Thursday, May 16, 2019 – The members of the Finance and Administration Committee of the University of Houston System convened at 2:02 p.m. on Thursday, May 16, 2019 at the Hilton University of Houston Hotel, Conrad Hilton Ballroom, Second Floor, 4450 University Drive, Houston, Texas 77201, with the following members participating:

ATTENDANCE

<table>
<thead>
<tr>
<th>Members Present</th>
<th>Non-Members Present</th>
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<tr>
<td>Gerald W. McElvy, Chair</td>
<td>Durga D. Agrawal, Regent</td>
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<td>Peter K. Taaffe, Vice Chair</td>
<td>Beth Madison, Regent</td>
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<tr>
<td>Doug H. Brooks, Regent (Teleconference Call)</td>
<td>Jack B. Moore, Regent</td>
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<td>Steve I. Chazen, Regent</td>
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<td>Paula M. Mendoza, Regent</td>
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<tr>
<td>Andrew Z. Teoh, Student Regent, Non-voting</td>
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<td>Tilman J. Fertitta, Ex Officio</td>
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In accordance with a notice being timely posted with the Secretary of State and there being a quorum of the board present, Chair of the Committee, Gerald W. McElvy called the meeting to order.

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AGENDA ITEMS

Action Items:

The first item requiring committee approval were the minutes from the following Finance and Administration Committee meeting:

1. February 28, 2019, Finance and Administration Committee meeting

On motion of Regent Mendoza, seconded by Regent Chazen, and by unanimous vote of the regents in attendance, the minutes from the Finance and Administration Committee meeting listed above was approved.

Regent McElvy stated the committee would be presented three (3) action items at this meeting, all requiring committee and board approval.

Regent McElvy moved to the first action item listed on the agenda, Item C, the Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding $1 million for the purchase of goods or services, excluding construction contracts, at the University of Houston System, and asked Mr. McShan, Senior Vice Chancellor for Administration and Finance to introduce this item.
Mr. McShan stated that this agenda item included seven (7) different contracts for the committee’s consideration. The first contract was for campus-wide irrigation, landscaping and mowing services which would supplement our current services and help improve the appearance of the grounds. The initial term for the contract would be for three (3) years with two (2) one-year renewal options. He stated that the university spent approximately $450,000 - $500,000 per year on such services and this agreement would set aside an estimated $600,000 each year for irrigation, landscaping and mowing work for a total of $1.8 million for the initial term and $1.2 million for the optional term.

The second contract, Mr. McShan said, was for maintenance work at the Katy and Sugar Land campuses. This agreement would address the maintenance, custodial and grounds needs of those two (2) buildings that could not be met due to the significant distance from the main campus. The initial term for this contract was three (3) years with two (2) one-year renewal options with a total estimated cost of $2.4 million for the initial term and $800,000 for each renewal.

The third item on the list presented by Mr. McShan was a request to increase the contract with Zayo Group Fiber Optics for fiber optic cable services. The original agreement began in 2004 for an initial term of 20 years which, after some research, was found not to be unusual due to the developing of an ongoing relationship with the vendor where the fiber was leased from. Mr. McShan stated the university currently spent approximately $50,000 a year in fiber optic projects and this request was to increase the total cost of the agreement from the current $960,000 to $1,500,000 due primarily to building expansions.

Next on the list was a request for approval for a contract for the bookstore. Mr. McShan explained that, under Dr. Emily Messa’s leadership, the university solicited proposals for a new bookstore provider from the two (2) primary companies which were Follett and Barnes and Noble. Mr. McShan indicated that Dr. Messa organized a committee to help with this process and utilized an external specialist who conducted a market analysis of the UH System campuses. Follett was selected as the bookstore provider for an initial term of five (5) years with five (5) one-year renewal options. Mr. McShan noted that the estimated net revenue was approximately $2.4 million per year. He explained that some of the significant differences with the new contract included a lower commission rate of 12% on classroom supplies while the merchandise commission increased to 20%, as well as the use of technology resources for faculty.

Mr. McShan moved to the next item, a request for approval for a contract for fundraising constituent relationship management system. He explained that after a review by Internal Auditing it was recommended that a new advancement/development system was required to provide the functionality needed by University Advancement including alumni relations, stewardship, prospect development, financial reporting and others. The initial term for this contract would be three (3) years with an estimated cost of $2.65 million and two (2) one-year renewal options with a total of $750,000 each year.

The next contract discussed by Mr. McShan was a request to extend an agreement for the lease of space for the UH Small Business Development Center. The current lease will expire in September 2019 and, while there was a discussion of a change in location, additional time was needed to make the decision. The initial term for the agreement was from July 1999 to September 2009, the optional term was from October 2009 to September 2019 and the current extension would prolong the lease
agreement from October 2019 to May 202, with an estimated cost of $350,430 for the seven (7) month period.

Mr. McShan presented the last item on the list which was a shared services agreement for University of Houston-Victoria to provide Victoria College students, faculty, and staff access to the library resources at the UH Victoria Learning Commons. The initial term for this agreement was four (4) years and three (3) months with an estimated cost of $863,668 and five (5) one-year renewal options totaling an estimated $1,016,080. During the initial term of the agreement the estimated revenue was expected to be $203,216 per year.

On motion of Regent Chazen, seconded by Regent Mendoza, and by unanimous vote of the committee members in attendance, the request to delegate authority to the Chancellor to negotiate and execute contracts exceeding $1 million for the purchase of goods or services, excluding construction contracts at the University of Houston System was approved.

Regent McElvy moved to Item D, the Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding $1 million for projects at the University of Houston System – University of Houston System, and asked Mr. McShan to present this item.

Mr. McShan stated there were two (2) items listed for the committee’s consideration. The first item was a construction contract for the expansion of the dining facility at the University of Houston-Clear Lake, which was needed in order to meet the needs of the new service contract with Chartwells in addition to the surge of students on campus. This agreement, Mr. McShan explained, would be split over multiple contracts for the various projects for an estimated total of $3 million.

The last item was a request for approval for job order contracts for up to five (5) vendors. These vendors would perform work on an as-needed basis for projects under $250,000 and/or to address emergency needs or small projects. Mr. McShan stated that these contracts would be for an initial term of three (3) years with an estimated cost of $10 million each, with an optional two (2) year extension with an approximate cost of $20 million. Mr. McShan also indicated that over the past five (5) years an estimated 46% of the total job order expenses have been assigned to HUB vendors and hoped to have a minimum of two (2) if not three (3) HUB vendors on the list of providers for these new contracts.

A brief discussion followed.

On motion of Regent Mendoza, seconded by Regent Chazen, and by unanimous vote of the committee members in attendance, the request to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding $1 million for projects at the University of Houston System was approved.

The last approval item listed on the agenda was Item E, Approval is requested to establish Fiscal Year 2020 College of Nursing tuition and fee rates at the University of Houston – University of Houston. Regent McElvy asked Mr. McShan to please introduce this item.
Mr. McShan stated this item was seeking approval to establish College of Nursing tuition and fees for certain online degrees only, including the RN to BSN, the MSN Administration, the MSN Education, and the MSN Family Nurse Practitioner. In 2018, the University of Houston entered into an agreement with a third-party partner, Academic Partnerships, to manage and administer online programs and the College of Nursing was the first group to work with them. Mr. McShan explained that Academic Partnerships managed all aspects of the online programs in nursing, with the exception of course content and teaching, and after doing some research the group found that our tuition rates were not competitive. Their recommendations for the proposed new rates are listed below:

Proposed FY2020 Consolidated Tuition and Fee Rates for the Online Nursing Degree Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Proposed Online Rate (per semester credit hour)</th>
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<tbody>
<tr>
<td>RN to BSN</td>
<td>268.65</td>
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<tr>
<td>MSN Administration</td>
<td>373.98</td>
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<tr>
<td>MSN Education</td>
<td>373.98</td>
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<tr>
<td>MSN FNP</td>
<td>585.97</td>
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Mr. McShan noted that the proposed rates were competitively priced to other Texas universities, considering the percentage retained by Academic Partnerships was 50% as specified in our agreement.

On motion of Regent Chazen, seconded by Regent Mendoza, and by unanimous vote of the committee members in attendance, the request to establish Fiscal Year 2020 College of Nursing tuition and fee rates at the University of Houston was approved.

At the conclusion of the approval of the last action item, Regent McElvy called for a motion to place all action items, presented and unanimously approved by the committee, on the Board of Regents’ Consent Docket Agenda for final Board approval.

On motion of Regent Mendoza, seconded by Regent Chazen, and by unanimous vote of the committee members present, the following three (3) action items were placed on the Board of Regents’ Consent Docket Agenda for final approval at the May 16, 2019, Board of Regents meeting held later in the day as follows:

1. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding $1 million for the purchase of goods or services, excluding construction contracts at the UH System;

2. Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding $1 million for projects at the UH System; and

3. Approval is requested to establish Fiscal Year 2020 College of Nursing tuition and fee rates at the University of Houston.

It should be noted that an Executive Session would not be held.
There being no further business to come before the committee, the meeting adjourned at 2:37 p.m.

All documentation submitted to the Committee in support of the foregoing action items, including but not limited to “Passed” agenda items and supporting documentation presented to the Committee, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

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Others Present:

Renu Khator       Raymond Bartlett       Mark Yzaguirre
Jim McShan        Emily Messa           Sabrina Hassumani
Paula Myrick Short David Oliver         Dan Maxwell
Dona Cornell      Shannon Harrison      Mark Denney
Eloise Dunn Brice Karin Livingston      Mike Emery
Amr Elnashai      Mike Rosen            Pam Muscarello
Lisa Holdeman     Joe Brueggman          Ryan Harrison
Don Guyton        Macie Kelly            Jeff Palmer
Richard Walker    Mark Clarke            Katherine Tart
Elwyn Lee         Mathew Castillo        Jon Aldrich
Stephen Spann     Brian Thomas           Marquette Hobbs
Chris Pezman      Gerry Mathisen          Brenda Robles
Ira K. Blake      Alan Strotemos         Matt Prasifka
Juan Sánchez Muñoz
Robert Glenn