



**Board of Trustees
Finance and Administration Committee Special Meeting**

**Wednesday, July 19, 2017
4:00 – 4:30 p.m. (or until business concludes)
DeBoer Room, Hannon Library**

MINUTES

Call to Order and Preliminary Business

Chair Nicholson called the meeting to order at 4:03 p.m. and thanked the trustees for attending the special meeting.

The following committee members were present: Paul Nicholson and Lyn Hennion. Trustees Les AuCoin, Sheila Clough, April Sevcik and Dennis Slattery participated remotely. Trustees Daniel Santos and Linda Schott (ex officio) also attended the meeting.

Other meeting guests included: Jason Catz, General Counsel; Craig Morris, Vice President for Finance and Administration; Devon Backstrom, OSA/ASSOU; Leo McCaffrey, ASSOU; Staci Buchwald, Director of Housing; Allyson Beck, Housing; John Olson, SOU student; Ryan Schnobrich, Internal Auditor; John Stevenson, User Support Manager; Don Hill, Classroom and Media Services Manager; Sabrina Prud'homme, Board Secretary; and Kathy Park, Executive Assistant.

Public Comment

There was no public comment.

Request for Authorization to Conduct a Special Procurement (Action)

Jason Catz led the discussion on the special procurement for the contract relating to the ongoing strategic planning process and explained why the committee's approval was important for SOU to proceed. Jon Lange has been facilitating the strategic planning process. SOU engaged Mr. Lange as a consultant under SOU's standard professional services contract for an amount not to exceed \$25,000. The proposed amount of this extension is an amount not to exceed \$40,000. The administration is relying more on Mr. Lange's services and less on Ms. Ginny Lang's consultation so it does not increase the planned cost of strategic planning in any respect.

Mr. Catz said SOU adheres faithfully to procurement rules and the correct process in this situation is to seek a determination that this is appropriate for a special procurement exemption. SOU inherited its procurement rules from the OARs, which it adopted as its own policies. If SOU had anticipated that these services would have exceeded the \$25,000 competitive procurement threshold, it would have put the consultancy out for a competitive bid.

When faced with a contract that involves increasing the cost of an engagement, the right thing to do is to follow the process for approval of a special procurement. Under SOU's procurement policy, a special procurement is an exemption from competitive procedures that the Finance and Administration Committee determines is either (a) reasonably expected to result in substantial cost savings to the university or public or (b) otherwise substantially promotes the public interest in a manner that could not be practicably realized by complying with the other process described in the policy.

If SOU were to initiate a competitive bidding process for the consulting services, the administration thinks the public interest would be served poorly. SOU would lose the time Mr. Lange has invested in the strategic planning process and if someone else were hired now under a competitive process, they would have to start from scratch.

Responding to Trustee Sevcik's inquiry, Mr. Catz said the \$40,000 is in addition to the \$25,000 already expended under the existing contract, for a total of \$65,000.

Trustee Hennion moved that the Finance and Administration Committee of the board determines the special procurement is appropriate because it substantially promotes the public interest in a manner that could not be practicably realized by complying with other competitive bid processes for the university, for an amount up to \$40,000. Trustee Sevcik seconded the motion.

President Schott said Mr. Lange has done an exceptionally good job and the process is on schedule. Having him continue will keep this pace, balancing the iterative nature of the process with the transparent and collaborative part.

Responding to Trustee Hennion regarding circumventing a competitive bid, Mr. Catz said this is one of the reasons the special procurement procedure exists. Mr. Lange's services were needed more than Ms. Lang's, but there would be no additional cost since costs were shifted from her to him. Craig Morris added that if SOU does not move forward with this special procurement, it would mean stopping the strategic planning process until the competitive bid process could be completed, which could be 30-90 days.

Chair Nicholson said it was not expected that Mr. Lange would go over the amount of the contract. The expectation was that Ms. Lang would have the larger role and Mr. Lange would have a minor role but that changed. Having participated in the strategic planning work and having done it as a consultant, he was not surprised that the original contract was exceeded, given the need to keep so many people in the loop, and the extent of the process. For the record, Chair Nicholson stressed that this is not an issue of avoiding processes but is because of changes that have taken place in the process.

Chair Nicholson reiterated that the motion was to approve an extension of the contract up to a further \$40,000, a vote was taken, and the motion passed unanimously.

Adjourn

Chair Nicholson adjourned the meeting at 4:22 p.m.

Date: October 19, 2017

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme", written over a horizontal line.

Sabrina Prud'homme
University Board Secretary