the platform
5. cost of ownership and pricing

Sink informed the committee that Workday scored higher than Oracle. The Business Owners' Council (BOC) accepted the 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 Interim Provost Michael Johnson, who made the final decision to negotiate with Workday as the ERP cloud solution.

A similar process was followed to select a SI partner. The SI partners were scored based on the following criteria:

1. project plan and approach
2. project timeline

3. resource plan and staffing requirements for UCF and partner
4. training and communication plans
5. pricing
6. company and consulting team experience
7. company commitment to higher education

The results were presented to the BOC and accepted showing Accenture scored the highest. UCF Procurement Services, with support from Moran, negotiated with Accenture on a final contract, which was then accepted by Interim Provost Johnson.

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

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

FFC-1 Approval of Enterprise Resource Planning Vendor Contract

Sink explained to committee members that 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. The adopted contract stated a rate of \$408.63 per Full-Service Equivalent for the Human Resources, 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.

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.

Mills made a motion to approve the Enterprise Resource Planning Vendor Contract. Yeargin seconded the motion.

The committee unanimously approved the Enterprise Resource Planning Vendor Contract.

FFC-2 Approval of Enterprise Resource Planning (ERP) Software Implementation Partner Contract

Sink informed the committee that UCF is also 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.

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

The committee unanimously approved the Enterprise Resource Planning Software Implementation Partner contract with Accenture with the addition of a clause that the contract shall not exceed the Total Project Consulting Services Budget without written mutual agreement of the parties.

FFC-3 First Amendment to Promissory Note and Mortgage for the Lake Nona Cancer Center

Jennifer Cerasa, Senior Associate General Counsel, presented the committee with the First Amendment to the Promissory Note and Mortgage for the Lake Nona Cancer Center between the UCF Real Estate Foundation (UCFREF) and Orange County, which provides for a revised start date on the note repayment from December 1, 2020, to July 1, 2021.

Cerasa provided the committee with a brief background of the project, stating the building was purchased in 2018 by the UCFREF for the benefit and use of the University and UCF Academic Health to develop a cancer research and treatment center, with certain services to be provided by private partners. The property was purchased for \$50 million with a thirty-year interest free note from Orange County.

The first quarterly payment of the note is due on December 1, 2020. The proposed Amendment provides for a revised start date to begin payments on the note from December 1, 2020, to July 1, 2021. Cerasa noted that COVID-19 has impacted construction schedules for the University to convert the space from single-tenant to multi-tenant use, as well as build out by the private partners. This in turn impacts the repayment of the note because the private tenants will provide the source of revenue for the mortgage payment.

Yeargin made a motion to approve the First Amendment to Promissory Note and Mortgage for the Lake Nona Cancer Center. Mills seconded the motion.

The committee unanimously approved the First Amendment to Promissory Note and Mortgage for the Lake Nona Cancer Center.

INFO-2 Contract Prepayment Guidelines

Joel Levenson, Assistant Vice President for Tax, Payables, and Procurement, provided an update to the committee regarding a request submitted by then-trustee Garvy and Chair Martins 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, prohibiting such payments except in limited circumstances.

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.

INFO-3 Campus Master Plan Neighborhood Meeting Public Comments

Misty Shepherd, Interim Vice President for Administrative Affairs and Chief Operating Officer, shared with the committee members the results of the minutes for the July 22, 2020, Neighborhood meeting. Shepherd shared that a notice was posted in the University Estates Facebook page and on the Nextdoor app to encourage participation. The outreach effort and online platform led to a significant increase in attendance and will be continued at future meetings.



Shepherd shared a quick overview of the items discussed during the neighborhood meeting.

INFO-4      Quarterly Operating Budget Report Ended June 30, 2020

Kristie Harris, Associate Vice President for Financial Affairs, provided the committee with a brief overview of the quarterly operating budget which includes revenues and expenditures for the year ended June 30, 2020, compared to the prior year. Overall, the university spent 82.7 percent of its budget in 2019-20, compared to 87.9 percent in the prior year. Additionally, the attached reports include statistical information primarily related to student enrollment. Student credit hours in 2019-20 were 3.4 percent higher than the enrollment plan and 1.9 percent higher than the prior year.

**ADJOURNMENT**

Martins adjourned the Finance and Facilities Committee meeting at 3:21 p.m.

		11-22-2020
Reviewed by:	_____	_____
	Alex Martins	Date
	Chair, Finance and Facilities Committee	
		11/25/20
Respectfully submitted:	_____	_____
	Janet Owen	Date
	Associate Corporate Secretary	