UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Finance & Operations Committee
Wednesday, July 11, 2007
1:30 p.m. - 2:30 p.m.
600 McNamara Alumni Center, East Committee Room

Board Members
Steven Hunter, Chair
Dean Johnson, Vice Chair
Clyde Allen
Linda Cohen
John Frobenius
Venora Hung

Student Representatives
Nathan Swanson
Mark Torma

A G E N D A

1. Issues Related to: Morris Energy Initiatives/CREB Bonds - R. Pfutzenreuter/L. Rasmussen (p. 2)

2. Consent Report - Review/Action - R. Pfutzenreuter (pp. 3-26)

3. Information Items - R. Pfutzenreuter (p. 27)
UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Finance and Operations Committee
July 11, 2007

Agenda Item: Issues Related to: Morris Energy Initiatives/CREB Bonds
☐ review ☐ review/action ☐ action ☒ discussion

Presenters: Vice President/CFO Richard Pfutzenreuter
Lowell Rasmussen, Associate Vice Chancellor for Physical Plant & Master Planning, UMM

Purpose:

☒ background/context ☒ strategic positioning

The University of Minnesota Morris, in cooperation with the University of Minnesota Renewable Energy Research and Demonstration Center at the West Central Research and Outreach Center, has actively pursued the development and application of alternative energy programs to meet campus energy needs. The purpose of the discussion is to provide background and context on the existing and future alternative energy projects at the Morris campus.

Outline of Key Points/Policy Issues:

The University of Minnesota Morris campus and the University of Minnesota Renewable Energy Research and Demonstration Center at the West Central Research and Outreach Center have undertaken several key alternative energy initiatives that have been funded from a variety of financing sources, including federal, state, private, and University of Minnesota resources. In addition to past and current projects, additional plans are being developed to increase the use of alternative energy sources. The discussion will focus on outlining these additional opportunities and provide financing information.

Background Information:

In March 2006, the Finance and Operations Committee Information Items included an item prepared by the Morris Campus regarding an application to the Federal Government for Clean Renewable Energy Bonds (CREBs). These bonds are a special form of financing for renewable energy projects in which the federal government subsidizes the interest portion of the debt service payments to bondholders. The University’s application was not approved due to limited funding.
Finance and Operations Committee July 11, 2007

Agenda Item: Consent Report

☐ review  ☒ review/action  ☐ action  ☐ discussion

Presenters: Vice President/CFO Richard Pfutzenreuter

Purpose:

☐ policy  ☐ background/context  ☒ oversight  ☐ strategic positioning

General Contingency
To approve allocations from General Contingency greater than $250,000.

Purchase of Goods and Services over $250,000
To approve purchases of goods and services over $250,000, in compliance with Board of Regents Policy: Board Operations and Agenda Guidelines.

Outline of Key Points/Policy Issues:

General Contingency
There are no items in the General Contingency report requiring Board approval.

Purchase of Goods and Services Over $250,000

• To Cambridge Isotope Laboratories, Inc. for $315,000 for C-13 Glucose needed for the period of October 2007 through December 2009 for Dr. Seaquist's Brain Glucose Study, Department of Medicine. The C-13 glucose will be purchased with funds from Dr. Seaquist's grant available for this research. See enclosed documentation regarding basis of vendor selection.

• To Carl Zeiss Micro Imaging, Inc. for $476,317.16 for a Laser Scanning Confocal 510 META Microscope for the Histopathology Core Facility associated with the Lillehei Heart Institute and the Mouse Genetics Investigators. The Medical School Dean's commitment provides the financial resources to purchase this core laboratory equipment. This financial commitment is part of the recruitment package for the LHI Director. Vendor was selected through a competitive process.

• To Centers for Academic Programs Abroad for a not to exceed amount of $830,300 for providing study abroad academic credit programs for the Learning Abroad Center during Fall semester 2007 and Spring semester 2008 in Florence, Italy. Costs for students participating on study abroad programs are based on a per student fee that is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the
academic program and the administrative costs for the Learning Abroad Center. See enclosed documentation regarding basis of vendor selection.

- To Centers for Academic Programs Abroad for a not to exceed amount of $778,172 for providing study abroad academic credit programs for the Learning Abroad Center during Fall semester 2007 and Spring semester 2008 in London, England. Costs for students participating on study abroad programs are based on a per student fee that is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center. See enclosed documentation regarding basis of vendor selection.

- To Fundacion Cimas del Ecuador for a not to exceed amount of $302,375 for providing study abroad academic credit programs for the Learning Abroad Center during Academic Year 2007-2008, Fall semester 2007 term, and Spring semester 2008 term in Quito, Ecuador. Costs for students participating on study abroad programs are based on a per student fee that is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center. See enclosed documentation regarding basis of vendor selection.

- To Fundacion Ortega y Gasset – Argentina for a not to exceed amount of $327,800 for providing study abroad academic credit programs for the Learning Abroad Center during Academic Year 2007-2008, Fall semester 2007 term, and Spring semester 2008 term, in Buenos Aires, Argentina. Costs for students participating on study abroad programs are based on a per student fee that is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center. See enclosed documentation regarding basis of vendor selection.

- To Lipman Hearne for $300,000 for market research and brand development for the University of Minnesota, Morris (UMM). UMM has received $100,000 from Central Administration to begin the market research as soon as the contract is awarded. Other funding has been requested in the FY08 compact request to support this initiative. Vendor was selected through a competitive process.

- To MSI Systems Integrators for an estimated $450,000 to renew IBM distributed hardware and operating systems software maintenance/support for the three-year period July 1, 2007, through June 30, 2010, for the Office of Information Technology (OIT). Enterprise Application Systems (EAS) pays these hardware maintenance/support charges to ensure continuous operation of the equipment. EAS is a centrally funded organization. EAS’s FY08 budget includes planning and funding for this expense. Vendor was selected through a competitive process.

- To Mohamud Jama for a not to exceed amount of $328,058 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Year 2007-2008 term, during Fall semester 2007 term and Spring semester 2008 term in Nairobi, Kenya. Costs for students participating on study abroad programs are based on a per student fee that is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center. See enclosed documentation regarding basis of vendor selection.

- To Ortega y Gasset Foundation for a not to exceed amount of $1,410,362 for providing study abroad academic credit programs for the Learning Abroad Center during Academic Year 2007-2008 term, Fall semester 2007 term, and Spring semester 2008 term in Toledo, Spain. Costs for students participating on study abroad programs are based on a per student fee that is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center. See enclosed documentation regarding basis of vendor selection.
• To Sasaki Associates, Inc. for $650,000 to conduct research, analyze and create campus growth scenarios for the University of Minnesota Rochester. The consulting work will be purchased with funds from the City of Rochester Appropriation and from the State Legislation Appropriation, which are currently available for these specified services. Vendor was selected through a competitive process.

• To VENUSA & EntreAmericas Learn and Travel for a not to exceed amount of $615,790 for providing study abroad academic credit programs for the Learning Abroad Center during Academic Year 2007-2008 term, Fall semester 2007 term, and Spring semester 2008 term in Merida, Venezuela. Costs for students participating on study abroad programs are based on a per student fee that is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center. See enclosed documentation regarding basis of vendor selection.

**Background Information:**

**General Contingency**
Allocations from the General Contingency in excess of $250,000 require Board approval. Allocations of less than $250,000 are reported in the Board of Regents Finance and Operations Committee each month in which the Committee meets.

**President's Recommendation for Action:**

The President recommends approval of the Consent Report.
## General Contingency

**2006-07 General Contingency:**

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Allocation</th>
<th>Balance</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2007 General Contingency</td>
<td>$1,250,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carryforward from FY2006 into FY2007</td>
<td>2,251</td>
<td>1,252,251</td>
<td></td>
</tr>
<tr>
<td>1 Director of the Office of Student Finance</td>
<td>50,000</td>
<td>1,202,251</td>
<td>Bridge funding for one additional loan collector position</td>
</tr>
<tr>
<td>2 Associate VP for Campus Planning and Project Management</td>
<td>105,323</td>
<td>1,096,928</td>
<td>Eastcliff exterior renovation project</td>
</tr>
<tr>
<td>3 Senior VP for Health Sciences</td>
<td>20,233</td>
<td>1,076,695</td>
<td>Consulting services for Clinical Campus planning</td>
</tr>
<tr>
<td>4 Associate VP for Campus Planning and Project Management</td>
<td>25,000</td>
<td>1,051,695</td>
<td>Predesign study for Veterans memorial</td>
</tr>
<tr>
<td>5 Return of unused funds</td>
<td>(80,433)</td>
<td>1,132,128</td>
<td>MDH Forensics study</td>
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<td>* 6 Associate VP for Campus Planning and Project Management</td>
<td>261,000</td>
<td>871,128</td>
<td>Design cost for wind to hydrogen project in Morris</td>
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<td>7 Senior VP for System Academic Administration</td>
<td>55,000</td>
<td>816,128</td>
<td>Awards and Incentives Recognition (AIR) Program in The Office of Business and Community Development</td>
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<td>8 Associate VP for Campus Planning and Project Management</td>
<td>71,000</td>
<td>745,128</td>
<td>Central commitment to the NCROC Grand Rapids Equipment Repair Facility</td>
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<td>9 General Counsel</td>
<td>80,000</td>
<td>665,128</td>
<td>Technology Improvements in the Office of the General Counsel</td>
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<tr>
<td>10 Executive Director for the Office of the Board of Regents</td>
<td>26,271</td>
<td>638,857</td>
<td>Board of Regents meeting in Crookston and technical improvements</td>
</tr>
<tr>
<td>11 General Counsel</td>
<td>148,711</td>
<td>490,146</td>
<td>Reimburse for prior years outside legal counsel services</td>
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<td>12 Chancellor, University of Minnesota Morris</td>
<td>150,000</td>
<td>340,146</td>
<td>One-time compact initiative funding</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
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<tr>
<td>14 New items this reporting period:</td>
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<tr>
<td>15</td>
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<td></td>
<td></td>
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<tr>
<td>16 Vice Provost for Student Affairs</td>
<td>9,500</td>
<td>$330,646</td>
<td>Funeral expenses for deceased student</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td></td>
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<tr>
<td>18 Balance as of June 30, 2007</td>
<td></td>
<td>$330,646</td>
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<td>19</td>
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* Subject to Board approval due to cost of $250,000 or more
Purchase of Goods and Services over $250,000

To Cambridge Isotope Laboratories, Inc. for $315,000 for C-13 Glucose needed for the period of October, 2007 through December, 2009 for Dr. Seaquist’s Brain Glucose Study, Department of Medicine.

The long-range goal of this project is to determine the effects of diabetes and the hypoglycemic consequences of intensive therapy on in vivo brain glucose metabolism in humans. In this project, we will examine the role of brain glycogen in brain energy metabolism during hypoglycemia.

Dr. Seaquist has used C-13 Glucose from Cambridge Isotope Laboratories since the beginning of the study.

After a thorough examination of the market for C-13 Glucose, Cambridge Isotope Laboratories, Inc. provided us the best price and availability of C-13 Glucose for the contract period.

Without a consistent supply of C-13 Glucose, Dr. Seaquist would not be able to continue her study on brain glucose measurement.

The C-13 Glucose will be purchased with funds from Dr. Seaquist’s grant available for this research.

Submitted by: Elizabeth Seaquist, M.D.
Professor
Department of Medicine
Room 6-150 PWB
Minneapolis, MN 55455
Phone: (612) 626-4833
Fax: (612) 626-3133

Approval for this item requested by:

VP or Exec. VP Signature

Date 01/24/07
Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because Cambridge Isotope Laboratories has been identified as the only vendor able to provide isotopes to be used in the ongoing study of Cerebral Effects of Insulin. Cambridge has been providing isotopes since the beginning of this study and the continuity of testing is critical.

Procedures undertaken to ensure reasonableness of price include negotiation with the vendor, which yielded a 10% discount. There has been no price increase since the last order in August of 2006.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.
Purchase of goods and services $250,000 and Over

To the Carl Zeiss Micro Imaging, Inc. for $476,317.16 for a Laser Scanning Confocal 510 META Microscope for the Histopathology Core Facility associated with the Lillehei Heart Institute and the Mouse Genetics Investigators.

The Lillehei Heart Institute (LHI) is an inter-disciplinary research institute within the University of Minnesota’s Academic Health Center and Medical School. Since 2002, LHI has participated in the recruitment of seven new faculty in cardiovascular science. The LHI membership includes over 130 multi-disciplinary faculty in cardiovascular and/or respiratory research, both basic and clinical. These individuals represent all six schools within the Academic Health Center (Medical School – Twin Cities & Duluth campuses, Schools of Nursing and Public Health, Colleges of Biological Sciences and Education and Human Development. Collectively, LHI faculty has demonstrated excellent success in procuring extramural funding, currently accounting for approximately 20% of all federally funded research grants on the Twin Cities campus.

Recently, Daniel Garry, M.D., Ph.D., has been recruited to be the new LHI Director and Division Director for Cardiology in the Department of Medicine. An important focus of the LHI and other interacting groups (such as the Mouse Genetics Group) is regenerative medicine and the analysis of stem cell populations. The LHI and the Mouse Genetics Group have a newly established Histopathology Core Facility, which will provide services to the scientific community at the University of Minnesota. The Zeiss META confocal microscope will be part of the newly established Histopathology Core Facility which will be utilized by the LHI, Cell Biology (Sorensen Laboratory), NHH-4 laboratories (Drs. Walters, Thompson, Vegalia, Elde), the cardiac Repair Center and the Mouse Genetics Group. The LHI has already hired a director and a manager for this core facility. We anticipate that this machine will be used extensively throughout the day and evening hours (LHI investigators alone will use this confocal microscope 25-30 hrs per week). It will be supervised by the LHI/Mouse Genetics Histopathology Core Facility and the Sorensen Laboratory. In addition, a cell sorter/FACS will also be purchased in order to define the phenotype of genetically modified animals (and the identification, characterization and isolation of fluorescently labeled human stem cells delivered into an immunocompromised rodent model). This new core facility will be integrated over time with other Medical School facilities. The core is essential to accomplish research and recruit faculty to the LHI, Integrative Biology and Physiology and GCD.

Through a competitive process, Carl Zeiss Micro Imaging, Inc. was the only vendor to meet all specifications.

The Medical School Dean’s commitment provides the financial resources to purchase this core laboratory equipment. This financial commitment is part of the recruitment package for the LHI Director.

Submitted by: Robert J. Bache, M.D.  
Professor and Interim Division Director  
Cardiology Division  
Department of Medicine  
Telephone: 612-625-7167

Approval of this item:  

\[Signature\]  
7/21/07  

Frank B. Cerra, Senior Vice President for Health Sciences  
Date
Purchase of Goods and Services over $250,000

To Centers for Academic Programs Abroad for a not to exceed amount of $830,300.00 for providing study abroad academic credit programs for the Learning Abroad Center for Fall semester 2007 and Spring semester 2008 in Florence, Italy.

The Learning Abroad Center contracts with Centers for Academic Programs Abroad to provide services to support overseas study programs. Services include, but are not limited to the following:

- Student services – pre-departure and on-site orientation, room and board arrangements, health and safety management, and in-country travel and liability insurance.
- Academic program and facilities – enrollment requirements, academic program design, delivery and procedures, course content, faculty members, transportation for course related travel, and administration and granting of credit.

The Learning Abroad Center is anticipating higher enrollments in the next few years due to the University of Minnesota’s initiative to have 50% of students participating in a study abroad experience during their academic career. In addition, two significant grants supporting curriculum integration for study abroad will increase the participation in overseas programs. As a result of the study abroad initiatives, there is a need for additional contracted services driving contracts over $250,000, thus requiring Regents approval.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center.

Submitted by: Elvin Balkcum, Director
Learning Abroad Center
Office of International Programs
645 Heller Hall
Minneapolis Campus
Phone: 612-625-5593
Fax: 612-626-8009

Approval for this item requested by:

Associate Vice President and Dean

Date
Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because a comprehensive and diligent process to select external administrators is used by the Learning Abroad Center (LAC).

External administrators, third parties who work with the LAC's directors to design and customize programs in particular cities for the University of Minnesota, are researched, and selected based on (1) their familiarity with and contacts in a particular city, (2) student and LAC's assessments of the external program administrator's past performance, (3) demonstrated ability to provide for the housing, health and safety of participants, and (4) references from other Universities. The continued success of the program depends on the administrator's ability to provide a safe, productive and memorable student experience in the particular country or city. The risk of vendor non-performance in this area is a risk to the program and a risk to students. LAC's selection process is the optimal process to assure that the University's interests are protected for this type of purchase.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.
Purchase of Goods and Services over $250,000

To Centers for Academic Programs Abroad for a not to exceed amount of $778,172.00 for providing study abroad academic credit programs for the Learning Abroad Center for Fall semester 2007 and Spring semester 2008 in London, England.

The Learning Abroad Center contracts with Centers for Academic Programs Abroad to provide services to support overseas study programs. Services include, but are not limited to the following:

- Student services – pre-departure and on-site orientation, room and board arrangements, health and safety management, and in-country travel and liability insurance.
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Submitted by: Elvin Balkcum, Director
Learning Abroad Center
Office of International Programs
645 Heller Hall
Minneapolis Campus
Phone: 612-625-5593
Fax: 612-626-8009

Approval for this item requested by:

[Signature]
Associate Vice President and Dean

6/28/07
Date
Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because a comprehensive and diligent process to select external administrators is used by the Learning Abroad Center (LAC).

External administrators, third parties who work with the LAC’s directors to design and customize programs in particular cities for the University of Minnesota, are researched, and selected based on (1) their familiarity with and contacts in a particular city, (2) student and LAC’s assessments of the external program administrator’s past performance, (3) demonstrated ability to provide for the housing, health and safety of participants, and (4) references from other Universities. The continued success of the program depends on the administrator’s ability to provide a safe, productive and memorable student experience in the particular country or city. The risk of vendor non-performance in this area is a risk to the program and a risk to students. LAC’s selection process is the optimal process to assure that the University's interests are protected for this type of purchase.

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The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.
Purchase of Goods and Services over $250,000

To Fundacion Cimas del Ecuador for a not to exceed amount of $302,375.00 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Year 2007-2008 term, Fall semester 2007 term, and Spring semester 2008 term in Quito, Ecuador.

The Learning Abroad Center contracts with Fundacion Cimas del Ecuador to provide services to support overseas study programs. Services include, but are not limited to the following:

- Student services – pre-departure and on-site orientation, airport transfers, room and board arrangements including home-stays, health and safety management, and in-country travel and liability insurance.
- Academic program and facilities – enrollment requirements, academic program design, delivery and procedures, course content, faculty members, transportation for course related travel, program evaluations, and administration and granting of credit.

The Learning Abroad Center is anticipating higher enrollments in the next few years due to the University of Minnesota's initiative to have 50% of students participating in a study abroad experience during their academic career. In addition, two significant grants supporting curriculum integration for study abroad will increase the participation in overseas programs. As a result of the study abroad initiatives, there is a need for additional contracted services driving contracts over $250,000, thus requiring Regents approval.

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Submitted by: Elvin Balkcum, Director
Learning Abroad Center
Office of International Programs
645 Heller Hall
Minneapolis Campus
Phone: 612-625-5593
Fax: 612-626-8009

Approval for this item requested by:

[Signature]
Associate Vice President and Dean

Date 6/28/07
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This purchase has not been competitively bid because a comprehensive and diligent process to select external administrators is used by the Learning Abroad Center (LAC).

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The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.
Purchase of Goods and Services over $250,000

To Fundacion Ortega y Gasset – Argentina for a not to exceed amount of $327,800.00 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Year 2007-2008 term, Fall semester 2007 term, and Spring semester 2008 term in Buenos Aires, Argentina.

The Learning Abroad Center contracts with Fundacion Ortega y Gasset – Argentina to provide services to support overseas study programs. Services include, but are not limited to the following:

- Student services – pre-departure and on-site orientation, airport transfers, room and board arrangements including home-stays, health and safety management, and in-country travel and liability insurance.
- Academic program and facilities – enrollment requirements, academic program design, delivery and procedures, course content, tutorial sessions, faculty members, transportation for course related travel, program evaluations, and administration and granting of credit.

The Learning Abroad Center is anticipating higher enrollments in the next few years due to the University of Minnesota’s initiative to have 50% of students participating in a study abroad experience during their academic career. In addition, two significant grants supporting curriculum integration for study abroad will increase the participation in overseas programs. As a result of the study abroad initiatives, there is a need for additional contracted services driving contracts over $250,000, thus requiring Regents approval.

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Submitted by: Elvin Balkcum, Director
Learning Abroad Center
Office of International Programs
645 Heller Hall
Minneapolis Campus
Phone: 612-625-5593
Fax: 612-626-8009

Approval for this item requested by:

[Signature] [Signature]
Associate Vice President and Dean

Date: 6/23/07
Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because a comprehensive and diligent process to select external administrators is used by the Learning Abroad Center (LAC).

External administrators, third parties who work with the LAC’s directors to design and customize programs in particular cities for the University of Minnesota, are researched, and selected based on (1) their familiarity with and contacts in a particular city, (2) student and LAC’s assessments of the external program administrator’s past performance, (3) demonstrated ability to provide for the housing, health and safety of participants, and (4) references from other Universities. The continued success of the program depends on the administrator’s ability to provide a safe, productive and memorable student experience in the particular country or city. The risk of vendor non-performance in this area is a risk to the program and a risk to students. LAC’s selection process is the optimal process to assure that the University's interests are protected for this type of purchase.

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The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.
Purchase of Goods and Services $250,000 and over

To Lipman Hearne for $300,000 for market research and brand development for the University of Minnesota, Morris (UMM).

*UMM has just completed a very thorough strategic planning process. UMM is now moving toward the implementation phase of this process. A key piece of the strategic plan is to better communicate UMM's outstanding characteristics, qualities, mission and values with prospective students, donors, parents, alumni and internal constituents and beyond. UMM also needs to differentiate itself better from its competition.*

*This will be the first comprehensive branding and marketing initiative undertaken by UMM in its more than 40-year history. It is our hope that thorough market research will inform more strategic messaging and targeting, and as a result, increase enrollment, improve retention of faculty, staff and students, better engage our alumni, and increase scholarships and other philanthropy.*

*Through a competitive bid process, Lipman Hearne provided the most thorough RFP response. They also have a great deal of industry knowledge, proven success in market research and developing brands, as well and depth and breadth of professionals on staff. Additionally, their pricing was competitive with the other RFP responses.*

*UMM has received $100,000 from Central Administration to begin the market research as soon as the contract is awarded. Other funding has been requested in the FY08 compact request to support this initiative. UMM is currently being outspent and out-marketed by its competitors. If UMM does not undertake this initiative it could be detrimental to its recruitment, retention and fundraising efforts.*

Submitted by: Christine Mahoney, UMM Director of Communications
11 Education
600 E. 4th St.
Morris, MN 56267
Phone: 320-589-6398
Fax: 320-589-6051

Approval for this item requested by:

[Signature]

[Signature]

Date 06-15-07
Purchase of Goods and Services over $250,000

To MSI Systems Integrators for an estimated $450,000 to renew IBM distributed hardware and operating systems software maintenance/support for the three-year period July 1, 2007 through June 30, 2010, for the Office of Information Technology (OIT).

Enterprise Application Systems (EAS), a division of OIT, uses IBM servers as application and web servers in the operating environment for most University of Minnesota Enterprise systems including the PeopleSoft Student, HR and Payroll Systems, the Library System, and the new Enterprise Financial System.

The maintenance and support agreement provides periodic hardware and operating systems software maintenance and updates as well as problem resolution including 7 x 24 web and telephone support with on-site repair, if necessary. This level of support has helped OIT provide high reliability and availability of University of Minnesota Enterprise computing systems for many years.

A 3-year agreement protects the University of Minnesota from maintenance/support price increases which are usually 5-10% per year and can approach 25% per year on the older equipment. MSI Systems Integrators was the low bidder in a competitive bid for this support.

EAS pays these hardware maintenance/support charges to ensure continuous operation of the equipment. EAS is a centrally funded organization. EAS's F08 budget includes planning and funding for this expense.

Submitted by: Diane Wollner
Director, OIT Finance
203 Johnston Hall
Phone: 612-626-1311
Fax: 612-626-0076

Approval of this item is requested by:

Vice President and CIO

6/22/07
Date
Purchase of Goods and Services over $250,000

To Mohamud Jama for a not to exceed amount of $328,058.00 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Year 2007-2008 term, Fall semester 2007 term, and Spring semester 2008 term in Nairobi, Kenya.

The Learning Abroad Center contracts with Mohamud Jama to provide services to support overseas study programs. Services include, but are not limited to the following:

- Student services – pre-departure and on-site orientation, airport transfers, room and board arrangements including home-stays, health and safety management, and in-country travel and liability insurance.
- Academic program and facilities – enrollment requirements, academic program design, delivery and procedures, course content, tutorial sessions, faculty members, transportation for course related travel, program evaluations, and administration and granting of credit.

The Learning Abroad Center is anticipating higher enrollments in the next few years due to the University of Minnesota’s initiative to have 50% of students participating in a study abroad experience during their academic career. In addition, two significant grants supporting curriculum integration for study abroad will increase the participation in overseas programs. As a result of the study abroad initiatives, there is a need for additional contracted services driving contracts over $250,000, thus requiring Regents approval.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center.

Submitted by: Elvin Balkcum, Director
Learning Abroad Center
Office of International Programs
645 Heller Hall
Minneapolis Campus
Phone: 612-625-5593
Fax: 612-626-8009

Approval for this item requested by:

[Signature]
Associate Vice President and Dean

[Signature]
Date 10/23/07
Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because a comprehensive and diligent process to select external administrators is used by the Learning Abroad Center (LAC).

External administrators, third parties who work with the LAC’s directors to design and customize programs in particular cities for the University of Minnesota, are researched, and selected based on (1) their familiarity with and contacts in a particular city, (2) student and LAC’s assessments of the external program administrator’s past performance, (3) demonstrated ability to provide for the housing, health and safety of participants, and (4) references from other Universities. The continued success of the program depends on the administrator’s ability to provide a safe, productive and memorable student experience in the particular country or city. The risk of vendor non-performance in this area is a risk to the program and a risk to students. LAC’s selection process is the optimal process to assure that the University’s interests are protected for this type of purchase.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.
Purchase of Goods and Services over $250,000

To Ortega y Gasset Foundation for a not to exceed amount of $1,410,362.00 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Year 2007-2008 term, Fall semester 2007 term, and Spring semester 2008 term in Toledo, Spain.

The Learning Abroad Center contracts with Ortega y Gasset Foundation to provide services to support overseas study programs. Services include, but are not limited to the following:

- Student services – pre-departure and on-site orientation, airport transfers, room and board arrangements including home-stays, health and safety management, and in-country travel and liability insurance.
- Academic program and facilities – enrollment requirements, academic program design, delivery and procedures, course content, tutorial sessions, faculty members, transportation for course related travel, program evaluations, and administration and granting of credit.

The Learning Abroad Center is anticipating higher enrollments in the next few years due to the University of Minnesota's initiative to have 50% of students participating in a study abroad experience during their academic career. In addition, two significant grants supporting curriculum integration for study abroad will increase the participation in overseas programs. As a result of the study abroad initiatives, there is a need for additional contracted services driving contracts over $250,000, thus requiring Regents approval.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center.

Submitted by: Elvin Balkcum, Director
Learning Abroad Center
Office of International Programs
645 Heller Hall
Minneapolis Campus
Phone: 612-625-5593
Fax: 612-626-8009

Approval for this item requested by:

[Signature]
Associate Vice President and Dean

[Signature]
Date

22
Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because a comprehensive and diligent process to select external administrators is used by the Learning Abroad Center (LAC).

External administrators, third parties who work with the LAC’s directors to design and customize programs in particular cities for the University of Minnesota, are researched, and selected based on (1) their familiarity with and contacts in a particular city, (2) student and LAC’s assessments of the external program administrator's past performance, (3) demonstrated ability to provide for the housing, health and safety of participants, and (4) references from other Universities. The continued success of the program depends on the administrator’s ability to provide a safe, productive and memorable student experience in the particular country or city. The risk of vendor non-performance in this area is a risk to the program and a risk to students. LAC’s selection process is the optimal process to assure that the University’s interests are protected for this type of purchase.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.
Purchase of Goods and Services over $250,000

To Sasaki Associates, Inc. for $650,000 to conduct research, analyze and create campus growth scenarios for the University of Minnesota Rochester.

In Spring, 2006, the Board of Regents endorsed the recommendation of the Rochester Higher Education Development Committee to establish a world-class higher education institution that leverages the University of Minnesota's research capability, in partnership with IBM, Mayo Clinic, and other industry leaders in Rochester and in Fall, 2007, President Bruininks announced the establishment of the University of Minnesota Rochester campus. Academic program and facility planning has progressed aggressively over the past year. In April, 2007, the Board of Regents approved a lease for over 56,000 square feet of useable space in the Galleria Building at 111 South Broadway in downtown Rochester.

With the interim facility plan and development underway, University of Minnesota administration has initiated long term planning for the University of Minnesota Rochester with the launching of a campus master planning process for the University of Minnesota Rochester. The objective of the UMR campus master planning process is to develop a UMR campus master plan for consideration and action by the Board of Regents. A campus master plan establishes the framework to guide the long term evolution of a campus to support the academic enterprise, and campus provides the information necessary for the physical development of the UMR campus into the future. It will include master plan principles, guiding themes, supportive criteria and illustrative options.

The anticipated schedule to complete the UMR campus master plan is late summer, 2008. Board of Regents consideration and action on the UMR campus master plan is intended for December, 2008.

Through a competitive process, Sasaki Associates, Inc provided the best plan for the University of Minnesota Rochester.

The consulting work will be purchased with funds from the City of Rochester Appropriation and from the State Legislation Appropriation, which are currently available for these specified services.

Submitted by: Kathleen O'Brien, University Services Vice President
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Mpls Campus
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Approval for this item requested by:

[Signature] VP or Exec. VP Signature

6/29/07 Date
Purchase of Goods and Services over $250,000

To VENUSA & EntreAmericas Learn and Travel for a not to exceed amount of $615,790.00 for providing study abroad academic credit programs for the Learning Abroad Center for the Academic Year 2007-2008 term, Fall semester 2007 term, and Spring semester 2008 term in Merida, Venezuela.

The Learning Abroad Center contracts with VENUSA & EntreAmericas Learn and Travel to provide services to support overseas study programs. Services include, but are not limited to the following:

- Student services – pre-departure and on-site orientation, airport transfers, room and board arrangements including home-stays, health and safety management, and in-country travel and liability insurance.
- Academic program and facilities – enrollment requirements, academic program design, delivery and procedures, course content, tutorial sessions, faculty members, transportation for course related travel, program evaluations, and administration and granting of credit.

The Learning Abroad Center is anticipating higher enrollments in the next few years due to the University of Minnesota’s initiative to have 50% of students participating in a study abroad experience during their academic career. In addition, two significant grants supporting curriculum integration for study abroad will increase the participation in overseas programs. As a result of the study abroad initiatives, there is a need for additional contracted services driving contracts over $250,000, thus requiring Regents approval.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center.

Submitted by: Elvin Balkcum, Director
Learning Abroad Center
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Approval for this item requested by:

[Signature]
Associate Vice President and Dean

6/28/07
Date
Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because a comprehensive and diligent process to select external administrators is used by the Learning Abroad Center (LAC).

External administrators, third parties who work with the LAC's directors to design and customize programs in particular cities for the University of Minnesota, are researched, and selected based on (1) their familiarity with and contacts in a particular city, (2) student and LAC's assessments of the external program administrator's past performance, (3) demonstrated ability to provide for the housing, health and safety of participants, and (4) references from other Universities. The continued success of the program depends on the administrator's ability to provide a safe, productive and memorable student experience in the particular country or city. The risk of vendor non-performance in this area is a risk to the program and a risk to students. LAC's selection process is the optimal process to assure that the University's interests are protected for this type of purchase.

Costs for students participating on study abroad programs are based on a per student fee which is very similar in most cases to the costs students would incur if they were paying tuition, fees, and room and board to attend classes on the U of M campus. The program fees cover the costs of the academic program and the administrative costs for the Learning Abroad Center.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.
Finance and Operations Committee

Agenda Item: Information Items

- review
- review/action
- action
- discussion

Presenters: Vice President/CFO Richard Pfutzenreuter

Purpose:

- policy
- background/context
- oversight
- strategic positioning

There are no Information Items for review at this time.

Outline of Key Points/Policy Issues:

Background Information: