

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

TAB	DESCRIPTION	ACTION
1	AMENDMENTS TO BOARD POLICY Sections V.B., D., & V. – Second Reading	Motion to approve
2	AMENDMENTS TO BOARD POLICY Section V.F. & K. Construction Projects – Second Reading	Motion to approve
3	AMENDMENTS TO BOARD POLICY Section V.C.. – First Reading	Motion to approve
4	AMENDMENTS TO BOARD POLICY Section V.N.. – First Reading	Motion to approve
5	AMENDMENTS TO BOARD POLICY Section V.R.. – First Reading	Motion to approve
6	INTERCOLLEGIATE ATHLETICS Gender Equity Report	Information item
7	AMENDMENTS TO BOARD POLICY Section III.T. Athletics – First Reading	Motion to approve
8	FY 2011 NET ASSETS REPORT	Information item
9	BOISE STATE UNIVERSITY Bronco Stadium Expansion Project, Phase I, Football Complex	Motion to approve
10	BOISE STATE UNIVERSITY Bronco Stadium Bleacher Upgrades	Motion to approve
11	BOISE STATE UNIVERSITY Enterprise System Roadmap Systems Human Capital Management and Finance Services Agreements	Motion to approve

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TAB	DESCRIPTION	ACTION
12	UNIVERSITY of IDAHO Delta Zeta Ground Lease	Motion to approve

**BUSINESS AFFAIRS AND HUMAN RESOURCES
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SUBJECT

Board Policy, Section V. Subsections B., D., and V. – Second Reading

REFERENCE

August 2011

Board approved first reading

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.

BACKGROUND / DISCUSSION

In October 2011 the Board approved the first reading to amend Board policy subsections referenced above.

IMPACT

Board staff identified reports required in policy which are unnecessary, duplicative or discretionary. Updating Board policy will clarify and streamline reporting requirements, and focus Board policy on reports that are most relevant to the Board's governance responsibilities. Eliminating unnecessary reports will also free up time and resources at the institutions.

ATTACHMENTS

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STAFF COMMENTS AND RECOMMENDATIONS

There were no changes between the first and second reading. Staff recommends approval.

BOARD ACTION

I move to approve the second reading of the amendments to Board Policy V. B., D., and V., as presented.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS

Subsection: B. Budget Policies

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B. Budget Policies

1. Budget Requests

For purposes of Items 1. and 10., the community colleges (CSI, CWI and NIC) are included.

a. Submission of Budget Requests

The Board is responsible for submission of budget request for the institutions, school and agencies under its governance to the executive and legislative branches of government. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

b. Direction by the Office of the State Board of Education

The preparation of all annual budget requests is to be directed by the Office of the State Board of Education which designates forms to be used in the process. The procedures for the preparation and submission of budget requests apply to operational and capital improvements budgets.

c. Preparation and Submission of Annual Budget Requests

Annual budget requests to be submitted to the Board by the institutions, school and agencies under Board governance are due in the Office of the State Board of Education on the date established by the Executive Director.

d. Presentation to the Board

Annual budget requests are formally presented to the designated committee by the chief executive officer of each institution, school or agency or his or her designee. The designated committee will review the requests and provide recommendations to the Board for their action.

2. Budget Requests and Expenditure Authority

- a.** Budget requests must include projected miscellaneous receipts based on the enrollment of the fiscal year just completed (e.g., the FY 2003 budget request, prepared in the summer of 2001, projected miscellaneous receipts revenue based on academic year 2001 enrollments which ended with the Spring 2001 semester).

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- b. Approval by the Executive Director, or his or her designee, as authorized, for all increases and decreases of spending authority caused by changes in miscellaneous receipts is required.
- c. Miscellaneous receipts collected by an institution will not be allocated to another institution. The lump sum appropriation will not be affected by changes in receipts.

3. Operating Budgets (Appropriated)

a. Availability of Appropriated Funds

- i. Funds appropriated by the legislature from the State General Account for the operation of the institutions, school and agencies (exclusive of funds for construction appropriated to the Permanent Building Fund) become available at the beginning of the fiscal year following the session of the legislature during which the funds are appropriated, except when appropriation legislation contains an emergency clause.
- ii. These funds are generally allotted periodically or are disbursed on submission of expenditure vouchers to the Office of the State Controller.

b. Approval of Operating Budgets

- i. The appropriated funds operating budgets for the institutions, school and agencies under Board supervision are based on a fiscal year, beginning July 1 and ending on June 30 of the following year.
- ii. During the spring of each year, the chief executive officer of each institution, school or agency prepares an operating budget for the next fiscal year based upon guidelines adopted by the Board. Each budget is then submitted to the Board in a summary format prescribed by the Executive Director for review and formal approval before the beginning of the fiscal year.

c. Budget Transfers and Revisions

i. Chief Executive Officer Approval

- ii. The chief executive officer of each institution, agency, school, office, or department is responsible for approving all budget transfers.

iii. Allotment and Allotment Transfers

- iv. Requests for allotments or changes in allotments are submitted by the institution, school or agency to the Division of Financial Management and copies provided concurrently to the Office of the State Board of Education. (Refer to allotment form in the Fiscal Reference Manual of the Division of

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Financial Management.) The Office of the State Board of Education will coordinate the request for allotments and changes to allotments for the college and universities.

4. Operating Budgets (Non-appropriated -- Auxiliary Enterprises)

a. Auxiliary Enterprises Defined

An auxiliary enterprise directly or indirectly provides a service to students, faculty, or staff and charges a fee related to but not necessarily equal to the cost of services. The distinguishing characteristic of most auxiliary enterprises is that they are managed essentially as self-supporting activities, whose services are provided primarily to individuals in the institutional community rather than to departments of the institution, although a portion of student fees or other support is sometimes allocated to them. Auxiliary enterprises should contribute and relate directly to the mission, goals, and objectives of the college or university. Intercollegiate athletics and student health services should be included in the category of auxiliary enterprises if the activities are essentially self-supporting.

All operating costs, including personnel, utilities, maintenance, etc., for auxiliary enterprises are to be paid out of income from fees, charges, and sales of goods or services. No state appropriated funds may be allocated to cover any portion of the operating costs. However, rental charges for uses of the facilities or services provided by auxiliary enterprises may be assessed to departments or programs supported by state-appropriated funds.

b. Operating Budgets

i. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

~~ii. All proposed expenditures from accumulated operating reserves in excess of \$50,000 must be reported to the Board at the next scheduled meeting.~~

5. Operating Budgets (Non-appropriated -- Local Service Operations)

a. Local Service Operations Defined

Local service operations provide a specific type of service to various institutional entities and are supported by charges for such services to the user. Such a service might be purchased from commercial sources, but for reasons of convenience, cost, or control, is provided more effectively through a unit of the institution. Examples are mailing services, duplicating services, office machine maintenance, motor pools, and central stores.

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- b. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.
- c. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

6. Operating Budgets (Non-appropriated -- Other)

- a. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.
- b. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

7. Agency Funds

- a. Agency funds are assets received and held by an institution, school or agency, as custodian or fiscal agent for other individuals or organizations, but over which the institution, school or agency exercises no fiscal control.
- b. Agency funds may be expended for any legal purpose prescribed by the individual or organization depositing the funds with the institution, school or agency following established institutional disbursement procedures.

8. Major Capital Improvement Project -- Budget Requests

For purposes of Item 8., the community colleges (CSI, CWI and NIC) are included, except as noted in V.B.8.b. (2).

a. Definition

A major capital improvement is defined as the acquisition of an existing building, construction of a new building or an addition to an existing building, or a major renovation of an existing building. A major renovation provides for a substantial change to a building. The change may include a remodeled wing or floor of a building, or the remodeling of the majority of the building's net assignable square feet. An extensive upgrade of one (1) or more of the major building systems is generally considered to be a major renovation.

b. Preparation and Submission of Major Capital Improvement Requests

i. Permanent Building Fund Requests

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Requests for approval of major capital improvement projects to be funded from the Permanent Building Fund are to be submitted to the Office of the State Board of Education on a date and in a format established by the Executive Director. Only technical revisions may be made to the request for a given fiscal year after the Board has made its recommendation for that fiscal year. Technical revisions must be made prior to November 1.

ii. Other Requests

Requests for approval of major capital improvement projects from other fund sources are to be submitted in a format established by the Executive Director. Substantive and fiscal revisions to a requested project are resubmitted to the Board for approval. This subsection shall not apply to the community colleges.

c. Submission of Approved Major Capital Budget Requests

The Board is responsible for the submission of major capital budget requests for the institutions, school and agencies under this subsection to the Division of Public Works. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

9. Approval by the Board

Requests for approval of major capital improvement projects must be submitted for Board action. Major capital improvement projects, which are approved by the Board and for which funds from the Permanent Building Fund are requested, are placed in priority order prior to the submission of major capital budget requests to the Division of Public Works.

10. Occupancy Costs.

a. Definitions.

- i. "Auxiliary Enterprise" is an entity that exists to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to the cost of the goods or services.
- ii. "Eligible Space" means all space other than auxiliary enterprise space. Occupancy costs for "common use" space (i.e. space which shares eligible and auxiliary enterprise space) will be prorated based on its use.
- iii. "Gross Square Feet" (GSF) means the sum of all areas on all floors of a building included within the outside faces of its exterior walls.

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- iv. "Occupancy costs" means those costs associated with occupying eligible space including custodial, utility, maintenance and other costs as outlined in the occupancy costs formula.
- b. Notification of New Eligible Space.
 - i. No institution shall acquire, build, take possession of, expand, remodel, or convert any eligible space for which occupancy costs will be requested unless prior written notification has been received by the Governor and the Joint Finance-Appropriations Committee. Written notification shall be submitted by the Office of the State Board of Education or a community college within ten business days of final project approval by the State Board of Education or its executive director, or a community college board of trustees. Written notification shall include:
 - a. description of the eligible space, its intended use, and how it relates to the mission of the institution;
 - b. estimated cost of the building or facility, and source(s) of funds;
 - c. estimated occupancy costs; and
 - d. estimated date of completion.
 - ii. A facility approved by the Legislature and the Governor in the Permanent Building Fund budget satisfies the notice requirement for purposes of requesting occupancy costs.
- c. Sources of Funds. Institutions may request occupancy costs regardless of the source(s) of funds used to acquire or construct eligible space.
- d. Required Information. Requests for occupancy costs shall include the following information: (i) projected date of occupancy of the eligible space; (ii) gross square feet of eligible space; and (iii) number of months of the fiscal year the eligible space will be occupied (i.e. identify occupancy of eligible space for a full or partial fiscal year).
- e. Occupancy Costs Formula.
 - i. Custodial: For the first 13,000 GSF and in 13,000 GSF increments thereafter, one-half (.50) custodial FTE. In addition, 10¢ per GSF may be requested for custodial supplies.
 - ii. Utility Costs: \$1.75 per GSF.
 - iii. Building Maintenance: 1.5% of the construction costs, excluding pre-construction costs (e.g. architectural/engineering fees, site work, etc.) and moveable equipment.

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- iv. Other Costs:
 - (1) 77¢ per GSF for information technology maintenance, security, general safety, and research and scientific safety;
 - (2) .0005 current replacement value (CRV) for insurance; and
 - (3) .0003 current replacement value (CRV) for landscape maintenance.
- v. The formula rates may be periodically reviewed against inflation.
- vi. Reversions.
 - (1) If eligible space which received occupancy costs is later:
 - a) razed and replaced with non-eligible space; or
 - b) converted to non-eligible space,then the institution shall revert back to the state the occupancy cost funding at the base level originally funded.
 - (2) If eligible space is razed and replaced with new eligible space, then the institution may retain the base occupancy costs, net the funded GSF against any additional GSF, and request funding for the difference.
- f. Unfunded Occupancy Costs. If occupancy costs for eligible space have been requested but not funded due to budgetary reasons, institutions may request occupancy costs again in the following year. If, however, occupancy costs are denied for non-budgetary reasons, no further requests for occupancy costs related to the space in question will be considered.

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SECTION: V. FINANCIAL AFFAIRS

Subsection: D. Fiscal Officer, Banking, and Investments

~~February, 2011~~ **December 2011**

1. Bursars

Each institution and agency must have a fiscal officer, titled "bursar," designated by the Board. The fiscal officer is primarily responsible for receipt and remittance of money and other evidence of indebtedness and for making reports on fiscal matters directly to the Board. The Board may, from time to time, fix additional duties for the fiscal officers and fix the amount of any performance bond. The financial vice president of each of the institutions of higher education serves as the fiscal officer and/or bursar of that institution.

2. Deposits

Each institution and agency must deposit with the state treasurer all money and other evidence of indebtedness received for or on account of the state of Idaho (Section 59-1014, Idaho Code). The University of Idaho may deposit money and other evidence of indebtedness belonging to the University of Idaho in financial institutions approved by the Board of Regents. (*Melgard v. Eagleson*, 31 Idaho 411 (1918).) Deposits with the state treasurer must be made daily when the amount is \$200 or more or weekly when the amount is less than \$200 in any 24-hour period. The depositor must take in exchange a receipt from the state treasurer (Section 59-1014, Idaho Code). The University of Idaho will make deposits at the intervals provided above. By resolution, the State Board of Examiners may authorize an institution or agency to make deposits with the state treasurer less frequently, but in no event less than once a month (Section 67-2025, Idaho Code). Prior approval by the Board is required if any financial institution other than the state treasurer is to receive deposits.

3. Treasurer for Non-State Monies

The Board may authorize the fiscal officer or other employee of any institution to act as treasurer for any organization or association of students or faculty at the institution and to collect, receive, deposit, and disburse money and other evidence of indebtedness on its behalf. (Section 67-2025, Idaho Code)

4. Local Depositories

Pending payment of money or other evidence of indebtedness to the state treasurer or to the person otherwise entitled to receive the same, an institution or agency may deposit the same in a suitable bank or trust company in the state of Idaho, subject to the provisions of the public depository law, whether the money is owned by the state of Idaho or otherwise.

5. Security of Funds

Any employee of any institution or agency under the governance of the Board having money or other evidence of indebtedness in his or her physical custody or administrative control must at all times see that it is safe and secure from loss or

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theft. A cash receipt should be generated and a reasonable effort made for immediate deposit of the funds with the state treasurer or a suitable financial institution.

6. Misappropriation a Felony

Any employee of an institution or agency under the governance of the Board charged with receipt, safe-keeping, transfer, or disbursement of money or other evidence of indebtedness who willingly and wrongfully uses or keeps the same may be guilty of a felony under Sections 18-5701 and 18-5702, Idaho Code. (See also Section 59-1014, Idaho Code.)

7. Investments

a. Investment Objectives:

Each institution investing funds shall maintain a written investment policy in accordance with the following objectives, in priority:

- i. Preservation of capital
- ii. Maintenance of liquidity
- iii. Achieve a fair rate of return

b. Each institution's investment policy shall include provisions designed to comply with the Board's Investment policy by establishing guidelines for:

- i. Specific investment and overall portfolio maturity
- ii. Ratings and ratings downgrades
- iii. Concentration limits
- iv. Periodic portfolio reviews
- v. Other standards consistent with the standard of conduct in managing and investing institutional funds under the Uniform Prudent Management of Institutional Funds Act (Section 33-5003, Idaho Code)

c. General Account funds may not be invested by the Board or any institution or agency under its governance.

d. Permanent Endowment funds are invested by the Permanent Endowment Fund Investment Board.

e. Other funds within the control of an institution may be invested in the following vehicles without prior Board approval:

- i. FDIC passbook savings accounts
- ii. certificates of deposit
- iii. U.S. Government securities

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- iv. federal funds repurchase agreements
 - v. reverse repurchase agreements
 - vi. federal agency securities
 - vii. large money market funds
 - viii. bankers acceptances
 - ix. corporate bonds of A grade or better
 - x. mortgage-backed securities of A grade or better
 - xi. commercial paper of prime or equivalent grade
 - xii. For the state of Idaho:
 - 1) general obligations or revenue bonds or other obligations for which the faith and credit of the state are pledged for the payment of principal and interest
 - 2) general obligations or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district or other taxing district
 - 3) bonds, notes or other similar obligations issued by public corporations of the state of Idaho including, but not limited to, the Idaho state building authority, the Idaho housing authority and the Idaho water resource board
 - 4) tax anticipation notes and registered warrants
 - 5) tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts
 - 6) revenue bonds of institutions of higher education
 - xiv. State of Idaho run investment funds for state agencies and other governmental entities.
- f. All investments must meet the ratings criteria (if applicable) in Section 7(e) at the time of acquisition.
- g. Authority to make investments in any other form requires prior Board approval. Such Board approval may be in the form of general authority to invest or reinvest cash, securities, and other assets obtained and becoming a part of foundation trusts such as the Consolidated Investment Trust of the University of Idaho. ~~The Board requires a~~ An annual report on the Consolidated Investment Trust shall be submitted to the Board upon request.

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ATTACHMENT 3

SECTION: V. FINANCIAL AFFAIRS

Subsection: V. Scholarships

~~April 2002~~

~~December 2011~~

College and University License Plates (Idaho Code § 49-418A)

1. Funds from the college and university special license plate program shall be used only as follows:
 - a. To fund scholarships for Idaho residents attending the institution. Each institution may either create a new scholarship or fund existing scholarships so long as the scholarship recipients are Idaho residents as defined by Idaho Code and the rules of the Board.
 - b. To contribute to academic programs. Provided, however, that this use of such funds shall be on the following conditions:
 - (1) Such funds must be matched in at least equal amounts to non-state, non-federal, and non-local governmental funds.
 - (2) Such use requires prior approval of the Board. ~~Such approval request shall be made annually to the Board in conjunction with the annual report required in this subsection.~~
2. Each institution participating in the college and university license plate program shall, ~~by August 31 of each year~~upon request, present a detailed report to the Board of all recipients and distributions of all funds from said program.

Said report shall include, at a minimum; a complete accounting of the receipts; a complete accounting of the disbursements; what scholarships were funded and in what amounts; a brief description of the scholarship requirements or criteria; a list of the recipients of scholarships funded; the academic programs to which contributions were made and in what amounts; the amount and source of non-governmental matching funds contributed to academic programs in conjunction with the license plate funds; and any projected future use of said funds.

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Subsection: V. Scholarships

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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SUBJECT

Board Policy, Sections V.F and K. – second reading

REFERENCE

April 2011	First reading; returned to committee for more work and to be brought back to the Board for another first reading
June 2011	Board approved first reading
August 2011	Second reading; returned to committee for more work and to be brought back to the Board for another second reading

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.F. and V.K.

BACKGROUND/ DISCUSSION

In June 2011 the Board approved the first reading to amend Board policy V.F. and V.K., and instructed staff to increase the institution threshold to \$500,000 and Board approval threshold to \$1,000,000, and to add a new section for approval of design-build projects. In August 2011 the policy was returned to the Business Affairs and Human Resources (BAHR) committee for further work. The primary concern centered around when is it appropriate for the institutions to raise funds for a project. The points that needed to be clarified were how the institutions raise funds, when they may accept funds, and when six-year capital plan approval takes place.

IMPACT

The revised policies will provide clarity in terms of the Board's expectations and preferred process for submitting requests for major capital project approval.

ATTACHMENTS

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Attachment 2 – Proposed Revised Policy, Section V.K.	Page 5
Attachment 3 – Construction Project Approval Process Flowchart	Page 9

STAFF COMMENTS AND RECOMMENDATIONS

The primary concern raised by Board members when this policy was considered at the August meeting is: when is it appropriate for an institution to begin fundraising for a contemplated capital project? This poses a bit of a conundrum. The institutions need to be able to gauge what kind of philanthropic support there may be for a project before coming to the Board. Yet, if an institution gets firm financial pledges of support and then comes to the Board for approval of planning and design, the Board feels boxed-in and that its approval process becomes a formality. Thus, a process is needed whereby institutions have the

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flexibility necessary to solicit donations for capital projects, yet maintains the Board's oversight authority.

The only method staff has indentified which strikes this balance is to make the review and approval of the six-year capital plans a much more robust and substantive process. For example, institutions would need to demonstrate how their six-year capital plans are linked to their campus master plans and strategic plans, and are consistent with their mission statement. The Board could require other specific financial or programmatic information in support of the plans. Ultimately, approval of the six-year capital plan would authorize institutions to solicit and accept gifts and grants in support of projects in their plans. All projects would still have to follow the major project approval process, which would keep the Board approval procedure relevant.

Staff recommends approval.

BOARD ACTION

I move to approve the second reading of the amendment to Board Policy V.F. Bonds and Other Indebtedness and V.K. Construction Projects, as presented.

Moved by_____ Seconded by_____ Carried Yes____ No____

F. Bonds and Other Indebtedness

1. General Powers

The University of Idaho, Idaho State University, Lewis-Clark State College, and Boise State University may, by a majority vote of all the members of the Board, borrow money with or without the issuance of bonds pursuant to Chapter 38, Title 33, Idaho Code. The Board must act by formal resolution. Such indebtedness is not an obligation of the state of Idaho but is an obligation solely of the respective institutions and the respective board of trustees. Any indebtedness is to be used to acquire a project, facility, or other asset that may be required by or be convenient for the purposes of the institution. For indebtedness of a major capital project, an institution shall first obtain approval in accordance with Board policy V.K. (for purposes of this subsection, a major capital project is one in which the project cost exceeds \$1,000,000). Student fees, rentals, charges for the use of the projected facility, or other revenue may be pledged or otherwise encumbered to pay the indebtedness. Refunding bonds also may be issued.

Eastern Idaho Technical College is not authorized to borrow money under Chapter 38, Title 33, Idaho Code.

2. Attorney General's Opinion

The Board or the institution may request the Attorney General of Idaho to review and pass upon the validity of a proposed bond issue. If found valid, the bond is an incontestable, binding obligation on the institution.

3. Private Sale

A private sale of bonds is permitted only with the prior approval of the Board as the governing body of the institution. The chief executive officer of the institution must justify why a public sale is not desirable and explain the benefits of a private sale of bonds.

4. Responsibility of the Chief Executive Officer

The chief executive officer of the institution is responsible for compliance with state law and these provisions when any indebtedness is incurred.

5. Expenditure of Excess Revenue

Expenditure of project revenues over and above that pledged or otherwise encumbered to meet the indebtedness is limited to expenditures for projects identified in the bond's Official Statement. Expenditure of excess revenue for other

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Subsection: F. Bonds and Other Indebtedness

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projects requires prior Board approval. Expenditures between two hundred fifty thousand dollars (\$250,000) and five hundred thousand dollars (\$500,000) require prior approval from the executive director and expenditures greater than five hundred thousand dollars (\$500,000) require prior Board approval.

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ATTACHMENT 2

SECTION: V. FINANCIAL AFFAIRS

Subsection: K. Construction Projects

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1. Authorization Limits

Without regard to the source of funding, before any institution or agency under the governance of the Board begins to make capital improvements, either in the form of alteration and repair to existing facilities or construction of new facilities, it must be authorized based on the limits listed below. Projects requiring executive director or Board approval must include a separate budget line for architects, engineers, or construction managers and engineering services for the project cost.

<u>Project Originally Authorized By</u>	<u>Original Project Cost</u>	<u>Cumulative Value of Change(s)</u>	<u>Aggregate Revised Project Cost</u>	<u>Change Authorized By</u>
<u>Local Agency</u>	<u>< \$3500,000</u>	<u>Any</u>	<u>< \$3500,000</u>	<u>Local Agency</u>
<u>Local Agency</u>	<u>< \$3500,000</u>	<u>Any</u>	<u>\$3500,000- \$751,000,000</u>	<u>Executive Director</u>
<u>Local Agency</u>	<u>< \$3500,000</u>	<u>Any</u>	<u>> \$751,000,000</u>	<u>SBOE</u>
<u>Executive Director</u>	<u>\$3500,000- \$751,000,000</u>	<u><= \$2500,000</u>	<u><= \$51,000,000</u>	<u>Local Agency</u>
<u>Executive Director</u>	<u>\$3500,000- \$751,000,000</u>	<u>Any</u>	<u>> \$751,000,000</u>	<u>SBOE</u>
<u>SBOE</u>	<u>> \$751,000,000</u>	<u>< \$3500,000</u>	<u>Any</u>	<u>Local Agency</u>
<u>SBOE</u>	<u>> \$751,000,000</u>	<u>\$3500,000- \$751,000,000</u>	<u>Any</u>	<u>Executive Director</u>
<u>SBOE</u>	<u>> \$751,000,000</u>	<u>> \$751,000,000</u>	<u>Any</u>	<u>SBOE</u>

12. Major Project Approvals - Proposed PlansCapital Construction Plans

Without regard to the source of funding, before any institution, school or agency under the governance of the Board begin formal planning to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to exceed five hundred thousand dollars (\$500,000), must first be submitted to the Board for its review and approval. All projects identified on the institutions', schools or agencies' six-year capital plan must receive Board approval.

a. Before any institution or agency under the governance of the Board solicits, accepts or commits a gift or grant in support of a specific major project, such project must first be included on the institution's or agency's Board-approved six-year capital construction plan (hereinafter "Plan").

b. Institutions and agencies under the governance of the Board shall bring their Plan to the Board for review and approval at its regularly scheduled August meeting. The Plan shall span six fiscal years going forward starting at the fiscal year next. The Plan shall only include capital projects for which the cost is estimated to exceed one million dollars (\$1,000,000) without regard to the source of funding. Board approval of a Plan shall constitute notice to the Board that an institution or agency

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may bring a request at a later date for approval for planning and design for one or more of the projects in their approved Plan.

c. If an institution or agency under the governance of the Board desires to begin the major project approval process, as set forth below, of a project not listed on its approved Plan, it shall first bring an amended plan to the Board for approval at the Board's next regularly scheduled meeting. If a potential donor offers an unsolicited gift to an institution or its affiliated foundation in support of a major project which is not in an institution's or agency's Plan, and time is of the essence such that an amended Plan could not be submitted at the Board's next regularly scheduled meeting, the institution or agency shall notify the Board's executive director in writing prior to acceptance of the gift and shall include: an explanation and justification for the exigency; a detailed statement of purpose and fiscal impact; and a summary of the terms and conditions of the gift.

3. Major Project – Defined

"Major Project" is a capital project for which the total cost is estimated to exceed one million dollars (\$1,000,000), without regard to source of funding.

4. Design-Bid-Build Projects

a. Major Project Approvals - Planning and Design

Board approval is required before any institution or agency begins planning and design on a major project carried out under the traditional "design-bid-build" method. For design-bid-build projects, planning and design encompasses the preparation of architectural and engineering documents and associated budget and schedule information through the completion of the construction documents for bidding. This level of approval may not be requested concurrently with any other step in the major project approval process.

b. Major Project Approvals – Project Budget and Financing Plan

Board approval of a preliminary project budget and financing plan (including financial pro forma, debt/operating expenses ratio, pledges, strategic facilities fees, and other material financial information) is required for a project that has previously received approval for its planning and design. This level of approval may be requested concurrently with approval for construction.

c. Major Project Approvals – Final Approval – Construction

Board approval is required to proceed with the construction of a project that has received approval for its preliminary project budget and financing plan. This level of approval may be requested concurrently with approval for project budget and financing plan.

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d. Major Project Approvals – Final Approval – Financing and Incurrence of Debt

Board approval for financing capital projects via the issuance of bonds, or incurrence of any other indebtedness, is required pursuant to Board policy V.F. for a project that has previously received approval for construction. (All other projects financed entirely without indebtedness do not need separate approval for financing.) The Board will not consider concurrent requests for approval for construction and financing for the same project. Therefore, institutions seeking approval for project financing must bring a request for said approval to a Board meeting subsequent to the meeting at which project construction is approved.

2. Project Approvals

~~Without regard to the source of funding, proposals by any institution, school or agency under the governance of the Board to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities, when the cost of the project is estimated to be between three hundred fifty thousand dollars (\$350,000) and seven hundred fifty thousand dollars (\$750,000), must first be submitted to the executive director for review and approval. Without regard to the source of funding, proposals by any institution, school or agency under the governance of the Board to make capital improvements, either in the form of renovation or addition to or demolition of existing facilities or construction of new facilities, when the cost of the project is estimated to exceed seven hundred fifty thousand dollars (\$750,000), must first be submitted to the Board for its review and approval. Project cost must be detailed by major category (construction cost, architecture fees, contingency funds, and other). When a project is under the primary supervision of the Board of Regents or the Board and its institutions, school or agencies, a separate budget line for architects, engineers, or construction managers and engineering services must be identified for the project cost. Budgets for maintenance, repair, and upkeep of existing facilities must be submitted for Board review and approval as a part of the annual operating budget of the institution, school or agency.~~

5. Design-Build Projects

While design and build are performed by one team, design-build contracts can also allow a series of options to proceed (or not) as each phase of the design and the attendant cost estimate is completed. As such, the approval actions shall be the same as a design-bid-build delivery. Board approval to plan and design allows the selection and contracting with the design-build team. Once the design-build team completes design and cost estimate, the institution returns to the Board for approval to construct. If financing is needed, institution submits request for approval at a subsequent meeting.

36. Fiscal Revisions to Previously Approved Projects

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If ~~the a~~ project budget increases above the approved amount, then the institution, ~~school,~~ or agency ~~may shall~~ be required to seek further authorization based on the limits established in Section 1., as follows:

Project Originally Authorized By	Original Project Cost	Cumulative Value of Change(s)	Aggregate Revised Project Cost	Change Authorized By
Local Agency	<\$350,000	Any	<\$350,000	Local Agency
Local Agency	<\$350,000	Any	\$350,000-\$750,000	Executive Director
Local Agency	<\$350,000	Any	>\$750,000	SBOE
Executive Director	\$350,000-\$750,000	<=\$250,000	<=\$500,000	Local Agency
Executive Director	\$350,000-\$750,000	Any	>\$750,000	SBOE
SBOE	>\$750,000	<\$350,000	Any	Local Agency
SBOE	>\$750,000	\$350,000-\$750,000	Any	Executive Director
SBOE	>\$750,000	>\$750,000	Any	SBOE

All modifications approved by the Executive Director shall be reported quarterly to the Board.

47. Project Acceptance

Projects under the supervision of the Department of Administration are accepted by the Department on behalf of the Board and the state of Idaho. Projects under the supervision of an institution, ~~school~~ or agency are accepted by the institution, ~~school~~ or agency and the project architect. Projects under the supervision of the University of Idaho are accepted by the University on behalf of the Board of Regents.

58. Statute and Code Compliance

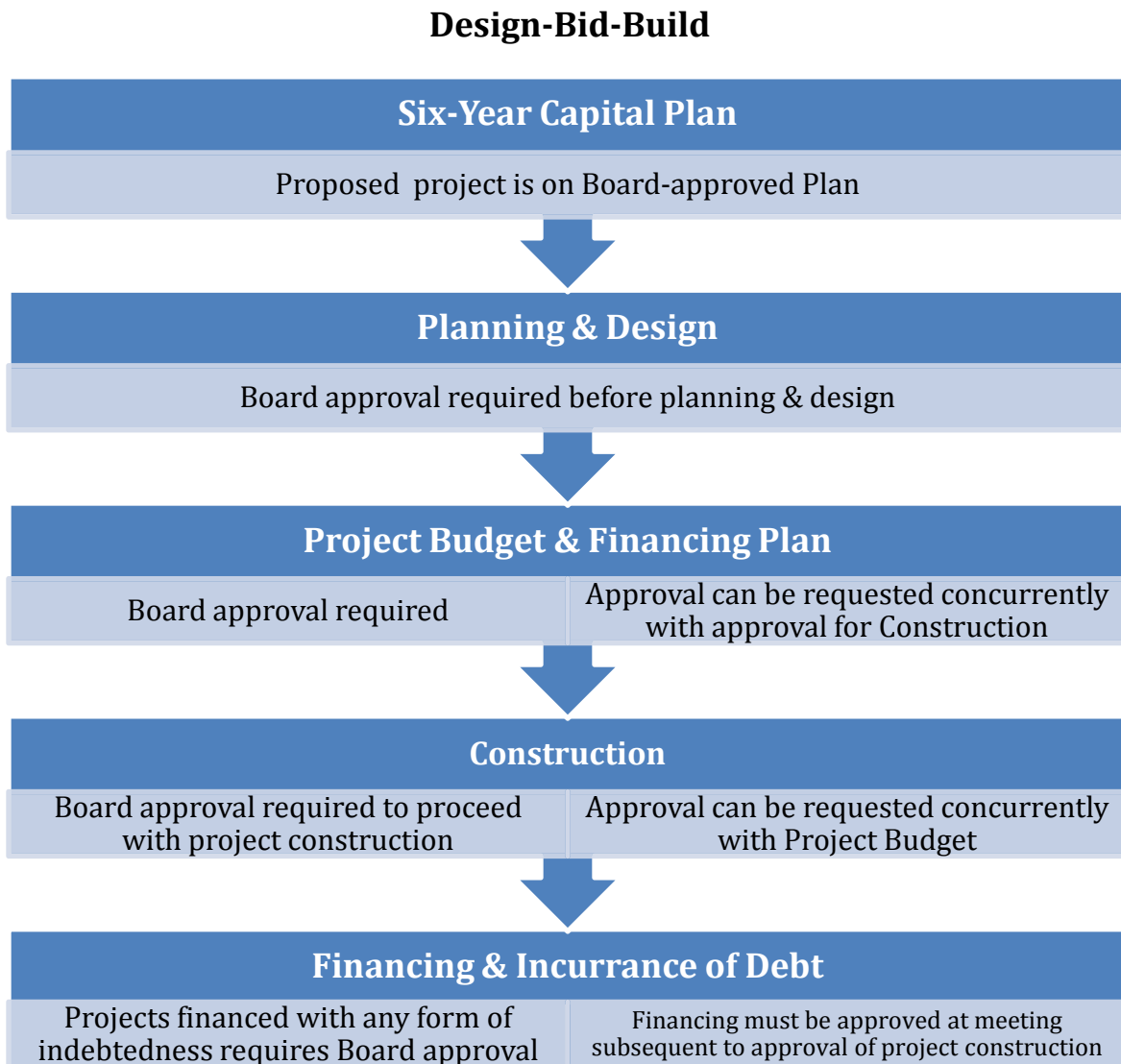
- All projects must be in compliance with Section 504 of the Rehabilitation Act of 1973 and must provide access to all persons. All projects must be in compliance with applicable state and local building and life-safety codes and applicable local land-use regulations as provided in Chapter 41, Title 39, and Section 67-6528, Idaho Code.
- In designing and implementing construction projects, due consideration must be given to energy conservation and long-term maintenance and operation savings versus short-term capital costs.

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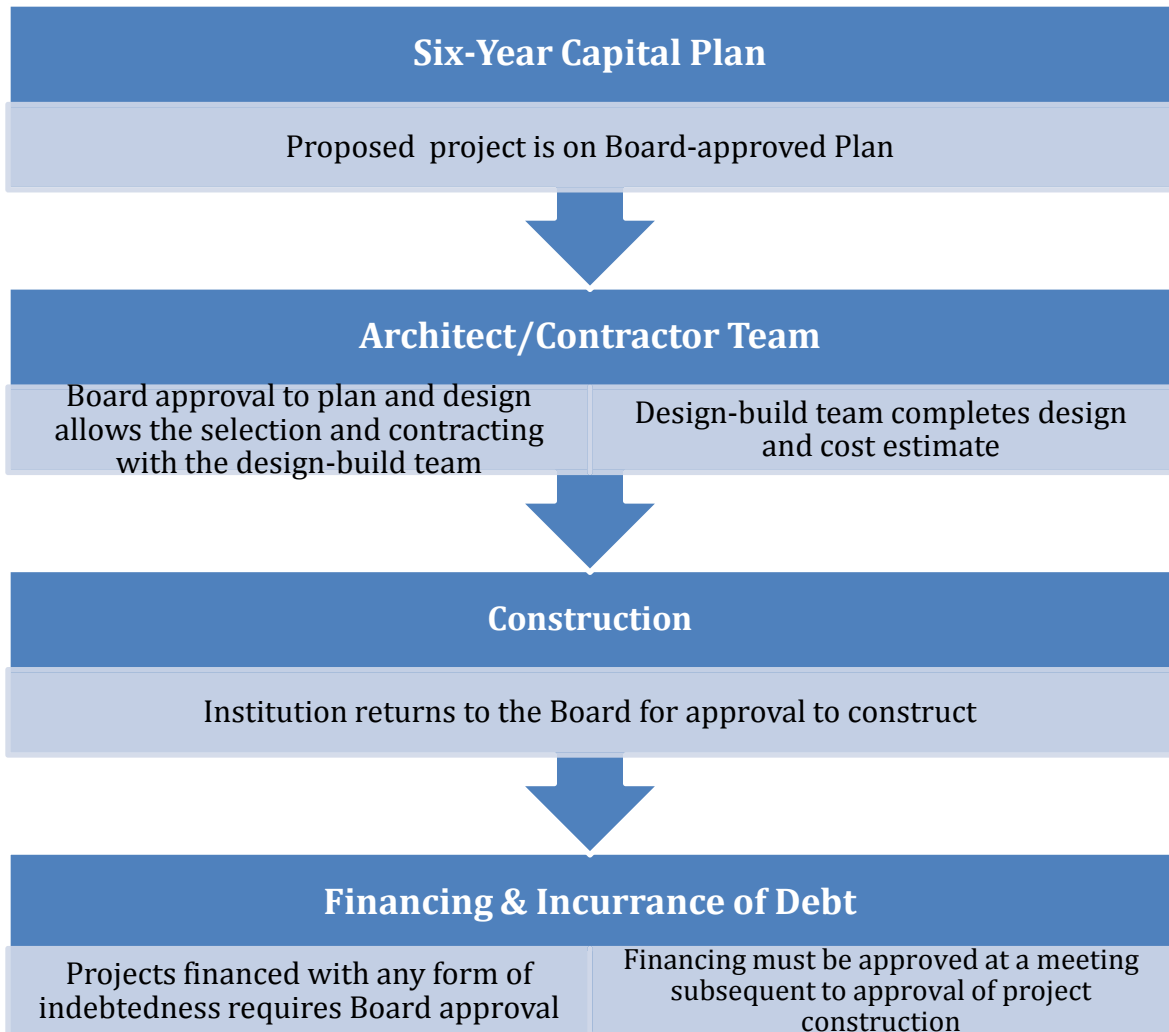
Construction Projects Approval Process for Institutions and Agencies

All planned major capital projects must be on an institution's or agency's Board-approved Six-Year Capital Construction Plan (except as otherwise provided). Major capital projects are those for which the cost is estimated to exceed \$1M (regardless of fund source).

There two project delivery methods: Design-Bid-Build and Design-Build. Board Policy V.K. establishes approval processes for these two methods as follows:



Design-Build



BUSINESS AFFAIRS AND HUMAN RESOURCES
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SUBJECT

Spending Authority Board Policy V.C. – first reading

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.C.
Idaho Code §67-3516

BACKGROUND / DISCUSSION

Board policy currently places limitations on institution and agency spending authority, irrespective of legislative spending authority. The policy also duplicates Idaho Code with regard to non-cognizable funds, while at the same time referencing certain undefined exceptions.

IMPACT

Current policy has the effect of requiring Board approval of spending authority which has already been granted by the Legislature (e.g. Board approval in October of prior-year carryover authority). Current policy also unnecessarily duplicates Idaho Code in regard to non-cognizable funds.

ATTACHMENTS

Attachment 1 – Board Policy Section V.C.

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Staff recommends amending policy to remove the provision with respect to spending authority. Numerous Board policies already require Board approval of expenditures over defined dollar thresholds. Staff also recommends simply incorporating Idaho Code by reference with respect to non-cognizable funds.

BOARD ACTION

I move to approve the first reading of proposed amendments to Board Policy Section V.C., as presented in attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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C. Spending Authority

1. Monies Subject to Appropriation

a. Legal Spending Authority Required

- (1) No institution or agency may expend, encumber, or otherwise use monies subject to appropriation without a specific appropriation or other spending authority under Idaho law (hereinafter "spending authority").
- (2) No institution or agency may expend, encumber, or otherwise use monies other than for the purposes and in the amounts authorized pursuant to the spending authority.
- (3) Any expenditure, encumbrance, or other use of monies without spending authority, in excess of the spending authority, or contrary to the purposes authorized by the spending authority, is void.
- (4) Each institution and agency is responsible for determining that spending authority exists to expend, encumber, or otherwise use monies under its control.
- (5) Any person expending, encumbering, or otherwise using such monies other than pursuant to spending authority is subject to statutory penalties and disciplinary action. (See, for example, Sections 18-5701, 18-5702, and 59-1013, Idaho Code.)

b. General Account-Fund and Special Accounts

- (1) All General Account-Fund monies are subject to annual or continuing appropriations by the Idaho Legislature.
- (2) Certain special account monies, such as direct federal appropriations, state endowment income and trust accounts, and miscellaneous receipts, are the subject of continuing or perpetual spending authority. (See, for example, Sections 67-3608 and 67-3611, Idaho Code (miscellaneous receipts); Section 67-3607 and Section 33-3301 *et seq.*, Sections 33-2909 and 33-2910, Sections 33-2913 and 33-2914, Sections 33-2911 and 33-2912, Sections 66-1106 and 66-1107, Idaho Code (state endowment income and trust accounts).)

c. University of Idaho

The University of Idaho and the Board of Regents of the University of Idaho, by virtue of their constitutional status and unique standing under federal or state law, may expend certain monies which are not General Account-Fund monies without

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the overall supervision and control of any other branch, department, office, or board of Idaho state government. (See, for example, *State ex rel. Black v. State Board of Education*, 33 Idaho 415 (1921).)

~~d. Board Authorization Always Required~~

~~Irrespective of any other spending authority, the institutions and agencies under the governance of the Board must not expend, encumber, or otherwise use monies under their direct control without the specific or general approval by the State Board of Education or the Board of Regents of the University of Idaho and only in such amounts and for such purposes as are so authorized.~~

~~ed.~~ Non-cognizable Funds

~~(1) Non-cognizable funds are those funds not identified at the time of appropriations to the institutions and agencies. Non-cognizable funds are generally those not reasonably foreseeable by the institution or agency, or, if foreseeable in source, not reasonably foreseeable in amount. (Cognizable funds should be accurately reflected in projected budgets of the institutions and agencies.)~~

~~(2) As a general rule, n~~Non-cognizable funds may not be expended without the prior approval by the Division of Financial Management ~~or the State Board of Examiners,~~ pursuant to Section 67-3516(2), Idaho Code.

~~(3) Under certain circumstances, the University of Idaho and the Board of Regents of the University of Idaho may expend non-cognizable funds without prior approval by the Division of Financial Management or State Board of Examiners. However, Board approval is always necessary to expend non-cognizable funds.~~

2. Monies Not Subject to Appropriation

- a. Monies under the direct control of the institutions and agencies by virtue of auxiliary enterprises, local service operations, federal, state, and private gifts, and grants and contracts, may be expended in such amounts and for such purposes as authorized by the Board without express legislative spending authority.
- b. Institutional agency funds may be expended in accordance with the provision and controls of the depositor and are not subject to Board authorization.

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DECEMBER 8, 2011

SUBJECT

Grants and Contracts, Board Policy, Section V.N. – first reading

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.N.

BACKGROUND / DISCUSSION

The Board's policy on grants and contracts is generally in need of updating and clarification. Proposed amendments are enumerated below in correspondence with the policy paragraph number:

1. A dollar threshold of \$1 million is added for when institutions must seek executive director approval of a grant or contract which would require dedication of current funds or facilities.
2. A dollar threshold of \$1 million is added for grants and contracts which must be reported to the Board on an annual basis.
3. The Board's policy on indirect cost recovery is revised by: using consistent terminology; clarifying that no cost recovery is allowed for grants and contracts with the Board office, Professional-Technical Education and Vocational Rehabilitation; clarifying the cost recovery rate for all other state entities; providing for cost recovery on federal pass-through monies; and clarifying the reporting of indirect cost waivers.
4. Repeal subparagraph "a." requiring a legal opinion prior to seeking Board approval for a contract for services; and remove a reporting requirement with regard to privileged contract work.

IMPACT

Updating this Board policy will clarify and streamline approval and reporting requirements, which benefits staff for the Board and the institutions. Similarly, revising the indirect cost recovery policy will help facilitate grants management at the institutions and agencies.

ATTACHMENTS

Attachment 1 – Board Policy V.N.

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

Current policy has approval and reporting requirements which are not being followed. Staff has revised the policy accordingly. In addition, the policy's provisions on indirect cost recovery and associated rates were in need of clarification.

Staff does note that current paragraph 4.b. (proscribing institutions or agencies from bidding on contract services which "are reasonably available from the private sector") raises a policy issue the Board may want to consider in greater detail at a later time. Board counsel has confirmed that there is no extant state law which prohibits agencies or institutions from competitively bidding on contracts for services. A cursory survey of other systems in the nation found

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several well developed and robust policies on institutional competition with the private sector. If the Board determines it wants to maintain this no-compete position, staff recommends clarifying the scope and intent.

Staff recommends approval of the policy revisions as submitted.

BOARD ACTION

I move to approve the first reading of proposed amendments to Board Policy Section V.N., as presented in attachment 1.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS

Subsection: N. Grants and Contracts

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N. Grants and Contracts

1. Approval of Grant and Contract Applications

All applications for grants and contracts in excess of one million dollars (\$1,000,000) that require the institution or agency to dedicate current funds or facilities or will obligate the institution or agency or state to dedicate future funding or significant facilities require approval by the executive director. Cost sharing or other types of in-kind matching requirements are not considered as dedicated commitments. If there is no dedicated funding or facilities obligation, the application ~~shall~~may be approved by the chief executive officer of the institution or agency or his or her designee. When requests for approval of such applications are presented to the executive director the following information ~~must~~shall be included:

- a. Agency to which application is made.
- b. Amount of the proposal.
- c. Period of the grant or contract.
- d. Purpose of the grant or contract.
- e. Nature of obligations including amount of funds involved or facilities to be committed.

2. Acceptance of Grants and Contracts

Grants and contracts accepted by ~~the~~an institution or agency ~~must~~shall be reported to the ~~executive director~~Board~~quarterly by the institution or agency of official notification in June of each year~~, when the amount of the grant or contract award exceeds one ~~hundred thousand~~million dollars (\$1,000,000). ~~When grant or contract awards are presented to the executive director, t~~The following information must be provided:

- a. Name of grantor or contract.
- b. Amount of the grant or contract.
- c. Grant or contract period.
- d. Purpose of the grant or contract.

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SECTION: V. FINANCIAL AFFAIRS

Subsection: N. Grants and Contracts

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- e. Indicate nature of institution or agency's obligations in the form of dedicated funding or dedication of significant facilities. ~~If there is none, the following statement should be included: "No future state obligation will be incurred with the acceptance of this grant or contract."~~

3. Facilities and Administrative Indirect Cost Recovery

- a. The following indirect cost recovery rates will be used by institutions and agencies under the governance of the Board for grant and contract services:

(1) For grants and contracts with the federal government, the indirect cost recovery rates are those negotiated between the institution or agency and the federal government. The indirect cost recovery rate may vary from one classification (e.g. research, instruction, public service/outreach, etc.) of contract services to another, but institutions and agencies are encouraged to maximize indirect cost reimbursement recovery rates.

~~(1)~~(2) For grants and contracts with or administered by the Office of the State Board of Education, the Division of Professional-Technical Education, or the Division of Vocational Rehabilitation, no indirect cost recovery is allowed.

~~(2)~~(3) For grants and contracts with all other ~~s~~State of Idaho departments, agencies, boards or commissions, the indirect cost recovery rate is twenty percent (20%) of the total direct cost, provided however, if a grant or contract is federal flow-through, then paragraph (1), above, applies.

~~(3)~~(4) For grants and contracts with Idaho municipal, county, health district, joint planning, and other public non-profit agencies, the indirect cost recovery rate is not less than twenty percent (20%) of total direct cost; provided however, if the funding is federal pass-through the indirect cost recovery rates are those negotiated between the institution or agency and the federal government consistent with paragraph (1), above.

~~(4)~~(5) For grants and contracts with private entities, whether for-profit or non-profit, indirect cost recovery's ~~are~~ shall be charged at ~~either the negotiated federal indirect cost rate for research projects or twenty-five percent (25%) of total direct costs, whichever rate will generate the greater amount of revenue for the institution or the agency~~ the full indirect cost recovery rate proposed to the federal government at the last rate negotiation.

- b. Reduction or Waiver of Cost Recoveries

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ATTACHMENT 1

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- (1) Notwithstanding the indirect cost recovery rates established above, For good cause, the chief executive officer or his or her designee of the institution or agency is authorized to reduce or waive indirect cost recoveries.
- (2) ~~Where cost recoveries are anticipated to total more than ten thousand dollars (\$10,000) over the life of the contract, Discretionary~~ reductions, or waivers of indirect costs must be reported to the ~~executive director on a quarterly basis~~Board office in June of each year. For purposes of this reporting requirement, discretionary reductions or waivers do not include federal laws, programs or agencies which limit indirect cost recovery rates below an institution's federally negotiated rate.

4. Restrictions on Contract Services

~~a. Prior to the consideration of any contract for services that is required to be submitted to the Board for approval, all institutions or agencies shall include in the Business Affairs and Human Resources agenda an opinion from legal counsel stating the proposed contract obligation is consistent with applicable rules and policies of the State Board of Education. The opinion statement shall include the name, address, and phone number of legal counsel. Contracts presented to the Board for consideration which do not contain this information shall be determined disapproved. Grants and those educational agreements designed for articulation or affiliation shall not be construed to be within the jurisdiction of this subsection unless a fiscal liability is created for the Board, its agencies or institutions.~~

~~b.a.~~ Research or consultant entities of agencies and institutions under the governance of the Board may not bid on contract services when it appears that the contract services are reasonably available from the private sector.

~~eb.~~ If the product of contract work is to be privileged or its dissemination restricted, the agency or institution may not undertake the contract work without the written approval of the chief executive officer of the agency or institution. ~~The chief executive officer must report all such approvals to the Board at its next scheduled meeting.~~

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ATTACHMENT 1

SECTION: V. FINANCIAL AFFAIRS

Subsection: N. Grants and Contracts

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BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011

SUBJECT

Professional Fees; Self-Support Certificate and Program Fees Board Policy V.R.
– first reading

REFERENCE

December 2010	Board approved first reading of changes to Self-Support Fee policy
February 2011	Second reading pulled from agenda by unanimous consent and returned to CAAP for further review

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.R.3.a.iv - v.

BACKGROUND / DISCUSSION

Staff and institutions have found that the policy on professional fees and self-support fees lacks clarity, such that a proposed program could seemingly fit under either fee structure, which is clearly not the intent.

Professional Fees:

- As it currently reads, the policy states this fee may be assessed for a program that qualifies graduates to practice a “professional service.” However, “professional service” is an undefined term and is used nowhere else in policy. Staff is unsure what exactly it meant by the term and therefore cannot provide clear guidance to institutions.
- The criterion for “extraordinary program costs” is somewhat vague with regard to what an institution must demonstrate.

Self-Support Program Fees:

- The policy only contemplates certificate programs, but the Board has approved self-support degree programs. In addition, policy as written is not limited to academic programs.
- There is general ambiguity about which programs are eligible to utilize the self-support funding model.
- Requiring a student to pay for an entire program up front discriminates against those students who rely on financial aid since federal financial aid is only awarded one semester at a time.
- The current policy requires a student to pay for an entire program and not on a course-by-course basis. Requiring a student to pay for an entire program rather than on a course-by-course basis discriminates against students who might be eligible to satisfy some requirements by transferring in courses.

IMPACT

The proposed revisions establish a clear process for program approval, reporting of fees and financial auditing. Additionally, the revisions specify that self-support

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academic programs pay an overhead/administrative charge to offset indirect expenses incurred by the program.

ATTACHMENTS

Attachment 1- Board Policy Section V.R.3.a.v.

Page 3

Attachment 2 - Current Board-approved Self-Support Fee Programs

Page 11

STAFF COMMENTS AND RECOMMENDATIONS

The proposed revisions seek to clarify which types of academic programs are eligible for either a professional or self-support fee and the process an institution must follow to request such a program fee. When requesting approval for either fee, institutions must clearly differentiate the program from other traditional degree programs.

In regard to self-support fees, the policy clarifies that academic certificate or degree programs are eligible. The policy still requires programs to demonstrate financial self-sufficiency, and as a control measure the policy stipulates that all revenue generated from these fees must be tracked and accounted for separately. The policy also recognizes that a one-size-fits-all tuition model which covers the costs of a wide range of educational opportunities and services (including student activities, use of facilities, etc.) is not always relevant or suitable for programs specifically designed to: (1) address the educational needs of distinctly different student populations; or (2) utilize alternative instructional delivery models. The proposed policy revisions would enable institutions to utilize an alternate funding model that better suits these types of alternate programs, and enable institutions to still charge on a course-by-course basis.

Self-support programs would not be eligible for enrollment workload adjustment (EWA). If the proposed amendments to Self-support are ultimately adopted by the Board, staff will bring forward a corresponding revision to policy V.S. wherein the EWA methodology is defined.

Staff recommends approval.

BOARD ACTION

I move to approve the first reading of proposed amendments to Board Policy Section V.R.3.a.iv. Professional Fees, and Section V.R.3.a.v. Self-Support Certificate and Program Fees, as presented in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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GOVERNING POLICIES AND PROCEDURES

SECTION: V. FINANCIAL AFFAIRS

Subsection: R. Establishment of Fees

February 2014²

1. Board Policy on Student Tuition and Fees

Consistent with the Statewide Plan for Higher Education in Idaho, the institutions shall maintain tuition and fees that provide for quality education and maintain access to educational programs for Idaho citizens. In setting fees, the Board will consider recommended fees as compared to fees at peer institutions, percent fee increases compared to inflationary factors, fees as a percent of per capita income and/or household income, and the share students pay of their education costs. Other criteria may be considered as is deemed appropriate at the time of a fee change. An institution cannot request more than a ten percent (10%) increase in the total full-time student fee unless otherwise authorized by the Board.

2. Tuition and Fee Setting Process – Board Approved Tuition and Fees

a. Initial Notice

A proposal to alter student tuition and fees covered by Subsection V.R.3. shall be formalized by initial notice of the chief executive officer of the institution at least six (6) weeks prior to the Board meeting at which a final decision is to be made.

Notice will consist of transmittal, in writing, to the student body president and to the recognized student newspaper during the months of publication of the proposal contained in the initial notice. The proposal will describe the amount of change, statement of purpose, and the amount of revenues to be collected.

The initial notice must include an invitation to the students to present oral or written testimony at the public hearing held by the institution to discuss the fee proposal. A record of the public hearing as well as a copy of the initial notice shall be made available to the Board.

b. Board Approval

Board approval for fees will be considered when appropriate or necessary. This approval will be timed to provide the institutions with sufficient time to prepare the subsequent fiscal year operating budget.

c. Effective Date

Any change in the rate of tuition and fees becomes effective on the date approved by the Board unless otherwise specified.

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Subsection: R. Establishment of Fees

February 2014²

3. Definitions and Types of Tuition and Fees

The following definitions are applicable to tuition and fees charged to students at all of the state colleges and universities, except where limited to a particular institution or institutions.

a. General and Professional-Technical Education Tuition and Fees

Tuition and fees approved by the State Board of Education. Revenues from these fees are deposited as required by Section V, Subsection Q.

i. Tuition fees– Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho

Tuition fees are the fees charged for any and all educational costs at Boise State University, Idaho State University, Lewis Clark State College and University of Idaho. Tuition fees include, but are not limited to, costs associated with academic services; instruction; the construction, maintenance, and operation of buildings and facilities; student services; or institutional support.

ii. Professional-Technical Education Fee

Professional-Technical Education fee is defined as the fee charged for educational costs for students enrolled in Professional-Technical Education pre-employment, preparatory programs.

iii. Part-time Credit Hour Fee

Part-time credit hour fee is defined as the fee per credit hour charged for educational costs for part-time students enrolled in any degree program.

iv. Graduate Fee

Graduate fee is defined as the additional fee charged for educational costs for full-time and part-time students enrolled in any post- baccalaureate degree-granting program.

v. Western Undergraduate Exchange (WUE) Fee

Western Undergraduate Exchange fee is defined as the additional fee for full-time students participating in this program and shall be equal to fifty percent (50%) of the total of the tuition fee, matriculation fee, facility fee, and activity fee.

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vi. Employee/Spouse Fee

The fee for eligible participants shall be a registration fee of twenty dollars (\$20.00) plus five dollars (\$5.00) per credit hour. Eligibility shall be determined by each institution. Employees at institutions and agencies under the jurisdiction of the Board may be eligible for this fee. Special course fees may also be charged.

vii. Senior Citizen Fee

The fee for Idaho residents who are 60 years of age or older shall be a registration fee of twenty dollars (\$20.00) plus five dollars (\$5.00) per credit hour. This fee is for courses on a space available basis only. Special course fees may also be charged.

viii. In-Service Teacher Education Fee

The fee shall not exceed one-third of the average part-time undergraduate credit hour fee or one-third of the average graduate credit hour fee. This special fee shall be applicable only to approved teacher education courses. The following guidelines will determine if a course or individual qualifies for this special fee.

- (1) The student must be an Idaho certified teacher or other professional employee at an Idaho elementary or secondary school.
- (2) The costs of instruction are paid by an entity other than an institution.
- (3) The course must be approved by the appropriate academic unit(s) at the institution.
- (4) The credit awarded is for professional development and cannot be applied towards a degree program.

ix. Workforce Training Credit Fee

This fee is defined as a fee charged students enrolled in a qualified Workforce Training course where the student elects to receive credit. The fee is charged for processing and transcribing the credit. The cost of delivering Workforce Training courses, which typically are for noncredit, is an additional fee since Workforce Training courses are self-supporting. The fees for delivering the courses are retained by the technical colleges. The Workforce Training fee shall be \$10.00 per credit.

b. Institutional Local Fees – Approved by the Board

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Institutional local fees are both full-time and part-time student fees that are approved by the State Board of Education and deposited into local institutional accounts. Local fees shall be expended for the purposes for which they were collected.

The facilities, activity and technology fees shall be displayed with the institution's tuition and fees when the Board approves tuition and fees.

i. Facilities Fee

Facilities fee is defined as the fee charged for capital improvement and building projects and for debt service required by these projects. Revenues collected from this fee may not be expended on the operating costs of the general education facilities.

ii. Activity Fee

Activity fee is defined as the fee charged for such activities as intercollegiate athletics, student health center, student union operations, the associated student body, financial aid, intramural and recreation, and other activities which directly benefit and involve students. The activity fee shall not be charged for educational costs or major capital improvement or building projects. Each institution shall develop a detailed definition and allocation proposal for each activity for internal management purposes.

iii. Technology Fee

Technology fee is defined as the fee charged for campus technology enhancements and operations.

iv. Professional Fees

To designate an academic professional fee for a Board approved program, *all* of the following criteria must be met:

1) Credentialing or Licensure Requirement:

- a) A professional fee may be assessed for an academic professional program if graduates of the professional program obtain a specialized higher education degree that qualifies them to practice a professional service or to be eligible for profession for which credentialing or licensing to practice is required a professional service.

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- b) The program leads to a degree that where the degree is at least the minimum required for entry to the practice of a profession.
- 2) Accreditation Requirement ~~–(if applicable):~~ The program ~~meets the requirements of~~ is accredited by a national/specialized/ or professional accrediting agency as defined by the State Board of Education.
- 3) Extraordinary Program Costs: ~~The~~ An institution must provide clear and convincing documentation that the cost of the professional program significantly exceeds the cost to deliver of non-professional programs at the institution. ~~Institutions will be required to provide documentation to support the reported cost of the program.~~ A reduction in appropriated funding in support of the program is not a sufficient basis for making a claim for extraordinary program costs.
- 4) The program must include support from appropriated funds.

Institutions will propose professional fees for Board approval based on the costs to deliver the program.

v. Self-Support ~~Certificate and Academic~~ Program Fees

- 1) Self-support programs are academic degrees or certificates for which students are charged program fees, in lieu of tuition. To bring a Self-support program fee to the Board for approval, the following criteria must be met:
 - a) An institution shall follow the program approval guidelines set forth in policy III.G.
 - b) The Self-support program shall be a defined set of specific courses that once successfully completed result in the awarding of an academic certificate or degree.
 - c) The Self-support program shall be distinct from the traditional offerings of the institution by being delivered fully online, being offered off-campus, or being designed specifically for working professionals or other populations that do not access the same activities, services and features as full-time, tuition paying students.
 - d) No appropriated funds may be used in support of Self-support programs. Self-support program fee revenue shall cover all direct costs of the program. In addition, Self-support program fee revenue shall cover all indirect costs of the program within two years of program start-up.
 - e) Self-support program fees shall be segregated, tracked and accounted for separately from all other programs of the institution.

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- 2) Once approved by the Board, Self-support program fees shall be reported annually to the Board at the same time institutions submit proposals for tuition and fees.
- 3) Institutions shall annually audit Self-support academic programs to ensure that program revenue is paying for all program costs, direct and indirect, and that no appropriated funds are supporting the program.
- 4) Students enrolled in self-support programs may take courses outside of the program so long as they pay the required tuition and fees for those courses.

~~Self-support certificates and programs are a defined set of specific courses that must all be successfully completed in order to earn the certificate. Such programs must be encapsulated, separate and distinct from the regular courses of the institution. Institutions may offer self-support certificates and programs if the fees assessed cover all costs of the program and no appropriated funds are used to support the program. In addition, students pay a fee for the entire program and may not enroll for program courses on an individual course-by-course basis. Students enrolled in the self-support programs may take courses outside of the program as long as they pay the required tuition and fees for those courses. Institutions will establish such fees on an individual program basis according to anticipated expenditures. Self-support certificate and program fees are retained by the institution.~~

vi. Contracts and Grants

Special fee arrangements are authorized by the Board for instructional programs provided by an institution pursuant to a grant or contract approved by the Board.

vii. Student Health Insurance Premiums or Room and Board Rates

Fees for student health insurance premiums paid either as part of the uniform student fee or separately by individual students, or charges for room and board at the dormitories or family housing units of the institutions. Changes in insurance premiums or room and board rates or family housing charges shall be approved by the Board no later than three (3) months prior to the semester the change is to become effective. The Board may delegate the approval of these premiums and rates to the chief executive officer.

c. Institutional Local Fees and Charges Approved by Chief Executive Officer

These local fees and charges are assessed to support specific activities and are only charged to students that engage in these particular activities. Local fees and

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charges are deposited into local institutional accounts and shall only be expended for the purposes for which they were collected.

i. Continuing Education

Continuing education fee is defined as the additional fee to part-time students which is charged on a per credit hour basis to support the costs of continuing education.

ii. Course Overload Fee

This fee may be charged to full-time students with excessive course loads as determined by each institution.

iii. Special Course Fees or Assessments

A special course fee is a fee required for a specific course or special activity and, therefore, not required of all students enrolled at the institution. Fees such as penalty assessments, library fines, continuing education fees, parking fines, laboratory fees, breakage fees, fees for video outreach courses, late registration fees, and fees for special courses offered for such purposes as remedial education credit that do not count toward meeting degree requirements are considered special course fees. All special course fees or penalty assessments, or changes to such fees or assessments, are established and become effective in the amount and at the time specified by the chief executive officer of the institution. The chief executive officer is responsible for reporting these fees to the Board upon request.

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Self-Support Programs

Boise State University

Masters, Educational Technology (online program)
Masters, Social Work (Lewiston, Coeur d'Alene, Twin Falls)
Masters, Instructional and Performance Technology (online)
Masters, Bilingual Education/ESL (Nampa, Twin Falls)
Masters, Reading (Weekend Program - Boise, Nampa)
Masters, Business Administration (Executive MBA)
RN to BS Nursing Completion Option
Dispute Resolution Graduate Certificate
Respiratory Care Senior Year Online (online degree-completion program for nonresidents)
Doctor of Education (Ed.D.) in Educational Technology

Idaho State University

Physician Assistant
Non-Traditional Doctor of Pharmacy (Pharm.D.)
Pharmacy Continuing Education

University of Idaho

Masters in Business Administration (EMBA)
Master of Science, Athletic Training
Doctorate of Athletic Training

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BUSINESS AFFAIRS AND HUMAN RESOURCES
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SUBJECT

Athletics Gender Equity Report

BACKGROUND/DISCUSSION

The Audit Committee was asked by the Budget and Human Resources Committee (BAHR) to look into matters related to gender equity plans and funding at the institutions. The Committee conducted several interviews over a period of time and engaged the external and internal auditors to make supplementary investigations.

IMPACT

The Committee directed staff to prepare a report summarizing the findings and recommendations. The report was reviewed and finalized by the Committee.

The Committee directed staff to place the gender equity report on the December Board agenda and to allow the full Board to decide if further institution-level discussions are necessary.

ATTACHMENTS

Attachment 1 - Athletics Gender Equity Report

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

One important finding from the investigation is the need for institutions to be open and transparent with the Board, especially when there are questions related to Board policy or intent. When Board staff cannot provide a definitive answer regarding Board policy or intent, staff and the institution should direct their questions to the respective committee or the full Board.

Other recommendations in the report include the need to clarify Board policy in regard to athletics funding sources, limits and gender equity. A proposed policy for first reading is being brought as a separate agenda item.

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

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Athletics Gender Equity Report

The Audit Committee was asked by the Budget and Human Resources Committee to look into matters related to gender equity plans and funding at the institutions. The Committee conducted several interviews over a period of time and engaged the external and internal auditors to make supplementary investigations. The result of the Committee's examination is included in this report. First, a history of Board policy related to athletics is summarized below.

April 1994	Set general education fund limits allocated by the institutions to athletics
November 1997	Board allowed one-time funds from current budgets, limited to \$115,000 for the universities and \$28,000 for LCSC in FY 1998, to deal with gender equity funding. Determination of such transfers, if desired, was to be initiated by the presidents. Presidents would report back to the Board their long-term solutions within next three months.
February 1998	Institutions submitted plans including a status report summarizing the institutions' current position in dealing with gender equity, a gender equity plan and a business plan for achieving equity. Topics discussed included state responsibility for legal requirements, how equity was calculated, reduction in male sports in order to meet compliance, quantifying the intrinsic value of athletics to the overall institution, salary equity for coaches in the same sports, disclosure of internal funds used for gender equity. The Board directed staff to review Board policy on general fund limits and, if necessary, prepare an exception for gender equity.
March 1998	Board accepted gender equity reports and approved first reading of policy change to III.T. Intercollegiate Athletics.
April 1998	Board approved second reading of III.T. Intercollegiate Athletics which allowed institutions to allocate "general education funds" to athletics above the Board's current limits to implement gender equity plans.
June 1998	Board approved changes to policy V.U. Fee Waivers to increase the number of non-resident tuition waivers for intercollegiate athletics to 225 for the universities and 70 for LCSC. In order to comply with gender equity issues, additional sports programs were being added for women. By joining Division I football, BSU and UI were able to increase the number of athletic scholarships.
January 2000	The Board approved changes to policy III.T. Intercollegiate Athletics, to allow the limits to be adjusted by the rate of change in the general education funds (state general fund). Limits on institutional funds were also approved which could also be adjusted for the rate of change in the general education funds (state general fund).

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Some observations that resulted in a current review of the gender equity issues follow:

1. When Board policy was not explicit or a term not well defined, some institutions relied on a strict reading of policy while others relied on Board intent communicated at Board or other meetings.
2. Questions from the institutions regarding Board policy were not fully vetted through either the Athletics Committee or the Board.
3. Decisions on increasing gender equity funding above the limits were not always made with a detailed explanation to the Athletics Committee or the Board.
4. The policy phrase “to implement gender equity plans” is ambiguous. Some members of the Board interpret this as meaning adding new women’s sports, and some of the institutions share this understanding. Other institutions consider gender equity as an unfunded historical cost not limited to new women’s sports.

The Audit Committee desires institutions be fully open and transparent with the Board. When Board staff cannot provide a definitive answer regarding Board policy or intent, staff and the institution should direct their questions to the respective committee or the full Board.

Board intent with respect to policies or practices should either be codified in policy or clearly articulated and documented in Board minutes.

Current Board policy on intercollegiate athletics is in need of clarifying language as it relates to definitions of funding sources, athletics funds limits and gender equity.

Board policy defines “general education funds” as “funds that are appropriated to the institutions (state general account).” Policy needs to be revised to clarify that “general education funds” either include General Funds only, or include state General Funds, endowment funds, and appropriated student fees. Policy should also clarify the possible sources of revenues for institutional funds.

Board policy also provides that the athletics funding limits may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans. Gender equity, however, is not a defined term. Policy should include the following:

- A brief definition of gender equity as provided under Title IX of the Higher Education Amendments Act of 1972,
- Requirement for an annual gender equity report, and
- Requirement that the limits on General Education Funds, Institutional funds, and any other funds used for achieving gender equity at each institution be approved annually by the Board.

The Board should determine how funding for gender equity should be used (e.g. limited to the cost of new women’s sports, etc.).

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SUBJECT

Athletics Board Policy III.T. – first reading

BACKGROUND/DISCUSSION

The Audit Committee was asked by the Budget and Human Resources Committee (BAHR) to look into matters related to gender equity plans and funding at the institutions. One outcome of the review of gender equity and funding of athletics was the need to clarify Board policy as it relates to definitions of funding sources, athletics funds limits and gender equity.

Board policy limits the amount of “general education” and “institutional” funds that can be spent on athletics. The limits are adjusted annually at the same rate of change as the general education appropriation. Historically the Board has not formally approved the limits, but those limits have been included in the athletics budgets accepted by the Board in June. The limits may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans. There is no definition of gender equity, nor is it exactly clear how gender equity funds above the limits may be used.

General education funds consist of state General Funds, endowment funds, and appropriated student fees (see Attachment 1, List of Fees). Institutional funds consist of revenues outside the athletics program and include, for example, auxiliaries, investment income, interest income, vending, indirect cost recovery funds on federal grants and contracts, and administrative fees charged to revenue-generating accounts across campus.

Current policy defines “general education funds” as “funds that are appropriated to the institutions (state general account).” Policy needs to be revised to clarify whether general education funds or state general funds only should be used to calculate the limit on state funds used in Athletics and as a source of funds.

A brief history of Board minutes regarding athletics limits is provided in Attachment 2, page 5.

IMPACT

The Athletics Committee discussed the options for defining the scope of gender equity funding and concluded that gender equity should include all expenditures necessary to comply with Title IX. Title IX measures gender equity in athletics in three distinct areas: participation, scholarships, and equivalence in other athletics benefits and opportunities. New women’s sports may or may not address all Title IX measures. The Athletics Committee also recommended that funds used for gender equity be included in the overall limit of general education or state general funds. The overall limit could be established by combining the FY 2012 Board approved general education and gender equity limits for each institution.

Since the limit for general education funds is calculated on the total of state General Funds, endowment and appropriated student fees, some years the limit

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has increased when the state funding for higher education decreased. This would have been true for the limit calculated for FY 2012, but for the fact that the Board voted to freeze the limits at the FY 2011 level. If the Board had not frozen the limits, Attachment 3, page 6, shows how the FY 2012 limit for general education funds for the universities (lines 12-13) would have been \$2,352,500 (a 6.22% or \$137,800 increase over the FY 2011 limit of \$2,214,700). The FY 2012 limit for general education funds for Lewis-Clark State College (lines 14-15) would have been \$874,600 which is a 6.22% or \$51,200 increase over the FY 2011 limit of \$823,400. This is a result of a reduction in state General Funds (line 9) of -3.53% being offset by an increase in student fees (line 10) of 21.13%. This hold harmless provision could be changed by only including state General Funds in the calculation as shown in the revised policy section V.X.3.a on page 8.

ATTACHMENTS

Attachment 1 – List of Appropriated Student Fees	Page 4
Attachment 2 – History of Board minutes related to athletics limits	Page 5
Attachment 3 – Athletics Limits worksheet	Page 6
Attachment 4 - Section V.X. – Intercollegiate Athletics – First Reading	Page 7
Attachment 5 - Section III.T. – Student Athletes – First Reading	Page 11

STAFF COMMENTS AND RECOMMENDATIONS

The significant reductions in state funding for higher education over the past several years have been partially mitigated by increases in tuition and fees. As a result, the financial burden of the cost of college is slowly but steadily being shifted upon the students.

The proposed policy revisions for athletics, Attachment 4, clarify “sources of funds” and “gender equity” as defined terms, require an annual gender equity report, and require Board approval of all annual limits on athletics expenditures and gender equity. Staff recommends using State General Funds for purpose of calculating the limit on State General Funds so tuition and fee revenue doesn’t disproportionately impact the limits. For purpose of computing the limit on Institutional Funds, the policy would continue to use General Education Funds rate of change as the calculator.

Current policy provides the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans. There is no definition of gender equity. The proposed revision adds the following:

- A brief definition of gender equity as provided under Title IX of the Higher Education Amendments Act of 1972,
- Requirement for an annual gender equity report, and
- Requirement that the limits on General Education Funds, Institutional funds, and any other funds used for achieving gender equity at each institution shall be approved annually by the Board.

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The reports reviewed for athletics mainly pertain to revenues and expenses and staffing. Therefore, staff recommends moving the financial section of the Intercollegiate Athletics policy from Section III, Postsecondary Affairs, to Section V, Financial Affairs. The policy would be included in Section V.X., Intercollegiate Athletics (only those changes that would be made to current policy are redlined). Section III.T.5, Student Athletes-Conduct, would remain in Section III.

The substantive changes to the athletics policy include the clarification of funding sources and calculation of limits, definition of gender equity, reporting requirements for gender equity, and the requirement for Board approval on all athletics limits including gender equity. Also, the requirement for inclusion of athletic fee waivers is removed because the waivers are reported separately to the Board office as part of the Tuition Waivers Report.

These changes will provide the Board, institutions, and staff clearer understanding of the source of athletics revenues, greater oversight by the Board, and a method to show how the institutions are addressing compliance with Title IX.

Staff recommends approval.

BOARD ACTION

I move to approve the full Board the first reading of proposed amendments to Board Policy moving Section III.T., subsections 1-4, Intercollegiate Athletics to Section V.X., Intercollegiate Athletics, and renumber Section III.T.5., Student Athletes – Conduct, as Section III.T.1. with all revisions as presented.

Moved by_____ Seconded by_____ Carried Yes____ No____

List of Fees

Appropriated Fees

Professional-Technical Fee

General Education fee (Tuition)

Part-time credit hour fee

Nonresident tuition

Western Undergraduate Exchange

Graduate fee

In-service teacher education fee

Employee/spouse fee

Senior citizen fee

WICHE fee

Summer school fee

Workforce training credit fee

Course overload fee

Non-appropriated Fees

Facility fee

Activity fee (including Athletics fee)

Technology fee

Professional fee

Self-support fee

Student health insurance premiums

Room and Board rates

Continuing education fee

Special course fees

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Brief history of Board minutes related to athletics limits

Attachment 2

At its March 1983 meeting, the Board approved the athletics policy which limited state appropriated funds base for athletics to \$605,000 for FY 1984 at BSU, ISU and UI and \$225,000 at LCSC. In subsequent fiscal years, general account funding for athletics would grow at a rate not to exceed the rate of growth in general account funding of the budget for college and universities. The minutes do not indicate how these amounts were determined. Staff reviewed the minutes back through 1980 and did not find any further discussion of the athletic budgets or limits. The 1983 policy included a requirement that the resulting systemwide allocation of funds for athletics be equal for BSU, ISU and UI and LCSC would be allotted the same pro rata share of those funds as it had devoted to its athletic programs in FY 1982.

At its April 1986 meeting, the Board increased the limits for general account funding by 10% to \$665,500 for BSU, ISU and UI and \$247,500 for LCSC.

The next policy revision is dated April 1994, however staff could not locate either the first or second reading in the minutes between April 1986 and December 1995. The minutes of the January 2004 meeting quote the policy to limit the increase to the "rate of change in the general education funds allocated by the Board." Therefore, between April 1986 and January 2004, the term used to limit the escalation for general funds used in athletics funding changed from "general account" to "general education" funds. This is significant because "general account" refers to the general funds only while "general education" refers to all appropriated funds including general funds, endowment and appropriated student fees. Current Board policy parenthetically states the General Education Funds are State General Account funds. This part of policy needs to be clarified.

The June 1999 minutes show the Finance Committee was reviewing the athletics budgets at the four institutions, with particular interest on understanding the sources of revenues used to fund the programs. The Committee wanted to place limits on the amount of revenue that could be generated from selected sources and asked the President's Council to recommend a policy on limiting revenue sources.

In September 1999 the Board had an in-depth discussion on athletics limits. Dr. Dillon said the Board was not trying to control the growth of athletic programs as there may be issues such as gender equity that would necessitate it. What the Board was trying to control is the spiraling and escalating costs of athletic programs. Mr. Hammond said he shared the concern regarding funds which should be going to education being transferred to balance athletic budgets.

Mr. Eaton said a proposal would be put together for the October Board meeting which would include, among other things, institutional reallocation of student fees for athletics.

In October it was reported that on Page 7.5.b. there was an error: Institutional funds for LCSC shall not exceed \$100,000 instead of the \$25,000 indicated. He also said one of the reasons for the policy is to address deficits in the athletic programs such as the LCSC \$182,000 deficit.

So, it appears that for the Institutional Funds limits that those were put in place to control the escalating costs of athletics.

State Board of Education

Intercollegiate Athletics Support Limits

Attachment 3

Board Policy (III.T.3.) on funds allocated and used by athletic program from:

General Education Funds:

"... In subsequent years, the limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board. Beginning in FY98, the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of of institutional gender equity plans."

Institutional Funds:

"shall not exceed \$250,000 for Boise State University; \$350,000 for Idaho State University; \$500,000 for University of Idaho; and \$100,000 for Lewis-Clark State College for FY2000. In subsequent years, these limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board."

Student Fee Revenue:

"shall not exceed revenue generated from student activity fee dedicated for the athletic program. Increases to the student fee for the athletic program shall be at the same rate of increase as the total student activity fees."

Program Funds:

"the institutions can use the program funds generated, without restriction."

1 Calculation of Limits:	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
2 General Education Funds:								
3 General Education Allocation:								
4 General Fund	223,366,200	233,182,000	243,726,400	259,296,600	276,181,100	243,278,100	217,510,800	209,828,300
5 Endowment	10,020,500	9,519,600	7,624,800	7,851,500	8,595,000	9,616,400	9,616,400	9,616,600
6 Student Fee Revenue	97,207,800	107,907,800	119,823,900	124,329,300	127,108,700	133,651,800	146,341,600	177,262,700
7 Total	330,594,500	350,609,400	371,175,100	391,477,400	411,884,800	386,546,300	373,468,800	396,707,600
8 % Growth: General Ed. Funds	5.87%	6.05%	5.87%	5.47%	5.21%	-6.15%	-3.38%	6.22%
9 % Growth: General Account	2.46%	4.39%	4.52%	6.39%	6.51%	-11.91%	-10.59%	-3.53%
10 % Growth: Student Fees			11.04%	3.76%	2.24%	5.15%	9.49%	21.13%
11 Limits:	0.00%	11.01%						
12 Universities	1,960,500	2,079,200	2,201,200	2,321,600	2,442,600	2,292,300	2,214,700	2,352,500
13 % Growth from Prior Year	5.87%	6.05%	5.87%	5.47%	5.21%	-6.15%	-3.39%	6.22%
14 Lewis-Clark State College	728,900	773,000	818,300	863,100	908,100	852,200	823,400	874,600
15 % Growth from Prior Year	5.87%	6.05%	5.86%	5.47%	5.21%	-6.16%	-3.38%	6.22%
16								
17 Institutional Funds:								
18 Limits:								
19 Boise State University	306,800	325,400	344,500	363,300	382,200	358,700	346,600	368,200
20 % Growth from Prior Year	5.87%	6.06%	5.87%	5.46%	5.20%	-6.15%	-3.37%	6.23%
21 Idaho State University	429,400	455,400	482,100	508,500	535,000	502,100	485,100	515,300
22 % Growth from Prior Year	5.87%	6.05%	5.86%	5.48%	5.21%	-6.15%	-3.39%	6.23%
23 University of Idaho	613,500	650,600	688,800	726,500	764,400	717,400	693,100	736,200
24 % Growth from Prior Year	5.87%	6.05%	5.87%	5.47%	5.22%	-6.15%	-3.39%	6.22%
25 Lewis-Clark State College	122,700	130,100	137,700	145,200	152,800	143,400	138,500	147,100
26 % Growth from Prior Year	5.87%	6.03%	5.84%	5.45%	5.23%	-6.15%	-3.42%	6.21%
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	Athletics Operating Expense Budget			General Fund Limit		
	Op. Budget FY 2012	Limits	%	FY 2012 G.F.	FY 2012	Limits %
Boise State University	30,925,833	3,191,572	10.3%	67,631,800	3,191,572	4.7%
Idaho State University	8,182,213	2,861,200	35.0%	57,150,200	2,861,200	5.0%
University of Idaho	14,657,904	3,061,260	20.9%	71,007,400	3,061,260	4.3%
Lewis-Clark State College	2,258,100	810,000	35.9%	11,520,800	810,000	7.0%
Total	56,024,050	9,924,032	17.7%	207,310,200	9,924,032	4.8%

Limits could be based on operating expense budget or total general funds by institution, or continue to tie the rate of change to the change in the overall General Fund (line 4 above). As an example, in FY 2012 instead of changing by 6.22% (line 8) it would actually have gone down by 3.53% (line 9) and the corresponding shown in lines 31-34 would have been reduced accordingly.

1. Philosophy

The Board reaffirms the role of intercollegiate athletics as a legitimate and significant component of institutional activity. The responsibility for and control of institutional activities in this area rest with the Board.

In the area of intercollegiate athletics, the Board seeks to establish programs which:

- a. provide opportunities for student athletes to attend college and participate in athletic programs while pursuing and completing academic degrees;
- b. reflect accurately the priorities and academic character of its institutions;
- c. fuel school spirit and community involvement; ~~and~~
- d. serve the needs of the institutions as they seek, through their athletic programs, to establish fruitful and sustaining relationships with their constituencies throughout the state and nation; ~~and~~
- ~~d-e.~~ make continuous progress toward compliance with Title IX of the Higher Education Amendments Act of 1972 which prohibits discrimination on the basis of gender in any education program or activity receiving federal financial assistance, including athletics.

Given these goals, the Board has a continuing concern and interest in the academic success of student athletes, the scope and level of competition, and the cost of athletic programs administered by its institutions. Consequently, the Board will, from time to time in the context of this policy statement, promulgate, as necessary, regulations-policies governing the conduct of athletic programs at its institutions.

2. Policies

The day-to-day conduct of athletic programs is vested in the institutions and in their chief executive officers. Decision making at the institutional level must be consistent with the policies established by the Board and by those national organizations and conferences with which the institutions are associated. In the event that conflicts arise among the policies of these governance groups, it is the responsibility of the institution's chief executive officer to notify the Board in a timely manner. Likewise, any knowledge of NCAA or conference rule infractions involving an institution should be communicated by the athletic department to the chief executive officer of the institution.

The Board recognizes that the financing of intercollegiate athletics, while controlled at the institutional level, is ultimately the responsibility of the Board itself. In assuming that responsibility, the sources of funds used by for intercollegiate athletics shall be defined in the following categories:

SECTION: ~~IIIV.~~ POSTSECONDARY AFFAIRS FINANCIAL AFFAIRS

Subsection: ~~TX.~~ Intercollegiate Athletics

~~June 2007~~ February 2012

- a. State General Education Funds — ~~includes the funds that are appropriated to the institutions (state general account)~~ means state general funds (as defined in section 67-1205, Idaho Code) appropriated to the institutions.
 - b. ~~Institutional Funds~~ — ~~includes any funds generated by the institution outside the athletic programs.~~
 - c. ~~b.~~ Student Activity Fee Revenue — ~~includes means~~ revenue generated from the full-time and part-time student activity fee that is dedicated to the intercollegiate athletics program pursuant to policy V.R.3.b.ii.
 - c. Program Funds — ~~includes means~~ revenue generated directly related to the athletic programs, including but not limited to ticket sales/event revenue, tournament/bowl/conference receipts, media/broadcast receipts, concessions/parking/advertisement, game guarantees and foundation/booster donations.
 - d. Institutional Funds — means any funds generated by the institution outside the funds listed in a., b. and c. above. Institutional Funds do not include tuition and fee revenue collected under policy V.R.3. Examples of Institutional Funds include, but are not limited to, auxiliaries, investment income, interest income, vending, indirect cost recovery funds on federal grants and contracts, and administrative overhead charged to revenue-generating accounts across campus.
3. Funds allocated and used by athletic program from the above sources are limited as follows:
- a. State General Education Funds — ~~shall not exceed \$665,500 for the universities and \$247,500 for Lewis Clark State College for Fiscal Year 1987. In subsequent years, the methodology for computing the limits for State General Funds shall be computed by to calculate an adjustment for the rate of change in the current fiscal year ongoing State gGeneral education fFunds compared to the ongoing State General Funds in the prior fiscal year, and then apply the rate of change to the limit approved by the Board in the previous year.allocated by the Board. Beginning in FY98, the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans. Such limits shall be approved annually by the Board.~~
 - b. Institutional funds — ~~shall not exceed \$250,000 for Boise State University; \$350,000 for Idaho State University; \$500,000 for University of Idaho; and \$100,000 for Lewis Clark State College for fiscal year 2000. In subsequent years, The methodology for computing these limits for Institutional Funds shall be to calculate computed by an adjustment for the rate of change in the current fiscal year ongoing general educationAppropriated funds Funds compared to the~~

ongoing Appropriated Funds in the prior fiscal year, and then apply the rate of change to the limit approved by the Board in the previous year. allocated by the Board. Such limits shall be approved annually by the Board. For purposes of this paragraph, "Appropriated Funds" means all funds appropriated to the institutions (State General Funds, endowment funds, and appropriated tuition and student fees).

- c. Student Activity ~~Fee~~ Revenue – shall not exceed revenue generated from the student activity fee dedicated for the athletic program. Institutions may increase ~~to the student fee for the athletic program shall be at the same a rate not more than the~~ rate of increase as change of the total student activity fees.
- d. Program funds – the institutions can use the program funds generated, without restriction.

The president of each institution is accountable for balancing the budget of the athletic department on an annual basis. In accounting for the athletic programs, a fund balance for the total athletic program must be maintained. In the event that revenue within a fiscal year exceeds expenses, the surplus would increase the fund balance and would be available for future fiscal years. In the event that expenses within a fiscal year exceeds revenue, the deficit would reduce the fund balance. If the fund balance becomes negative, the institutions must shall submit a plan ~~to the for~~ Board approval that eliminates the deficit within two fiscal years. Reduction in program expenditures and/or increase revenue (program funds only) can be used in an institutional plan to eliminate a negative fund balance. If substantial changes in the budget occur during the year resulting in a deficit for that year, the president shall advise the Board of the situation at the earliest opportunity.

Donations to athletics at an institution must be made and reported according to policy V.E. The amount of booster money donated to and used by the athletic department shall be budgeted in the athletic department budget.

4. Gender Equity

- a. Gender equity means compliance with Title IX of the Higher Education Amendments Act of 1972 which prohibits discrimination on the basis of gender in any education program or activity receiving federal financial assistance, including athletics. Congress delegated authority to promulgate regulations (34 C.F.R. §106.41) for determining whether an athletics program complies with Title IX. The U.S. Department of Education, through its Office of Civil Rights (OCR) is responsible for enforcing Title IX.

b. Title IX measures gender equity in athletics in three distinct areas: participation, scholarships, and equivalence in other athletics benefits and opportunities.

c. The limits for each institution as described in subsection 3, above, may be raised for achieving gender equity. Such limits shall be approved annually by the Board. It is the intent of the Board that increases in program revenues will be provided before increases to the limits under subsection 3 will be considered.

d. The chief executive officer of each institution shall prepare a gender equity report for review and formal approval by the Board in a format and time to be determined by the Executive Director. The gender equity report will show the status of the institution's compliance with Title IX. The gender equity report will show the changes to the athletics programs, budget adjustments, and a timeline necessary to comply with Title IX.

45. Financial Reporting.

The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The athletic reports shall contain revenues, and expenditures, in the detail prescribed by the Board office, including all revenue earned during a fiscal year. A secondary breakdown of expenditures by sport and the number of participants will also be required. The ~~number and amounts of nonresident tuition waivers and the fund balances as of June 30 of the report year should~~shall be included in the report. The general format of the report will be consistent with the format ~~used in recent years established by the Executive Director~~. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors. The institutions will submit the following reports to the Board:

a. ~~At the June Board meeting, I~~the institutions shall submit an operating budget for the upcoming fiscal year beginning July 1 in a format prescribed by the Board office and time to be determined by the Executive Director.

- (1) Actual revenues and expenditures for the fiscal year most recently completed.
- (2) Estimated revenues and expenditures for the current fiscal year.
- (3) Proposed operating budget for the next budget year beginning July 1.

b. ~~At the February Board meeting, I~~the following fiscal year's financial information will be reported by each institution in a format and time to be determined by the Executive Director:

- (1) Actual revenues and expenditures for the prior four (4) fiscal years
- (2) Estimated revenues and expenditures for the current fiscal year.

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

SUBSECTION: T. Intercollegiate AthleticsStudent AthletesJune 2007February 20121. Philosophy

~~The Board reaffirms the role of intercollegiate athletics as a legitimate and significant component of institutional activity. The responsibility for and control of institutional activities in this area rest with the Board.~~

~~In the area of intercollegiate athletics, the Board seeks to establish programs which:~~

- ~~a. provide opportunities for student athletes to attend college and participate in athletic programs while pursuing and completing academic degrees;~~
- ~~b. reflect accurately the priorities and academic character of its institutions;~~
- ~~c. fuel school spirit and community involvement; and~~
- ~~d. serve the needs of the institutions as they seek, through their athletic programs, to establish fruitful and sustaining relationships with their constituencies throughout the state and nation.~~

~~Given these goals, the Board has a continuing concern and interest in the academic success of student athletes, the scope and level of competition, and the cost of athletic programs administered by its institutions. Consequently, the Board will, from time to time in the context of this policy statement, promulgate, as necessary, regulations governing the conduct of athletic programs at its institutions.~~

2. Policies

~~The day-to-day conduct of athletic programs is vested in the institutions and in their chief executive officers. Decision making at the institutional level must be consistent with the policies established by the Board and by those national organizations and conferences with which the institutions are associated. In the event that conflicts arise among the policies of these governance groups, it is the responsibility of the institution's chief executive officer to notify the Board in a timely manner. Likewise, any knowledge of NCAA or conference rule infractions involving an institution should be communicated by the athletic department to the chief executive officer of the institution.~~

~~The Board recognizes that the financing of intercollegiate athletics, while controlled at the institutional level, is ultimately the responsibility of the Board itself. In assuming that responsibility, the sources of funds used by intercollegiate athletics shall be defined in the following categories:~~

- ~~a. General Education Funds — includes the funds that are appropriated to the institutions (state general account).~~
- ~~b. Institutional Funds — includes any funds generated by the institution outside the athletic programs.~~

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

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- ~~c. Student Fee Revenue — includes revenue generated from the full time and part-time student activity fee that is dedicated to the intercollegiate athletics program.~~
 - ~~d. Program Funds — includes revenue generated directly related to the athletic programs, including but not limited to ticket sales/event revenue, tournament/bowl/conference receipts, media/broadcast receipts, concessions/parking/advertisement, game guarantees and foundation/booster donations.~~
- ~~3. Funds allocated and used by athletic program from the above sources are limited as follows:~~
- ~~a. General education funds — shall not exceed \$665,500 for the universities and \$247,500 for Lewis-Clark State College for Fiscal Year 1987. In subsequent years, the limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board. Beginning in FY98, the limits for each institution may be raised by the amounts annually approved and budgeted for implementation of institutional gender equity plans.~~
 - ~~b. Institutional funds — shall not exceed \$250,000 for Boise State University; \$350,000 for Idaho State University; \$500,000 for University of Idaho; and \$100,000 for Lewis-Clark State College for fiscal year 2000. In subsequent years, these limits shall be computed by an adjustment for the rate of change in the general education funds allocated by the Board.~~
 - ~~c. Student fee revenue — shall not exceed revenue generated from student activity fee dedicated for the athletic program. Increases to the student fee for the athletic program shall be at the same rate of increase as the total student activity fees.~~
 - ~~d. Program funds — the institutions can use the program funds generated, without restriction.~~

~~The president of each institution is accountable for balancing the budget of the athletic department on an annual basis. In accounting for the athletic programs, a fund balance for the total athletic program must be maintained. In the event that revenue within a fiscal year exceeds expenses, the surplus would increase the fund balance and would be available for future fiscal years. In the event that expenses within a fiscal year exceeds revenue, the deficit would reduce the fund balance. If the fund balance becomes negative, the institutions must submit a plan to the Board that eliminates the deficit within two fiscal years. Reduction in program expenditures and/or increase revenue (program funds only) can be used in an institutional plan to eliminate a negative fund balance. If substantial changes in the budget occur during the year resulting in a deficit for that year, the president shall advise the Board of the situation at the earliest opportunity.~~

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

SUBSECTION: T. Intercollegiate AthleticsStudent AthletesJune 2007February 2012

~~Donation to athletics at an institution must be made and reported according to policy. The amount of booster money donated to and used by the athletic department shall be budgeted in the athletic department budget.~~

~~4. Financial Reporting.~~

~~The Board requires that the institutions adopt certain reporting requirements and common accounting practices in the area of intercollegiate athletic financing. The athletic reports shall contain revenues, and expenditures, in the detail prescribed by the Board office, including all revenue earned during a fiscal year. A secondary breakdown of expenditures by sport and the number of participants will also be required. The number and amounts of nonresident tuition waivers and the fund balances as of June 30 of the report year should be included in the report. The general format of the report will be consistent with the format used in recent years. The revenue and expenditures reported on these reports must reconcile to the NCAA Agreed Upon Procedures Reports that are prepared annually and reviewed by the external auditors. The institutions will submit the following reports to the Board:~~

~~a. At the June Board meeting, the institutions shall submit an operating budget for the upcoming fiscal year beginning July 1 in a format prescribed by the Board office.~~

~~—— (1) Actual revenues and expenditures for the fiscal year most recently completed.~~

~~—— (2) Estimated revenues and expenditures for the current fiscal year.~~

~~—— (3) Proposed operating budget for the next budget year beginning July 1.~~

~~b. At the February Board meeting, the following fiscal year's financial information will be reported by each institution:~~

~~—— (1) Actual revenues and expenditures for the prior four (4) fiscal years~~

~~—— (2) Estimated revenues and expenditures for the current fiscal year.~~

~~51. Student Athletes - Conduct~~

a. Each public college and university shall have a written policy governing the conduct of student athletes. At a minimum, those policies shall include:

~~(4)i.~~ A disclosure statement completed and signed by the student athlete prior to participation in any intercollegiate athletic endeavor, which shall include a description of (1) all prior criminal convictions, (2) all prior juvenile dispositions

GOVERNING POLICIES AND PROCEDURES

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wherein the student was found to have committed an act that would constitute a misdemeanor or felony if committed by an adult, and (3) all pending criminal charges, including juvenile proceedings alleging any act which would constitute a misdemeanor or felony if committed by an adult.

~~(2)~~ ii. This statement will be kept in the office of the athletic director. Failure to accurately disclose all incidents may result in immediate suspension from the team.

- b. Institutions shall not knowingly recruit any person as a player for an intercollegiate athletic team who has been convicted of a felony or, in the case of a juvenile, who has been found to have committed an act which would constitute a felony if committed by an adult. Exemptions to this restriction shall be granted only by the President of the college or university upon recommendation of the athletic director and faculty athletics representative. Such decisions shall be reported in writing to the Executive Director of the State Board of Education at the time the exception is granted.
- c. A student athlete convicted of a felony after enrollment, including a plea of nolo contendere on a felony charge, shall be removed from the team and shall not be allowed to participate again in intercollegiate athletics at any Idaho public college or university. Further, an institution may cancel any athletic financial aid received by a student who is convicted of a felony while the student is receiving athletic financial aid subject to NCAA regulations and the institution's applicable student judicial procedure. Nothing herein shall be construed to limit an institution from exercising disciplinary actions or from implementing student athletic policies or rules that go beyond the minimum requirements stated herein.
- d. Subject to applicable law, all institutions shall implement a drug education and testing program and shall require all intercollegiate student athletes to give written consent to drug testing as a condition of the privilege of participating in intercollegiate athletics.
- e. Institutions shall require their athletic coaches to hold an annual team meeting with their respective teams at the beginning of each season. The coaches shall be required to verbally review the team rules with team members at the meeting. Attendance at this meeting shall be mandatory. Each team member shall receive a written copy of the team rules and sign a statement acknowledging receipt of the rules and attendance at the meeting where the rules were verbally reviewed.
- f. Reporting Requirements

~~(4)~~ i. Student athletes shall immediately report any criminal charges to their head coach and to the athletic director. Coaches shall be obligated to inform the athletic director of any knowledge of charges against their athletes. The

GOVERNING POLICIES AND PROCEDURES

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athletic director shall report the same to the chief student affairs officer and to the institutional president, who shall report the same in writing to the Executive Director of the State Board of Education as soon as possible, but not later than 10 working days after learning of the charges. The report to the Executive Director shall include a description of the alleged violation of law and the institution's proposed action, if any.

(2)ii. Coaches shall immediately report the conviction of any student athlete to the athletic director and the institutional president, who shall report the conviction in writing to the Executive Director of the State Board of Education as soon as possible, but not later than 10 working days after the conviction. This report shall include a description of the violation of law and the institution's proposed action, if any.

g. Review Clause

This policy shall be reviewed by the Board one year from the time that it goes into effect (effective date - November 16, 1995).

GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

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~~June 2007~~February 2012

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

SUBJECT

FY 2011 College and Universities' Net Asset Balances

BACKGROUND/DISCUSSION

The net asset balances are shown as of June 30, 2011. The net assets are broken down as follows:

Invested in capital assets, net of related debt: This represents the institution's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included.

Restricted, expendable: This represents resources in which the institution is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted, nonexpendable: This represents endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted: This represents resources derived from student tuition and fees, and sales and services of educational departments and auxiliary enterprises. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. Not all source of revenues noted above are necessarily present in the unrestricted balance.

Within **Unrestricted Net Assets**, the institutions reserve funds for the following:

Obligated: Contractual obligations represent a variety of agreements which support initiatives or operations that have moved beyond management planning into execution. Obligations include contracts for goods and services, including construction projects. Obligations contain debt service commitments for outstanding debt and staffing commitments for personnel. These amounts also consist of inventories and other balances for which contractual commitments exist.

Designated: Designated net assets represent balances not yet legally contracted but have been dedicated to initiatives that have been deemed to be strategic or mission critical. Balances include capital or maintenance projects that are in active planning phases. Facility and administrative cost recovery returns from sponsored projects (grants and contracts) are reinvested in infrastructure or on efforts to obtain additional grant funding. Documented

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

central commitments to initiatives that have been approved at an executive level are designated.

Unrestricted Funds Available: Balance represents reserves available to bridge uneven cash flows as well as future potential funding shortfalls such as:

- Budget reductions or holdbacks
- Enrollment fluctuations
- Unfunded enrollment workload adjustment (EWA)
- Unfunded occupancy costs
- Critical infrastructure failures

IMPACT

The volatility of state funding – as well as fluctuations in enrollment and tuition revenue – necessitates the need for institutions to maintain fund balances sufficient to stabilize operating budgets. Best practices for responsible fiscal policy suggest that institutions maintain an unrestricted fund balance at a level that represents 5 to 15 percent of operating expenses, or is sufficient to fund no less than one to two months of operating expenditures. In 2010, finance staff at the Board and the college and universities spent significant time in evaluating these best practices when applied to their own unique budgetary environments. In recognition of the State's recent financial challenges, Board staff and the institutions determined that 5% of operating expenses (which reflects less than one month of expenses) is a reasonable target for a minimum available reserve. (Since the institutions' state appropriations are included in non-operating revenues, staff and the institutions decided to use audited operating expenses.)

The Board subsequently included a minimum target reserve of 5% of operating expenditures as a benchmark in its Strategic Plan (Goal 3, Objective A).

Based on this target reserve, the institutions' unrestricted available balances are:

BSU:	2.7%
ISU:	5.9%
UI:	1.6%
LCSC:	3.5%

Note: Designated reserves are not yet legally contracted, so technically they are still subject to management decision or reprioritization. However, it's critical to understand that these net asset balances are a snapshot in time as of June 30, 2011, so reserves shown as "designated" on this report could be "obligated" at any point in the current fiscal year.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
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ATTACHMENTS

BSU Net Asset Balances	Page 5
ISU Net Asset Balances	Page 7
UI Net Asset Balances	Page 9
LCSC Net Asset Balances	Page 11

STAFF COMMENTS AND RECOMMENDATIONS

The institutions will present a brief analysis of unrestricted net assets.

BOARD ACTION

This item is for informational purposes only. Any action will be at the Board's discretion.

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Boise State University**Net Asset Balances****As of June 30, 2011**

Information Taken from Workpapers Relating to Audited Financial Statements

1	Net Assets:	Boise State
2	Invested in capital assets, net of related debt	200,892,674
3	Restricted, expendable	21,690,750
4	Restricted, nonexpendable	0
5	Unrestricted	93,599,301
6	Total Net Assets	\$316,182,725
7		
8	Unrestricted Net Assets:	\$93,599,301
9	Obligated (Note A)	
10	Debt Reserves	17,242,000
11	Capital Projects	
12	Facilities	15,813,546
13	Equipment	7,116,864
14	Program Commitments	
15	Academic	10,092,654
16	Research	1,877,906
17	Other	5,367,630
18	Administrative Initiatives	4,161,212
19	Other	0
20		
21	Total Obligated	61,671,812
22		
23	Designated (Note B)	
24	Capital Projects	
25	Facilities	10,500,000
26	Equipment	0
27	Program Commitments	
28	Academic	2,409,039
29	Research	5,760,367
30	Other	1,105,213
31	Administrative Initiatives	4,675,325
32	Other	0
33		
34	Total Designated	24,449,943
35		
36	Unrestricted Funds Available (Note C)	\$7,477,546
37		
38	Operating expenses	281,846,315
39	Ratio of Unrestricted Funds Available to operating expenses	2.7%
40	5% of operating expenses (minimum reserve target)	14,092,316
41		

Note A: **Obligated** - Contractual obligations represent a variety of agreements which support initiatives or operations that have moved beyond management planning into execution. Obligations include contracts for goods and services, including construction projects. Obligations contain debt service and staffing commitments for outstanding debt and personnel. These amounts also consist of inventories and other balances for which a contractual commitments exist.

Note B: **Designated** - Designated net assets represent balances that are not yet legally contracted, but have been dedicated to initiatives that have been deemed to be strategic or mission critical. Balances include capital or maintenance projects that are in active planning phases. Facility and administrative returns from sponsored projects (grants and contracts) are reinvested in infrastructure or on efforts to obtain additional grant funding. Documented central commitments to initiatives that have been approved at an executive level are designated.

Note C: **Unrestricted Funds Available** - Balance represents reserves available to bridge uneven cash flows as well as future potential reduced funding. Current examples of potential future reductions are:

Unfunded Enrollment Workload Adjustment (EWA)
Budget reductions or holdbacks
Enrollment fluctuations

Idaho State University**Net Asset Balances****As of June 30, 2011**

Information Taken from Workpapers Relating to Audited Financial Statements

1	Net Assets:	Idaho State University
2	Invested in capital assets, net of related debt	\$123,571,307
3	Restricted, expendable	6,558,524
4	Restricted, nonexpendable	-
5	Unrestricted	60,772,075
6	Total Net Assets	<u>\$190,901,906</u>
7		
8	Unrestricted Net Assets:	60,772,075
9	Obligated (Note A)	
10	Debt Reserves	10,207,210
11	Capital Projects	
12	Facilities	-
13	Equipment	3,877,460
14	Program Commitments	
15	Academic	6,881,112
16	Research	178,933
17	Other	
18	Administrative Initiatives	486,153
19	Other	3,779,562
20		<u>-</u>
21	Total Obligated	25,410,430
22		
23	Designated (Note B)	
24	Capital Projects	
25	Facilities	3,870,381
26	Equipment	
27	Program Commitments	
28	Academic	7,390,866
29	Research	2,544,047
30	Other	9,165,342
31	Administrative Initiatives	
32	Other	
33		<u>-</u>
34	Total Designated	22,970,636
35		
36	Unrestricted Available (Note C)	<u>\$12,391,009</u>
37		
38	Operating expenses	209,724,689
39	Ratio of Unrestricted Funds Available to operating expenses	5.9%
40	5% of operating expenses (minimum available reserve target)	10,486,234
41		
42	Two months operating expenses	34,954,115
43	Ratio of Unrestricted Funds Available to two months of operating expenses	35%
44	Number of days expenses covered by Unrestricted Funds Available	21.57

Note A: **Obligated** - Contractual obligations represent a variety of agreements which support initiatives or operations that have moved beyond management planning into execution. Obligations include contracts for goods and services, including construction projects. Obligations contain debt service and staffing commitments for outstanding debt and personnel. These amounts also consist of inventories and other balances for which a contractual commitments exist.

Note B: **Designated** - Designated net assets represent balances that are not yet legally contracted, but have been dedicated to initiatives that have been deemed to be strategic or mission critical. Balances include capital or maintenance projects that are in active planning phases. Facility and administrative returns from sponsored projects (grants and contracts) are reinvested in infrastructure or on efforts to obtain additional grant funding. Documented central commitments to initiatives that have been approved at an executive level are designated.

Note C: **Unrestricted Funds Available** - Balance represents reserves available to bridge uneven cash flows as well as future potential reduced funding. Current examples of potential future reductions are:

Unfunded Enrollment Workload Adjustment (EWA)
Budget reductions or holdbacks
Enrollment fluctuations

**Idaho College and Universities
Net Asset Balances**

As of June 30, 2011

Information Taken from Workpapers Relating to Audited Financial Statements

1	Net Assets:	University of Idaho
2	Invested in capital assets, net of related debt	\$235,066,193
3	Restricted, expendable	78,191,004
4	Restricted, nonexpendable	69,176,081
5	Unrestricted	19,920,553
6	Total Net Assets	<u>\$402,353,831</u>
7	Unrestricted Net Assets:	<u>\$19,920,553</u>
8	Obligated (Note A)	
	- Debt Service Funds	\$ 1,774,240
	- Capital Project and Equipment Funds	<u>6,283,487</u>
	Total Obligated Funds	8,057,727
9	Designated (Note B)	
	Academic Funds:	
	- Dedicated Course Fees	\$ 2,344,050
	- Research Funds	146,963
	- Faculty Start-up Funds	32,872
	- Support Funds	<u>756,438</u>
	Total Academic Funds	\$ 3,280,323
	Agricultural Extension Funds:	
	- Agricultural Extension Education Funds	\$ 93,316
	- Agricultural Extension Research Funds	150,267
	- Agricultural Extension Support Funds	<u>173,169</u>
	Total Agricultural Extension Funds	416,753
	Student Funds:	
	- Student Services Funds	\$ 77,053
	- Student Scholarship Funds	<u>119,237</u>
	Total Student Funds	196,290
	Auxiliary Services Funds	1,356,737
	Facility/Departmental Repair and Replacement Funds	137,815
	Administrative Infrastructure Support Funds	480,986
	Library Funds	112,393
	Other Designated Funds	<u>383,049</u>
	Total Designated Funds	<u>6,364,346</u>
10	Unrestricted Available (Note C)	<u>5,498,480</u>
11	Operating expenses	\$354,207,238
12	Ratio of Unrestricted Funds Available to operating expenses	1.6%
13	5% of operating expenses (minimum available reserve target)	\$17,710,362
14	Two months operating expenses	\$59,034,540
15	Ratio of Unrestricted Funds Available to two months of operating expenses	9%
16	Number of days expenses covered by Unrestricted Funds Available	6

NOTES

Note A: **Obligated** - Contractual obligations represent a variety of agreements which support initiatives or operations that have moved beyond management planning into execution. Obligations include contracts for goods and services, including construction projects. Obligations contain debt service commitments for outstanding debt and staffing commitments for personnel. These amounts also consist of inventories and other balances for which a contractual commitments exist.

Note B: **Designated** - Designated net assets represent balances that are not yet legally contracted, but have been dedicated to initiatives that have been deemed to be strategic or mission critical. Balances include capital or maintenance projects that are in active planning phases. Facility and administrative returns from sponsored projects (grants and contracts) are reinvested in infrastructure or on efforts to obtain additional grant funding. Documented central commitments to initiatives that have been approved at an executive level are designated.

Note C: **Unrestricted Funds Available** - Balance represents reserves available to bridge uneven cash flows as well as future potential reduced funding. Current examples of potential future reductions are:

Budget reductions or holdbacks

Enrollment fluctuations

Unfunded Enrollment Workload Adjustment (EWA)

Loss of ARRA funding

Lewis-Clark State College**Net Asset Balances****As of June 30, 2011**

Information Taken from Information Taken from Workpapers Relating to Audited Financial Statements

1	Net Assets:	LCSC
2	Invested in capital assets, net of related debt	\$43,394,474
3	Restricted, expendable	1,250,382
4	Restricted, nonexpendable	0
5	Unrestricted	16,938,305
6	Total Net Assets	\$61,583,161
7		
8	Unrestricted Net Assets:	\$16,938,305
9	Obligated (Note A)	
10	Debt Reserves	2,771,482
11	Other	221,610
12		
13	Total Obligated	2,993,092
14		
15	Designated (Note B)	
16	Capital Projects	
17	Facilities	1,566,508
18	Equipment	1,273,457
19	Program Commitments	
20	Academic	4,515,604
21	Other	4,165,529
22	Other	824,115
23		
24	Total Designated	12,345,213
25		
26	Unrestricted Available (Note C)	\$1,600,000
27		
28	Operating expenses	45,333,988
29	Ratio of Unrestricted Funds Available to operating expenses	3.5%
30	5% of operating expenses (minimum available reserve target)	2,266,699
31		
32	Two months operating expenses	7,555,665
33	Ratio of Unrestricted Funds Available to two months of operating expenses	21%
34	Number of days expenses covered by Unrestricted Funds Available	13

Note A: **Obligated** - Contractual obligations represent a variety of agreements which support initiatives or operations that have moved beyond management planning into execution. Obligations include contracts for goods and services, including construction projects. Obligations contain debt service and staffing commitments for outstanding debt and personnel. These amounts also consist of inventories and other balances for which a contractual commitments exist.

Note B: **Designated** - Designated net assets represent balances that are not yet legally contracted, but have been dedicated to initiatives that have been deemed to be strategic or mission critical. Balances include capital or maintenance projects that are in active planning phases. Facility and administrative returns from sponsored projects (grants and contracts) are reinvested in infrastructure or on efforts to obtain additional grant funding. Documented central commitments to initiatives that have been approved at an executive level are designated.

Note C: **Unrestricted Funds Available** - Balance represents reserves available to bridge uneven cash flows as well as future potential reduced funding. Current examples of potential future reductions are:

Unfunded Enrollment Workload Adjustment (EWA)
Budget reductions or holdbacks
Enrollment fluctuations

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

BOISE STATE UNIVERSITY

SUBJECT

Bronco Stadium Expansion Project, Phase I, Football Complex

REFERENCE

December 2010	Bronco Stadium future projects update
February 2011	Board approved request to begin preliminary design
September 2011	Board approved construction of Dona Larsen Park Track and Field and related facilities
October 2011	Bronco Stadium Expansion Project, Phase I Update

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K

BACKGROUND/DISCUSSION

In February 2011 the Board authorized Boise State University to proceed with the design of Phase I of the Bronco Stadium Expansion project. Phase I of the project includes the relocation of the track and field to Dona Larsen Park, and the construction of the football complex. This request is to proceed with construction of the football complex.

The Football Complex is an addition to the Bronco Stadium facilities and consists of approximately 69,000 gross square feet of all-sports training and hydrotherapy facilities, a strength training and cardiovascular room, football team locker room, football team meeting rooms, football coaches' offices, football coaches and staff locker rooms, academic study areas, recruiting lounge, equipment storage/checkout, loading dock and other infrastructure support spaces. The improvements provided by this new facility are needed to support the development of the football program, provide facilities that are more comparable to our conference peers, and to enhance recruiting.

Utilizing the standard process through the Division of Public Works, the design teams of Hummel Architects and Populous Architects and the construction manager Kreizenbeck Construction have completed the design development phase and have updated the project cost estimate. The total budget for the Football Complex is \$22 million. This represents a small increase in the original projected budget. The increase is needed to appropriately address football program needs both in size and programming.

It is expected the University will return to the Board in February 2012 to request financing approval. Bidding is scheduled to begin in February or March 2012 with anticipated construction completion in summer 2013.

BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011

IMPACT

Cost estimates based on the design development documents indicate a construction cost of \$16,976,825. Contingencies, architectural and engineering fees, commissioning, testing, and other administrative and soft costs bring the estimated total project cost to \$22,000,000. This project will be brought back to the Board for financing approval prior to contract award.

Current project funding sources include:

Private Gifts and Pledges	\$ 7,000,000
Bond Proceeds from New Debt	<u>\$15,000,000</u>
Total	<u>\$22,000,000</u>

The University continues to pursue private gifts for this project to reduce the debt amount and currently has an additional \$5.5 million in potential pledges. The University anticipates asking the Board for approval to issue bonds to finance construction of this facility in February 2012 and will provide an updated financing plan at that time.

This project will be procured through the standard process using the State of Idaho's Division of Public Works and the State of Idaho Department of Administration, Division of Purchasing, as appropriate. Multiple contracts may be awarded and the University may proceed with the purchase and installation of furniture, fixtures and equipment if budget authorization is sufficient under the approved budget of this agenda item.

STAFF COMMENTS AND RECOMMENDATIONS

Total project costs are estimated at \$22 million, with approximately \$15 million to be financed with 30 year bond proceeds. This would bring BSU's projected debt service up to just over 6% of operating budget. In recent years, the Board has informally considered 8% as a debt service ceiling. Based on conservative assumptions, annual bond service payments would be almost \$1.1 million for the first five years, and then increase to approximately \$5.5 million for the remaining 25 years. The financial pro-forma shows positive project cash flow from inception.

Staff notes that on November 7, 2011 the Board of Directors of the J.A. and Kathryn Albertson Foundation announced a \$3 million grant to the Boise State University Foundation. The grant establishes a partnership between the Foundation and Boise State's intercollegiate athletics program. Funding will be used to expand the football athletic complex, create an academic center within the complex, and continue the Foundation's Go On awareness campaign in conjunction with Boise State Athletics.

Staff recommends approval.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

ATTACHMENTS

Attachment 1 - Project Budget	Page 5
Attachment 2 - Capital Project Tracking Sheet	Page 6
Attachment 3 - Financial Pro Forma	Page 7
Attachment 4 - Projected Debt Service	Page 8

BOARD ACTION

I move to approve the request by Boise State University to proceed with construction of the football complex for a total project cost not to exceed \$22 million.

Moved by_____ Seconded by_____ Carried Yes_____ No_____

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**Architectural & Engineering Services
Project Budget**

Project Number:	DPW11-206
Project Title:	Bronco Stadium Expansion, Football Complex
Date:	10/27/11

Category	Budget
Architectural Fees	1,744,000
Construction and Construction Management Costs	16,936,825
Testing, Inspections and Misc.	244,175
Construction Contingency	775,000
Subtotal	19,700,000

University Costs	720,675
Project Contingency	1,579,325

Total Project	\$ 22,000,000
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1	Institution/Agency:	Boise State University	Project:	Bronco Stadium Expansion Project, Phase 1
2	Project Description:	Construction of Bronco Stadium Expansion Project, Phase 1, Football Complex		
3	Project Use:	Construction of new Bronco Stadium Football Complex		
4	Project Size:	Approx. 60,000 gross square feet		

24		----- * Other Sources of Funds -----										
25						Institutional		Student				
	History of Funding:	PBF		ISBA		Funds		Revenue		Other	Total Other	Total Funding
26		\$ -		\$ -		\$ -			\$ 22,000,000	\$ 22,000,000	\$ 22,000,000	\$ -
27												
28												
29												
30	Total	\$ -		\$ -		\$ -		\$ -	\$ 22,000,000	\$ 22,000,000	\$ 22,000,000	\$ -

Boise State University
Stadium Financial Pro-Forma
November 8, 2011

Attachment 3

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6-10	Year 11-15	Year 16-20	Year 21-25	Year 26-30
Revenue										
Pledges (Oct 2011)	860,030	713,215	696,300	608,000						
Bleacher revenue					430,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
Learfield	250,000	250,000	250,000	300,000	300,000	1,700,000	1,750,000	1,750,000		
Future Advertising Contract									1,750,000	1,750,000
Operating Revenues	400,000	550,000	550,000	575,000	750,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Reserves	-	-	-	-	-	-	-	-	-	-
Total	1,510,030	1,513,215	1,496,300	1,483,000	1,480,000	7,400,000	7,450,000	7,450,000	7,450,000	7,450,000
Expense										
Operating expenses-DLP	180,000	180,000	180,000	180,000	180,000	900,000	900,000	900,000	900,000	900,000
Operating expenses- Stadium Expansion	200,000	200,000	200,000	200,000	200,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt Service	1,089,734	1,089,734	1,089,734	1,089,734	1,089,734	5,448,670	5,448,670	5,448,670	5,448,670	5,448,670
Total	1,469,734	1,469,734	1,469,734	1,469,734	1,469,734	7,348,670	7,348,670	7,348,670	7,348,670	7,348,670
Net Revenues	40,296	43,481	26,566	13,266	10,266	51,330	101,330	101,330	101,330	101,330
Cumulative Net Revenues	40,296	83,777	110,343	123,609	133,875	185,205	286,535	387,865	489,195	590,525

<i>rate</i>	6%
<i>term</i>	30
<i>prin</i>	15,000,000
<i>pmt</i>	(\$1,089,733.67)

Assumptions:

Interest rate is conservative. It is expected that the final rate will be less than 6%.

Fundraising continues, model includes only pledges received through October 11. It is expected that there will be additional donations available for the debt service.

Bleachers are included at 85% occupancy (after payment of 4.5 year internal loan) which is conservative.

Operating Revenues:

A variety of operating revenues will be allocated to the project as needed. These sources include:

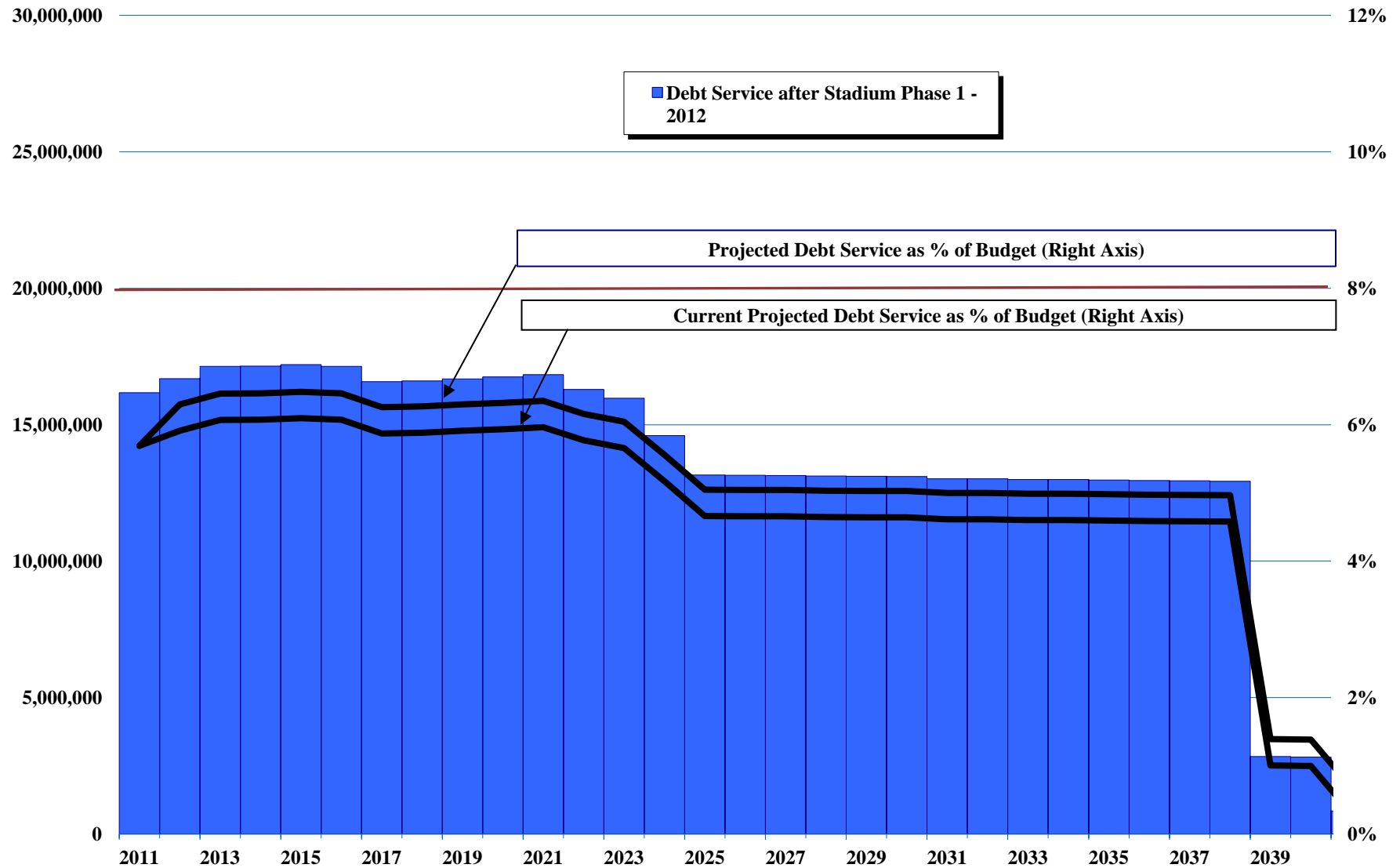
Additional concession revenue generated by bleacher seats and any price increases.

Increased pricing on parking, tickets and BAA memberships.

Operating revenues from other facilities such as Stueckle Sky Center, Caven Williams indoor practice field and Donna Larson Park

Boise State University Debt Service to Budget December 2011

Attachment 4



**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

BOISE STATE UNIVERSITY

SUBJECT

Dona Larsen Park, Upgrade and Expansion of Bronco Stadium Bleachers

REFERENCE

April 2007	Board approves East Junior High purchase agreement
June 2007	Board approves East Junior High land swap, joint use agreement and master plan illustration
August 2009	Board approves request for East Junior High demolition
December 2010	Board approves Bronco Stadium Expansion projects
February 2011	Board approves request to proceed with Bronco Stadium Expansion Project Master Plan and Phase I Design
August 2011	Board denies request to proceed with construction of Dona Larsen Park Facilities
September 2011	Board approves construction of Dona Larsen Park Facilities
October 2011	Bronco Stadium Expansion Project Phase I, Information Item

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K

BACKGROUND/DISCUSSION

As noted in the October 2011 information Board item, the work of the stadium expansion represents an opportunity to upgrade and expand Bronco Stadium bleacher seating. The existing north and south portable bleachers would be relocated to Dona Larsen Park. In their place, upgraded replacement bleachers with up to approximately 3,300 additional seats would be sited in the south and north sections of the stadium. In addition to providing a net gain of 3,300 bleacher seats, this arrangement also makes way for more permanent seating at the north end as envisioned in the stadium master plan.

This bleacher replacement work can most effectively be procured through expanding the current design/build agreement for Dona Larsen Park. This approach will support the coordination of moving the existing bleachers to Dona Larsen Park, with the installation of the new bleachers in time for the 2012 football season. The Idaho Division of Public Works has authorized this approach to procurement.

IMPACT

The cost of the new bleachers is estimated at \$3.1M and is based upon an estimate provided by the Dona Larsen Park design-build contractor, McAlvain Construction. The current project budget for Dona Larsen Park is \$6M. To provide the necessary funds for the new and additional Bronco Stadium bleacher seating, the project budget will increase to \$9.1M. The source of funds for the budget increase is outlined below and includes the use of central university

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

reserves as an internal loan to Athletics to be repaid with interest, through the additional ticket sales revenue from the additional 3,300 seats.

Current project funding sources include:

Private Gifts	\$6,000,000
University Central Reserves	<u>\$3,100,000*</u>
Total	<u>\$9,100,000</u>

*Boise State University will provide the remaining funds needed for this project from central reserves via an internal loan to the Athletic Department to be re-paid with interest at approximately 4.5% in a 3-5 year time period from the new revenue generated from the additional 3,300 stadium seats.

Boise State University (BSU) has performed an analysis to examine the financial viability of investing \$3.1M for 3,300 new bleachers. At 100% occupancy, the investment is recouped in 3.5 years. At 85% occupancy, repayment occurs within 4.5 years.

STAFF COMMENTS AND RECOMMENDATIONS

This is a project to replace the bleachers at the north and south ends of the BSU stadium.

The final design cost estimate for the Dona Larson Park (DLP) athletics complex approved by the Board in September included the cost of moving 5,200 existing bleacher seats from BSU's football stadium to DLP. After the bleachers were moved to DLP, BSU planned to install new bleachers at the stadium as a separate project. After discussions with the Division of Public Works, however, it was determined the most cost effective approach would be to expand the scope of the DLP project to include purchase and installation of the new bleachers at the stadium.

The Board may desire to know whether BSU's use of central reserves would include any appropriated General Funds or student tuition and fees; and whether use of such reserves for this project could negatively impact cash flow for academic programming.

Staff recommends approval.

ATTACHMENTS

Attachment 1 - Project Budget	Page 5
Attachment 2 - Capital Project Tracking Sheet	Page 6
Attachment 3 - Financial Pro Forma	Page 7

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

BOARD ACTION

I move to approve the request by Boise State University to increase the scope and budget of the Dona Larsen Park project to include the procurement and installation of new Bronco Stadium Bleacher seating at a cost not to exceed \$3.1million for a total revised project cost of \$9.1 million.

Moved by_____ Seconded by_____ Carried Yes____ No____

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Attachment 1

**Architectural & Engineering Services
Project Budget**

Project Number:	DPW11-205
Project Title:	Dona Larsen Park
Date:	11/7/2011 (Revised)

Category	Budget
Architectural Fees	See Note 1
Commissioning, Testing, Plan Check, Etc.	46,000
Construction Costs	8,331,171
Construction Contingency	100,000
Subtotal	8,477,171

University Costs	214,500
Project Contingency	408,329

Total Project	\$ 9,100,000
----------------------	---------------------

Note 1
Due to design/build delivery method for this project Architectural Fees are within the construction contract costs of \$8,331,171. Design fees are estimated at \$638,000 for this portion of the project.

1	Institution/Agency:	Boise State University	Project:	Dona Larsen Park
2	Project Description:	Construction of Dona Larsen Park		
3	Project Use:	Construction and relocation of track and field events and related facilities		
4	Project Size:	Track and Field facilities to support maximum audience of 5200		

²³ **Note 1:** Due to design/build delivery method planning fees are within the construction contract amount of \$8,331,171, planning/design fees estimated at \$638,000

[illegible]

Boise State University
Stadium Bleacher Replacement Financial Pro-Forma

Attachment 3

	# of Seats
Remove	(5,200)
Add	8,500
Net	<u>3,300</u>

	Project Cost			Additional Ticket Revenue	
	# of Seats	Cost/Seat	Total Cost	Price/Seat	Total Revenue
Replacement bleachers					
Replacement bleachers	5,200	\$365	\$ 1,896,471		
Additional bleachers	3,300	\$365	\$ 1,203,529	\$252	1,4 \$ 832,500
Total project	<u>8,500</u>		<u>\$ 3,100,000</u>		

	2012 Season FY 2013	2013 Season FY 2014	2014 Season FY 2015	2015 Season FY 2016
Debt Service				
2 New Seat Revenue	\$ 707,625	\$ 743,006	\$ 780,156	\$ 819,164
3 Internal loan payment	\$ 706,154	\$ 706,154	\$ 706,154	\$ 706,154
	<u>\$ 1,471</u>	<u>\$ 36,852</u>	<u>\$ 74,002</u>	<u>\$ 113,010</u>

Assumptions:

- 1 Projected season ticket price based on upgraded bleachers, approximately 15% above current year pricing.
Based on 6 home game schedule, 7 home game schedule is anticipated for some years which would increase revenues available for repayment.
- 2 New seat revenue based on selling 85% of new seating. Also includes an incremental ticket increase of 5% per year.
- 3 Internal loan at 4.5% for 5 years
- 4 Additional revenue does not include concessions, parking or other ancillary fees

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**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

BOISE STATE UNIVERSITY

SUBJECT

Enterprise System Roadmap Systems Human Capital Management and Finance
Services Agreements

REFERENCE

April 2011	Information item on Enterprise System Roadmap Implementation Project
April 2011	Board approves request to replace/upgrade PeopleSoft ERP system infrastructure
August 2011	Board approves request to enter agreement with Huron Consulting for Enterprise System Roadmap project management services
October 2011	Board approves request to enter agreement with CIBER Consulting for Enterprise System Roadmap Campus Solutions Services

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.3.

BACKGROUND/DISCUSSION

Boise State University utilizes the Oracle/Peoplesoft ERP suite of modules for student, human resource/payroll and financial systems. Once implemented, these large systems are periodically upgraded to leverage new functionality and technology.

The systems have been upgraded as follows since the original 1998 implementation of versions 6.0:

Year	System	Sample Key Improvements
2001	Finance 7.5	Chart of accounts for GASB 34, query and reporting tools
2004	HR/Student 8.0	Migration from client server to web based technology
2005	Finance 8.8	Migration from client server to web based technology
2008	HR/Student 9.0	Self-service for benefits, time and labor and student

The University has planned for the next series of upgrades as part of normal operating maintenance.

Boise State University has developed a roadmap to transition to a more sustainable and maintainable system state, and more importantly to:

BUSINESS AFFAIRS AND HUMAN RESOURCES

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- gain more value and effectiveness from our enterprise systems,
- focus on core objectives for the University, and
- adopt best practices for enterprise system operation and development.

Upgrades to the existing finance and HR/Payroll systems are significant mile markers on the roadmap. The University intends to upgrade to versions 9.1. A sample of the high level improvements to be gained include:

- Division of student and HR databases, allowing financial aid regulatory updates for student and IRS payroll updates for HR to be applied when required without forcing the other area through the labor intensive testing and migration process.
- Enhanced transactional workflow capabilities allowing HR and Finance business processes to be automated efficiently.
- Implementation of project costing capability to better serve research and capital projects.

The project is being designed to allow review of all business practices associated with HR and finance, regardless of their level of integration with the ERP systems with intent to adopt best practices and improve the efficiency and accuracy of operations.

It is significant that the HR, finance and student system upgrades will be executed somewhat concurrently. This allows the University to leverage testing of integration points and to ensure that design across the entire suite of products is effectively leveraging functionality.

IMPACT

The University issued a request for proposals using the best value procurement methodology for project management and functional and technical resources to implement the Human Capital Management (HCM) and finance system upgrades.

CIBER has been identified as the best value vendor to manage both projects for a cost not to exceed \$1,695,210 for HCM and \$1,714,130 for finance.

Services to be provided include, but are not limited to:

- Project management for HCM and finance upgrades
- Fit/Gap review sessions for the following modules

HCM:
Base Benefits

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Benefits Admin
Compensation
Payroll (Commitment Accounting)
Time and Labor
Talent Acquisition
ePay
eProfile

Finance:

General Ledger
Accounts Payable
Procurement
Fixed Assets
Expense (T&E)
Accounts Receivable
Billing
Project Costing

- Functional Consulting
 - Evaluation and documentation of business processes
 - Process re-engineering
 - End-user training development and deployment
 - Support go-live
- Technical Consulting
 - Update and test interface and integration points
 - Analyze and if necessary retrofit customizations
- Database Administration and Security Consulting

The project is expected to be completed within 24 months. CIBER is an industry expert in the enterprise system consulting field and is a certified platinum Oracle/PeopleSoft partner. This certification is attained by meeting the highest levels of consultant certification and training, working with Oracle on new product releases and enhancements and executing successful client projects.

The proposed agreement (Attachment 1) includes terms and conditions as well as a scope of work, contract summary and detailed risk mitigation plan.

CIBER was chosen via independent evaluation for all three upgrade projects. As such, the master agreement presented to the Board in October, 2011 has been revised to include all three projects. CIBER was chosen on the strength of their technical knowledge with respect to the individual projects, however, the University will benefit from economies of scale by using one firm for all three upgrades. Pricing includes a \$500,000 discount for multiple projects. In addition, one project management methodology will be leveraged across each project. Finally, consultants involved have previous experience collaborating with each other on integrated system projects which will add efficiency.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

ATTACHMENTS

Attachment 1 – Proposed Agreement

Page 5

STAFF COMMENTS AND RECOMMENDATIONS

At the Board's April 2011 meeting, BSU brought an information item putting the Board on notice that it would be requesting Board approval for various enterprise resource planning system expenditures at future Board meetings. This agenda item is the fourth such request for the Board's consideration. This request is for approval for BSU to engage a technical consultant in support of the Enterprise Roadmap project as it relates to HR and finance system upgrades.

Total cost for the Enterprise System Roadmap project is estimated at \$12M over four to five years.

Staff comments in April were that where applicable BSU should ensure that each phase of this project supports, or at a minimum does not conflict with, the Board's ongoing work towards development of the postsecondary piece of a statewide longitudinal data system. This recommendation still stands.

Staff recommends approval.

BOARD ACTION

I move to approve the request by Boise State University to approve the agreement with CIBER for the Human Capital Management system upgrade consulting services in conjunction with the Enterprise System Roadmap project for a total cost not to exceed \$1.72 million.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

I move to approve the request by Boise State University to approve the agreement with CIBER for the Finance system upgrade consulting services in conjunction with the Enterprise System Roadmap project for a total cost not to exceed \$1.74 million.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

AMENDED AND RESTATED MASTER CONSULTING SERVICES AGREEMENT FOR
ENTERPRISE SYSTEMS ROADMAP PROGRAM
BETWEEN
BOISE STATE UNIVERSITY AND
CIBER, INC.

THIS AMENDED AND RESTATED MASTER CONSULTING SERVICES AGREEMENT ("Agreement") is entered into this _____ day of _____, 2011 ("Effective Date"), by and between Boise State University ("University") and CIBER, Inc. ("CIBER").

WHEREAS, University is a state institution of higher education;

WHEREAS, CIBER is an international IT outsourcing and software implementation and integration consulting company;

WHEREAS, University desires CIBER's consulting services for the Enterprise Systems Roadmap Program, which includes the provision of services for the following projects: (1) Human Capital Management ("Project 1"), (2) Campus Solutions ("Project 2"), and (3) Financials Management System ("Project 3") (collectively, the "Services") and CIBER agrees to provide said Services;

WHEREAS, the parties previously entered into a "Master Consulting Services Agreement," dated October 26, 2011 ("Original Agreement") with respect to Project 2; and

WHEREAS, the parties desire to add additional terms to the Original Agreement by amending and restating the Original Agreement to encompass Projects 1, 2 and 3;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the Original Agreement is hereby amended and restated to read, and the parties hereto agree as follows:

1. Incorporated Documents and Order of Precedence. This Agreement includes the following documents, which are attached hereto and incorporated by reference herein:
 - a. This Agreement;
 - b. State of Idaho Standard Contract Terms and Conditions ("Standard Terms and Conditions") (Attachment 1) as amended by Appendix A, which is attached hereto and incorporated by reference herein;
 - c. Human Capital Management Statement of Work (Attachment 2);
 - d. Boise State Contract Summary Project 1 HCM (Attachment 3);
 - e. Campus Solutions Statement of Work (Attachment 4);
 - f. Boise State Contract Summary Project 2 Campus Solutions (Attachment 5);
 - g. Financials Management System Statement of Work (Attachment 6);
 - h. Boise State Contract Summary Project 3 FMS (Attachment 7);

- i. Risk Management Plan for Master Services Agreement Projects 1, 2 and 3 with Boise State (Attachment 8).

Any inconsistency between this Agreement, the Standard Terms and Conditions, and the attachments to the Agreement, shall be decided in the above order of precedence. Any reference to an order of precedence other than the order of precedence listed above by any incorporated document shall be superseded by this Section 1.

2. Term. The Term of this Agreement shall begin on the Effective Date and shall continue until December 31, 2015, unless otherwise terminated pursuant to Section 3 herein.
3. Termination. Either party may terminate this Agreement or any Statement of Work ("SOW") under the Agreement when the other party has been provided written notice of material default or non-compliance and has failed to cure such default or non-compliance within thirty (30) calendar days. The non-defaulting party, upon termination for default or non-compliance, reserves the right to take any legal action it may deem necessary, including, without limitation, an action for damages.

University may terminate this Agreement upon thirty (30) calendar days' advanced written notice. In the event of termination, CIBER will advise University of the extent to which performance has been completed and deliver any work in progress. CIBER will be paid for all work performed and expenses incurred through the date of termination, including charges for materials ordered by CIBER that cannot be returned for a full refund. University will pay (i) in full for all completed and accepted Services and Work Products, and (ii) on a percentage of work performed basis, as reflected in the most recent project status report, for Services and Work Products completed by CIBER, but not accepted by University.

4. Ownership of Intellectual Property. Unless the parties agree otherwise in writing, the tangible property and work products ("Work Products") developed by CIBER pursuant to this Agreement belong to University. University ownership of Work Products does not extend to third party works, products, or materials or to Contractor Materials (as hereinafter defined) that may be included in Work Products. University acknowledges that CIBER is in the business of providing information technology consulting services and has accumulated expertise in this field and agrees that CIBER will retain all right, title, and interest in and to all Contractor Materials. "Contractor Materials" means all inventions, discoveries, concepts, and ideas, including, without limitation, patents, copyrights, trademarks, trade secrets, processes, methods, formulae, techniques, tools, solutions, programs, data, and documentation, and related modifications, improvements, and know-how, that CIBER, alone, or jointly with others, its agents or employees, conceives, makes, develops, acquires, or obtains knowledge of at any time before, after, or during the term of this Agreement without breach of CIBER's duty of confidentiality to University. To the extent Contractor Materials are included in any Work Products, CIBER will grant University a personal, perpetual, irrevocable, nonexclusive, worldwide, royalty-free license to use, execute, reproduce, and modify such Contractor Materials, but only for University's internal use in conjunction with the Work Products. CIBER's

grant to University of any interest in the Services and Work Products is effective only upon University's payment of all fees and charges invoiced by CIBER. Either party shall be free to use Residuals (as hereinafter defined) from any Confidential Information (as defined in Section 5 herein) provided by the disclosing party for any purpose, including, without limitation, providing services or creating programming or materials for customers, subject to the obligation not to disclose, publish or disseminate such Confidential Information and subject to the patent rights and statutory copyrights of the other party. "Residuals" shall mean that information which may be retained in intangible form in the minds of those personnel of the receiving party, without intentionally reducing such information to memory, who have had access to Confidential Information in tangible form of the disclosing party during the term of this Agreement.

5. Confidential Information. Pursuant to this Agreement, either party may collect, or disclose to the other party, financial, personnel or other information that a party regards as proprietary or confidential ("Confidential Information"). Confidential Information shall belong solely to the party disclosing such Confidential Information ("Disclosing Party"). The receiving party ("Receiving Party") shall use such Confidential Information only in the performance of its Services under this Agreement and shall not disclose Confidential Information or any advice given by it to the Disclosing Party to any third party, except with the Disclosing Party's prior written consent or under a valid order of a court or governmental agency of competent jurisdiction and then only upon timely notice to the Disclosing Party. Disclosing Party may require that Receiving Party's officers, employees, agents, or subcontractors agree in writing to the obligations contained in this section. Confidential Information shall be returned to Disclosing Party upon termination of this Agreement. The confidentiality obligation contained in this section shall survive termination of this Agreement. Confidential Information shall not include data or information that: (a) is or was in the possession of Receiving Party before being furnished by the Disclosing Party, provided such information or other data is not known by Receiving Party to be subject to another confidentiality agreement with or other obligation of secrecy to the Disclosing Party; (b) becomes generally available to the public other than as a result of disclosure by Disclosing Party; (c) becomes available to Receiving Party on a non-confidential basis from a source other than the Disclosing Party, provided that such source is not known by Receiving Party to be subject to a confidentiality agreement with or other obligation of secrecy to the Disclosing Party; or (d) is required to be disclosed under applicable law, subpoena or other legal process.
6. Non-Solicitation. During the term of this Agreement and for a period of one year after its termination, neither party will directly or indirectly (i) solicit for hire or engagement any of the other party's personnel who were involved in the provision or receipt of Services or Work Products under this Agreement or (ii) hire or engage any person or entity who is or was employed or engaged by the other party and who was involved in the provision or receipt of Services or Work Products under this Agreement until 365 days following the termination of the person's or entity's employment or engagement with the other party. For purposes herein, "solicit" does not include broad-based recruiting efforts, including, without limitation, help wanted advertising and posting of open positions on a party's internet site. If a party hires or engages, directly or indirectly, any personnel of the other

party in violation of (ii) above, the hiring/engaging party will pay the other party a finder's fee equal to 50% of the complete compensation package offered by the hiring/engaging party to and accepted by the employee.

7. Warranty. CIBER warrants that (a) the services it provides hereunder will be performed in a professional and workmanlike manner in accordance with industry standards; (b) it will perform the Services in a manner that complies with all applicable laws and regulations; and (c) it will provide Work Products that conform in all material respects to the specifications set forth in the SOW(s). To receive the warranty remedies, University must report any nonconforming Work Products to CIBER in writing within thirty (30) calendar days from the date of the University's project acceptance milestone. University's exclusive remedy and CIBER's entire liability is to provide Services to correct the deficiencies. If CIBER is unable to correct the deficiencies to University's sole satisfaction, University is entitled to recover the fees paid to CIBER. CIBER makes no warranties regarding University or third party modifications of Work Products to the extent such modifications are not in accordance with CIBER's instructions and specifications, any portion of any deliverable developed by University or by any third party, including any third party software, hardware, or other third party products provided by CIBER.

8. Indemnification. The parties agree that to the extent permitted by law, each will indemnify, defend, and hold harmless the other party and its officers, directors, employees, and contractors from any third party claim for personal injury, property damage, which arises from the gross negligence or intentional wrongdoing of the indemnifying party. To the extent permitted by law, CIBER will indemnify, defend, and hold harmless the University from any third party claim that the Work Products or Services provided by CIBER and used in accordance with CIBER instructions or documentation infringe the intellectual property rights of said third parties. Notwithstanding the foregoing, nothing herein shall be construed as a waiver of University's sovereign immunity or any other protection afforded University as an entity of the State of Idaho, including, but not limited to, the protections afforded University under the Idaho Tort Claims Act. University acknowledges that CIBER makes no representations regarding and accepts no indemnification obligation with regard to any Oracle/PeopleSoft software. The foregoing indemnity shall not apply to any infringement claim arising from (i) a Service or Work Product that has been modified by any party other than CIBER; (ii) University's use of a Service or Work Product in combination with the products or services of parties other than CIBER where such combination gives rise to the infringement claim and where such use was not in accordance with CIBER instructions or documentation; (iii) University's use of a Service or Work Product after written notice to University to cease such use; (iv) a Service or Work Product not used in accordance with CIBER's instructions and specifications; (v) University's use of other than the current release of a Service or Work Product if such claim would have been avoided by the use of the current release provided by CIBER; (vi) University's use of a Service or Work Product with services or products not provided by CIBER; or (vii) CIBER's compliance with any design, specification or instruction of University.

9. Limited Liability. University's sole remedy hereunder shall be return of fees paid to CIBER for any service which University demonstrates to be in breach hereof or otherwise actionable by University. In no event shall either party be liable for consequential, indirect, exemplary, punitive, or incidental damages, including, without limitation, lost data or lost profits, however arising, even if it has been advised of a possibility of such damages. In no event shall CIBER's liability hereunder exceed the amount paid by University hereunder, whether arising out of contract, warranty, strict liability, or negligence. Liability of University shall at all times be governed by the Idaho Tort Claims Act. Nothing herein shall be construed as a waiver of the University's sovereign immunity or any other protection afforded to the University as an entity of the State of Idaho.

10. Acceptance. Acceptance criteria for Services and Work Products shall be set forth in the SOW(s). Except as otherwise agreed to in the SOW(s), upon CIBER's delivery of Services or Work Products, University must inspect the Services and Work Products for conformance with specifications. If CIBER has not received written notice from University (the "Acceptance/Rejection Form") within five (5) business days following completion of the Services or delivery of the Work Products, the applicable Services or Work Products will be deemed accepted by University. Furthermore, for other kinds of work performed by CIBER, including without limitation, staffing work for which acceptance criteria are not specified in an SOW, the applicable Services or Work Products will be deemed accepted by University on the date of delivery unless CIBER receives an Acceptance/Rejection Form or other written notice from University specifying the reason for non-acceptance within three (3) business days after completion of the Services or delivery of the Work Products.

11. Insurance. CIBER shall, at its sole cost and expense, procure and maintain throughout the term of this Agreement: (a) Worker's Compensation Insurance, as required by state statute for all CIBER employees engaged in the provision of Services to the University; (b) Commercial General Liability Insurance with limits not less than \$1 million per occurrence, \$2 million in aggregate; (c) Professional Liability Insurance with limits not less than \$3 million, including coverage for errors and omissions caused by CIBER's negligence in the performance of its duties under this Agreement; (d) Automobile Liability Insurance, including non-owned and hired vehicles, with limits not less than \$1 million per occurrence for property damage and bodily injury. Prior to CIBER providing the Services to University, CIBER shall deliver to the University the certificates of insurance for each of the above described policies. The certificates must contain a written provision that, should any of the above-described insurance policies be canceled or non-renewed before the expiration date thereof, the issuing company must notify the University in writing, by certified or registered mail, receipt requested, at least thirty (30) days prior to any cancellation or non-renewal of any such insurance.

12. University Marks. University's registered trademarks, as well as other names, seals, logos, college colors and other indicia ("University Marks") that are representative of the University may not be used without prior written consent of the University. Such consent shall only be valid if obtained from the University's Office of Trademark Licensing and

Enforcement. Requests for approval should be submitted via email to licensing@boisestate.edu.

13. Compliance. CIBER shall comply with all requirements of federal, state, and local laws and regulations applicable to CIBER and/or to the Services provided by CIBER pursuant to this Agreement, including without limitation, Executive Order 2007-9. For the Term of this Agreement, CIBER shall maintain in effect and have in its possession all licenses and certifications required by federal, state, and local laws and rules.
14. Payment. CIBER shall submit monthly invoices to the University or as otherwise specified in the SOW(s), and University shall make payments to CIBER, as indicated on the Purchase Order(s) issued by the University. Notwithstanding the foregoing, the University shall pay all invoices within thirty (30) days of receipt of invoice.
15. Entire Agreement. This Agreement and the attached documents supersede all prior agreements between the parties only with regard to the services offered or provided and purchase orders issued in furtherance of RFP #ST11-106, and constitutes (along with the recitals hereto and the attached documents) a complete and exclusive statement of the terms of the agreement between the parties in all respects regarding RFP #ST11-106. This Agreement may not be amended except by a written agreement executed by both parties.
16. Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of this Agreement shall not be affected thereby, and the parties agree to use their best efforts to negotiate a replacement article that is neither invalid, illegal, nor unenforceable.
17. Headings. The headings in this Agreement are for the sole purpose of convenience of reference and shall not in any way limit or affect the meaning of interpretation of any of the terms or provisions of this Agreement.
18. Reference to Days. When any number of days is prescribed in this Agreement or any attachments hereto, it shall mean business days on which the University is open for business.
19. Dispute Resolution. Each party will promptly notify the other in writing of any dispute. The parties' designated representatives will meet within ten (10) days following the receipt of such written notice and will attempt to resolve the dispute within five (5) days of the initial meeting. Each party agrees that the prevailing party in any dispute shall be entitled to payment of its reasonable attorneys' fees and costs.
20. Notices. All notices, requests, demands and other communications required or that may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed given when delivered by hand or on the third day after mailing if mailed by certified mail, postage prepaid, return receipt requested, as follows:

If to University: Boise State University
Attn: Max Davis-Johnson
1910 University Drive
Boise, Idaho 83725-1415

With a copy to: Boise State University
Office of the General Counsel
1910 University Drive
Boise, Idaho 83725-1002

If to CIBER: CIBER, Inc.
Attn: Gary Somers, Ph.D.
8625 S. 21st Place
Phoenix, AZ 85042

With a copy to: CIBER, Inc.
Attn: Legal Department
6363 S. Fiddler's Green Circle, #1400
Greenwood Village, CO 80111

IN WITNESS WHEREOF, the authorized representatives of CIBER and University, having full authority to do so, agree to the terms and conditions of this Agreement and the incorporated documents attached hereto and have executed this Agreement freely and agree to be bound hereby as of the Effective Date.

Boise State University

By: _____

Name: Stacy Pearson

Title: Vice President, Finance and Administration

CIBER

By: _____

Name: _____

Title: _____

APPENDIX A TO
MASTER CONSULTING SERVICES AGREEMENT FOR
ENTERPRISE SYSTEMS ROADMAP PROGRAM
BETWEEN
BOISE STATE UNIVERSITY AND
CIBER, INC.

The parties agree to amend the State of Idaho Standard Contract Terms and Conditions as follows:

9. CONTRACT RELATIONSHIP.

The second sentence shall be revised as follows:

“Said Contractor is an independent contractor in the performance of each and every part of this Agreement, and solely and personally liable for all labor, taxes, insurance, required bonding and other expenses, except as specifically stated herein, ~~and for any and all damages in connection with the operation of this Agreement, whether it may be for personal injuries or damages of any other kind.~~”

The parties agree to the liability provisions as provided in this Agreement.

11. TAXES.

“Or sales taxes or use taxes” shall be inserted in the fifth sentence after “personal property taxes.”

18. INSTALLATION AND ACCEPTANCE

This section is hereby deleted and the parties agree to provisions regarding the State’s acceptance of deliverables and services as provided in Section 10 of this Agreement.

Attachment 1

ATTACHMENT 1

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

- 1. DEFINITIONS:** Unless the context requires otherwise, all terms not defined below shall have the meanings defined in Idaho Code Section 67-5716 or IDAPA 38.05.01.011.
- A. Agreement – Any State written contract, lease or purchase order including solicitation or specification documents and the accepted portions of the submission for the acquisition of Property. An Agreement shall also include any amendments mutually agreed upon by both parties.
 - B. Contractor – A vendor who has been awarded an Agreement.
 - C. Property – Goods, services, parts, supplies and equipment, both tangible and intangible, including, but not exclusively, designs, plans, programs, systems, techniques and any rights and interest in such property.
 - D. State – The State of Idaho including each agency unless the context implies other states of the United States.
- 2. TERMINATION:** The State may terminate the Agreement (and/or any order issued pursuant to the Agreement) when the Contractor has been provided written notice of default or non-compliance and has failed to cure the default or non-compliance within a reasonable time, not to exceed thirty (30) calendar days. If the Agreement is terminated for default or non-compliance, the Contractor will be responsible for any costs resulting from the State's placement of a new contract and any damages incurred by the State. The State, upon termination for default or non-compliance, reserves the right to take any legal action it may deem necessary including, without limitation, offset of damages against payment due.
- 3. RENEWAL OPTIONS:** Upon mutual agreement by both parties (unless otherwise modified by a special contract term, condition, or specification), this Agreement may be extended under the same terms and conditions for one (1) year intervals or the time interval equal to the original contract period.
- 4. PRICES:** Prices shall not fluctuate for the period of the Agreement and any renewal or extension, unless otherwise specified by the State in the bidding documents or other terms of the Agreement. Prices include all costs associated with shipping and delivery to the F.O.B. destination address, prepaid and allowed. If installation is requested by the State or specified in the State's solicitation documents, pricing shall include all charges associated with a complete installation at the location specified.
- 5. ADMINISTRATIVE FEE:**
- A. Application of Administrative Fee:**
 - 1. All Purchase Orders (PO) and Contract Purchase Orders (CPO) issued through the Idaho eProcurement System (IPRO) shall be subject to an Administrative Fee of one point two five percent (1.25%) of the value of the Agreement, unless the PO or CPO is exempted as described below. The Administrative Fee will apply to all PO and CPO Awards issued through IPRO, regardless of Contractor's mode of response submission to the solicitation (i.e. manual or electronic).
 - 2. Subsequent renewals, amendments or change orders to the initial PO or CPO, which result in an increased Agreement value, will constitute an incremental or additional award for which an additional Administrative Fee will apply; however, the additional Administrative Fee will be a Flat Fee, applied as follows:

<u>Original value + all amendments</u>		<u>Flat Fee</u>
\$50,000	- \$1 Million	\$ 500
\$1 Million	- \$8 Million	\$ 1000
\$8 Million +		\$ 2000
 - 3. Regardless of the number of renewals, amendments, and/or change orders, the total aggregate Administrative Fee assessed per PO or CPO will not exceed one hundred thousand dollars (\$100,000).

ATTACHMENT 1

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

4. A contractor's failure to consider the Administrative Fee when preparing its solicitation response shall not constitute or be deemed a waiver by the State of any Administrative Fees owed by Contractor as a result of a PO or CPO Award issued through IPRO.

B. Administrative Fee Exemptions:

1. Notwithstanding any language to the contrary, the Administrative Fee referenced in Section 5.A, above, will not apply to contracts with an original awarded value of less than \$50,000; or to contracts issued through IPRO without a competitive solicitation, e.g. Emergency Procurements (EPA), Sole Source Procurements (SSA), Exempt Purchases (EXPO), awards issued under Delegated Purchase Authority (DPA), and orders placed against WSCA/NASPO or other cooperative contracts (PADD) that are exempt from the requirements for competitive bidding.

2. The Administrative Fee referenced in Section 5.A., above, will not apply to Blanket Purchase Orders (BPO) or Statewide Blanket Purchase Orders (SBPO); however, BPOs and SBPOs (like PADDs) may have a separate Administrative Fee applied to orders placed against the contract, as specifically described in the individual BPO or SBPO.

3. The State may also exempt a specific PO or CPO from the Administrative Fee requirement.

C. Payment of Administrative Fee: Contractor will remit the Administrative Fee applicable to a PO or CPO, as described in Section 5.A., above, to the IPRO Administrator, SicommNet, Inc., as follows:

1. **Awards with a firm delivery date:** SicommNet, Inc. will invoice Contractor for the Administrative Fee on or after the delivery date provided in the Agreement, with payment due thirty (30) days after receipt of invoice.
2. **Awards with a contract start and end date:** SicommNet, Inc. will invoice Contractor on either a quarterly, monthly or "per payment" basis; or may offer Contractor a prepayment option. Payment will be due thirty (30) days after receipt of each invoice.

D. Refund of Administrative Fee: In the event that a PO or CPO is cancelled by the State through no fault of the Contractor, or if item(s) are returned by the State through no fault, act, or omission of the Contractor after the sale of any such item(s) to the State, the State will direct SicommNet, Inc. to refund the Contractor any Administrative Fees remitted to SicommNet, Inc. Administrative Fees will not be refunded or returned when an item is rejected or returned, or declined, or the Agreement cancelled by the State due to the Contractor's failure to perform or comply with specifications or requirements of the Agreement. If, for any other reason, the Contractor is obligated to refund to the State all or a portion of the State's payment to the Contractor, or the State withholds payment because of the assessment of liquidated damages, the Administrative Fee assessed on the PO or CPO will not be refunded in whole or in part.

E. Failure to Remit Administrative Fees: If a Contractor fails to remit the Administrative Fee, as provided in Section 5.C. above, the State, at its discretion, may declare the Contractor in default; cancel the Agreement or award; assess and recover re-procurement costs from the Contractor (in addition to all outstanding Administrative Fees); seek State or Federal audits, monitoring or inspections; exclude Contractor from participating in future solicitations; and/or suspend Contractor's online account.

6. **CHANGES/MODIFICATIONS:** Changes of specifications or modification of this Agreement in any particular can be affected only upon written consent of the Division of Purchasing, but not until any proposed change or modification has been submitted in writing, signed by the party proposing the said change.

7. **CONFORMING PROPERTY:** The Property shall conform in all respects with the specifications or the State's solicitation documents. In event of nonconformity, and without limitation upon any other remedy, the State shall have no financial obligation in regard to the non-conforming goods or services.

8. **OFFICIAL, AGENT AND EMPLOYEES OF THE STATE NOT PERSONALLY LIABLE:** In no event shall any official, officer, employee or agent of the State be in any way personally liable or responsible for any

ATTACHMENT 1

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this Agreement.

- 9. CONTRACT RELATIONSHIP:** It is distinctly and particularly understood and agreed between the parties hereto that the State is in no way associated or otherwise connected with the performance of any service under this Agreement on the part of the Contractor or with the employment of labor or the incurring of expenses by the Contractor. Said Contractor is an independent contractor in the performance of each and every part of this Agreement, and solely and personally liable for all labor, taxes, insurance, required bonding and other expenses, except as specifically stated herein, and for any and all damages in connection with the operation of this Agreement, whether it may be for personal injuries or damages of any other kind. The Contractor shall exonerate, defend, indemnify and hold the State harmless from and against and assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security, workman's compensation and income tax laws with respect to the Contractor or Contractor's employees engaged in performance under this Agreement. The Contractor will maintain any applicable workman's compensation insurance as required by law and will provide certificate of same if requested. There will be no exceptions made to this requirement and failure to provide a certification of workman's compensation insurance may, at the State's option, result in cancellation of this Agreement or in a contract price adjustment to cover the State's cost of providing any necessary workman's compensation insurance. The contractor must provide either a certificate of workman's' compensation insurance issued by a surety licensed to write workman's' compensation insurance in the State of Idaho, as evidence that the contractor has in effect a current Idaho workman's compensation insurance policy, or an extraterritorial certificate approved by the Idaho Industrial Commission from a state that has a current reciprocity agreement with the Industrial Commission. The State does not assume liability as an employer.
- 10. ANTI-DISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY CLAUSE:** Acceptance of this Agreement binds the Contractor to the terms and conditions of Section 601, Title VI, Civil Rights Act of 1964, in that "No person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." In addition, "No other wise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance" (Section 504 of the Rehabilitation Act of 1973). Furthermore, for contracts involving federal funds, the applicable provisions and requirements of Executive Order 11246 as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 701 of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), 29 USC Sections 621, et seq., the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, U.S. Department of Interior regulations at 43 CFR Part 17, and the Americans with Disabilities Act of 1990, are also incorporated into this Agreement. The Contractor shall comply with pertinent amendments to such laws made during the term of the Agreement and with all federal and state rules and regulations implementing such laws. The Contractor must include this provision in every subcontract relating to this Agreement.
- 11. TAXES:** The State is generally exempt from payment of state sales and use taxes and from personal property tax for property purchased for its use. The State is generally exempt from payment of federal excise tax under a permanent authority from the District Director of the Internal Revenue Service (Chapter 32 Internal Revenue Code [No. 82-73-0019K]). Exemption certificates will be furnished as required upon written request by the Contractor. If the Contractor is required to pay any taxes incurred as a result of doing business with the State, it shall be solely and absolutely responsible for the payment of those taxes. If, after the effective date of this Agreement, an Idaho political subdivision assesses, or attempts to assess, personal property taxes not applicable or in existence at the time this Agreement becomes effective, the State will be responsible for such personal property taxes, after reasonable time to appeal. In no event shall the State be responsible for personal property taxes affecting items subject to this Agreement at the time it becomes effective.
- 12. SAVE HARMLESS:** Contractor shall defend, indemnify and hold harmless the State from any and all liability, claims, damages, costs, expenses, and actions, including reasonable attorney fees, caused by or that arise from the negligent or wrongful acts or omissions of the Contractor, its employees, agents, or subcontractors under this Agreement that cause death or injury or damage to property or arising out of a failure to comply

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STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

with any state or federal statute, law, regulation or act. Contractor shall have no indemnification liability under this section for death, injury, or damage arising solely out of the negligence or misconduct of the State.

- 13. ORDER NUMBERS:** The Contractor shall clearly show the State's Agreement order numbers or purchase order numbers on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.
- 14. CONTRACTOR RESPONSIBILITY:** The Contractor is responsible for furnishing and delivery of all Property included in this Agreement, whether or not the Contractor is the manufacturer or producer of such Property. Further, the Contractor will be the sole point of contact on contractual matters, including payment of charges resulting from the use or purchase of Property.
- 15. SUBCONTRACTING:** Unless otherwise allowed by the State in this Agreement, the Contractor shall not, without written approval from the State, enter into any subcontract relating to the performance of this Agreement or any part thereof. Approval by the State of Contractor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve the Contractor of any responsibility under this Agreement. The Contractor shall be and remain liable for all damages to the State caused by negligent performance or non-performance of work under the Agreement by Contractor's subcontractor or its sub-subcontractor.
- 16. COMMODITY STATUS:** It is understood and agreed that any item offered or shipped shall be new and in first class condition and that all containers shall be new and suitable for storage or shipment, unless otherwise indicated by the State in the specifications. Demonstrators, previously rented, refurbished, or reconditioned items are not considered "new" except as specifically provided in this section. "New" means items that have not been used previously and that are being actively marketed by the manufacturer or Contractor. The items may contain new or minimal amounts of recycled or recovered parts that have been reprocessed to meet the manufacturer's new product standards. The items must have the State as their first customer and the items must not have been previously sold, installed, demonstrated, or used in any manner (such as rentals, demonstrators, trial units, etc.). The new items offered must be provided with a full, unadulterated, and undiminished new item warranty against defects in workmanship and materials. The warranty is to include replacement, repair, and any labor for the period of time required by other specifications or for the standard manufacturer or vendor warranty, whichever is longer.
- 17. SHIPPING AND DELIVERY:** All orders will be shipped directly to the ordering agency at the location specified by the State, on an F.O.B. Destination freight prepaid and allowed basis with all transportation, unloading, uncrating, drayage, or other associated delivery and handling charges paid by the Contractor. "F.O.B. Destination", unless otherwise specified in the Agreement or solicitation documents, shall mean delivered to the State Agency Receiving Dock or Store Door Delivery Point. The Contractor shall deliver all orders and complete installation, if required, within the time specified in the Agreement. Time for delivery commences at the time the order is received by the Contractor.
- 18. INSTALLATION AND ACCEPTANCE:** When the purchase price does not include installation, acceptance shall occur fourteen (14) calendar days after delivery; unless the State has notified the Contractor in writing that the order does not meet the State's specification requirements or otherwise fails to pass the Contractor's established test procedures or programs. When installation is included, acceptance shall occur fourteen (14) calendar days after completion of installation; unless the State has notified the Contractor in writing that the order does not meet the State's specification requirements or otherwise fails to pass the Contractor's established test procedures or programs. If an order is for support or other services, acceptance shall occur fourteen (14) calendar days after completion, unless the State has notified the Contractor in writing that the order does not meet the State's requirements or otherwise fails to pass the Contractor's established test procedures or programs.
- 19. RISK OF LOSS:** Risk of loss and responsibility and liability for loss or damage will remain with Contractor until acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's warranty obligations. Such loss, injury or destruction shall not release the Contractor from any obligation under this Agreement.

- 20. INVOICING: ALL INVOICES** are to be sent directly to the **ORDERING AGENCY ONLY**. The Agreement number and/or purchase order number is to be shown on all invoices. In no case are invoices to be sent to the Division of Purchasing.
- 21. ASSIGNMENTS:** No Agreement or order or any interest therein shall be transferred by the Contractor to whom such Agreement or order is given to any other party without the approval in writing of the Administrator, Division of Purchasing. Transfer of an Agreement without approval shall cause the annulment of the Agreement so transferred, at the option of the State. All rights of action, however, for any breach of such Agreement are reserved to the State. (Idaho Code Section 67-5726[1])
- 22. PAYMENT PROCESSING:** Idaho Code Section 67-5735 reads as follows: "Within ten (10) days after the property acquired is delivered as called for by the bid specifications, the acquiring agency shall complete all processing required of that agency to permit the contractor to be reimbursed according to the terms of the bid. Within ten (10) days of receipt of the document necessary to permit reimbursement of the contractor according to the terms of the contract, the State Controller shall cause a warrant to be issued in favor of the contractor and delivered."
- 23. COMPLIANCE WITH LAW, LICENSING AND CERTIFICATIONS:** Contractor shall comply with **ALL** requirements of federal, state and local laws and regulations applicable to Contractor or to the Property provided by Contractor pursuant to this Agreement. For the duration of the Agreement, the Contractor shall maintain in effect and have in its possession all licenses and certifications required by federal, state and local laws and rules.
- 24. PATENTS AND COPYRIGHT INDEMNITY:**
- A. Contractor shall indemnify and hold the State harmless and shall defend at its own expense any action brought against the State based upon a claim of infringement of a United States' patent, copyright, trade secret, or trademark for Property purchased under this Agreement. Contractor will pay all damages and costs finally awarded and attributable to such claim, but such defense and payments are conditioned on the following: (i) that Contractor shall be notified promptly in writing by the State of any notice of such claim; (ii) that Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise and State may select at its own expense advisory counsel; and (iii) that the State shall cooperate with Contractor in a reasonable way to facilitate settlement or defense of any claim or suit.
 - B. Contractor shall have no liability to the State under any provision of this clause with respect to any claim of infringement that is based upon: (i) the combination or utilization of the Property with machines or devices not provided by the Contractor other than in accordance with Contractor's previously established specifications unless such combination or utilization was disclosed in the specifications; (ii) the modification of the Property unless such modification was disclosed in the specifications; or (iii) the use of the Property not in accordance with Contractor's previously established specifications unless such use was disclosed in the specifications.
 - C. Should the Property become, or in Contractor's opinion be likely to become, the subject of a claim of infringement of a United States' patent, the Contractor shall, at its option and expense, either procure for the State the right to continue using the Property, to replace or modify the Property so that it becomes non-infringing, or to grant the State a full refund for the purchase price of the Property and accept its return.
- 25. CONFIDENTIAL INFORMATION:** Pursuant to this Agreement, Contractor may collect, or the State may disclose to Contractor, financial, personnel or other information that the State regards as proprietary or confidential ("Confidential Information"). Confidential Information shall belong solely to the State. Contractor shall use such Confidential Information only in the performance of its services under this Agreement and shall not disclose Confidential Information or any advice given by it to the State to any third party, except with the State's prior written consent or under a valid order of a court or governmental agency of competent jurisdiction and then only upon timely notice to the State. The State may require that Contractor's officers, employees, agents or subcontractors agree in writing to the obligations contained in this section. Confidential Information shall be returned to the State upon termination of this Agreement. The confidentiality obligation

ATTACHMENT 1

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

contained in this section shall survive termination of this Agreement. Confidential Information shall not include data or information that:

- A. Is or was in the possession of Contractor before being furnished by the State, provided that such information or other data is not known by Contractor to be subject to another confidentiality agreement with or other obligation of secrecy to the State;
- B. Becomes generally available to the public other than as a result of disclosure by Contractor; or
- C. Becomes available to Contractor on a non-confidential basis from a source other than the State, provided that such source is not known by Contractor to be subject to a confidentiality agreement with or other obligation of secrecy to the State.

26. USE OF THE STATE OF IDAHO NAME: Contractor shall not, prior to, in the course of, or after performance under this Agreement, use the State's name in any advertising or promotional media, including press releases, as a customer or client of Contractor without the prior written consent of the State.

27. APPROPRIATION BY LEGISLATURE REQUIRED: The State is a government entity and this Agreement shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State's Legislature as may exist from time to time. The State reserves the right to terminate this Agreement in whole or in part (or any order placed under it) if, in its sole judgment, the Legislature of the State of Idaho fails, neglects, or refuses to appropriate sufficient funds as may be required for the State to continue such payments, or requires any return or "give-back" of funds required for the State to continue payments, or if the Executive Branch mandates any cuts or holdbacks in spending. All affected future rights and liabilities of the parties hereto shall thereupon cease within ten (10) calendar days after notice to the Contractor. It is understood and agreed that the State's payments herein provided for shall be paid from Idaho State Legislative appropriations.

28. FORCE MAJEURE: Neither party shall be liable or deemed to be in default for any Force Majeure delay in shipment or performance occasioned by unforeseeable causes beyond the control and without the fault or negligence of the parties, including, but not restricted to, acts of God or the public enemy, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, or unusually severe weather, provided that in all cases the Contractor shall notify the State promptly in writing of any cause for delay and the State concurs that the delay was beyond the control and without the fault or negligence of the Contractor. The period for the performance shall be extended for a period equivalent to the period of the Force Majeure delay. Matters of the Contractor's finances shall not be a Force Majeure.

29. GOVERNING LAW AND SEVERABILITY: This Agreement shall be construed in accordance with and governed by the laws of the State of Idaho. Any action to enforce the provisions of this Agreement shall be brought in State district court in Ada County, Boise, Idaho. In the event any term of this Agreement is held to be invalid or unenforceable by a court, the remaining terms of this Agreement will remain in force.

30. ENTIRE AGREEMENT: This Agreement is the entire agreement between the parties with respect to the subject matter hereof. Where terms and conditions specified in the Contractor's response differ from those specifically stated in this Agreement, the terms and conditions of this Agreement shall apply. In the event of any conflict between these standard terms and conditions and any special terms and conditions applicable to this acquisition, the special terms and conditions will govern. This Agreement may not be released, discharged, changed or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

31. PRIORITY OF DOCUMENTS: This Agreement consists of and precedence is established by the order of the following documents:

- 1. This Agreement;
- 2. The Solicitation; and
- 3. Contractor's proposal as accepted by the State.

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The Solicitation and the Contractor's proposal accepted by the State are incorporated herein by this reference. The parties intend to include all items necessary for the proper completion of the scope of work. The documents set forth above are complementary and what is required by one shall be binding as if required by all. However, in the case of any conflict or inconsistency arising under the documents, a lower numbered document shall supersede a higher numbered document to the extent necessary to resolve any such conflict or inconsistency. Provided, however, that in the event an issue is addressed in one of the above mentioned documents but is not addressed in another of such documents, no conflict or inconsistency shall be deemed to occur.

Where terms and conditions specified in the Contractor's proposal differ from the terms in this Solicitation, the terms and conditions of this Solicitation shall apply. Where terms and conditions specified in the Contractor's proposal supplement the terms and conditions in this solicitation, the supplemental terms and conditions shall apply only if specifically accepted by the Division of Purchasing in writing.

32. PUBLIC RECORDS: Pursuant to Idaho Code Section 9-335, et seq., information or documents received from the Contractor may be open to public inspection and copying unless exempt from disclosure. The Contractor shall clearly designate individual documents as "exempt" on each page of such documents and shall indicate the basis for such exemption. The State will not accept the marking of an entire document as exempt. In addition, the State will not accept a legend or statement on one (1) page that all, or substantially all, of the document is exempt from disclosure. The Contractor shall indemnify and defend the State against all liability, claims, damages, losses, expenses, actions, attorney fees and suits whatsoever for honoring such a designation or for the Contractor's failure to designate individual documents as exempt. The Contractor's failure to designate as exempt any document or portion of a document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any such release. If the State receives a request for materials claimed exempt by the Contractor, the Contractor shall provide the legal defense for such claim.

33. NOTICES: Any notice which may be or is required to be given pursuant to the provisions of this Agreement shall be in writing and shall be hand delivered, sent by facsimile, prepaid overnight courier or United States' mail as follows. For notice to the State, the address and facsimile number are:

State of Idaho
Division of Purchasing
650 W State Street – Room B15
P.O. Box 83720
Boise, ID 83720-0075
208-327-7465 (phone)
208-327-7320 (fax)

For notice to the Contractor, the address or facsimile number shall be that contained on the Contractor's bid, quotation or proposal. Notice shall be deemed delivered immediately upon personal service or facsimile transmission (with confirmation printout), the day after deposit for overnight courier or forty-eight (48) hours after deposit in the United States' mail. Either party may change its address or facsimile number by giving written notice of the change to the other party.

34. NON-WAIVER: The failure of any party, at any time, to enforce a provision of this Agreement shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of such party thereafter to enforce each and every provision hereof.

35. ATTORNEYS' FEES: In the event suit is brought or an attorney is retained by any party to this Agreement to enforce the terms of this Agreement or to collect any moneys due hereunder, the prevailing party shall be entitled to recover reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith in addition to any other available remedies.

36. RESTRICTIONS ON AND WARRANTIES – ILLEGAL ALIENS: Contractor warrants that any contract resulting from this Solicitation is subject to Executive Order 2009-10 [http://gov.idaho.gov/mediacenter/execorders/eo09/eo_2009_10.html]; it does not knowingly hire or engage any illegal aliens or persons not authorized to work in the United States; it takes steps to verify that it does not

STATE OF IDAHO STANDARD CONTRACT TERMS AND CONDITIONS

hire or engage any illegal aliens or persons not authorized to work in the United States; and that any misrepresentation in this regard or any employment of persons not authorized to work in the United States constitutes a material breach and shall be cause for the imposition of monetary penalties up to five percent (5%) of the contract price, per violation, and/or termination of its contract. If its contract is for the provision of services or for the sale or lease/licensing of computer software, Contractor further warrants that its contract is subject to Executive Order 2007-09 [http://gov.idaho.gov/mediacenter/execorders/eo07/eo_2007_09.html] and that it must notify the Division of Purchasing in advance if, during the term of its contract, it seeks to shift services or work that it represented would be done inside the United States to outside the United States. Failure to obtain the consent of the Division of Purchasing for such shift constitutes a material breach

Attachment 2



Practical **Innovation.**



Boise State University

Human Capital Management PeopleSoft Version 9.1

Statement of Work

October 26, 2011



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1. Introduction

Boise State University (Boise State) is a publicly-supported, multi-disciplinary institution of higher education recognized by the Carnegie Foundation for outreach and community engagement. The University has the largest student enrollment of any university in Idaho, with enrollment of 19,993 for the Fall semester of 2010 and is located in Boise, Idaho.

Boise State requires consulting assistance on the Oracle/PeopleSoft Enterprise Systems Roadmap Human Capital Management project. Boise State implemented its current ERP systems, PeopleSoft Financials and PeopleSoft Human Resources/Campus Solutions (PS-FS and PS-HRCS, respectively), in 1998. At the time, particularly in the case of Campus Solutions, core functionality was not fully developed and/or delivered by PeopleSoft. Boise State met this challenge with a large number of customizations across all three system areas to meet business needs. The systems have been upgraded several times since the original implementation. Although the delivered core functionality is now stable and mature, Boise State has continued to remain highly customized. Maintaining Boise State's current level of system customization reduces the ability to move forward.

The University is currently using Human Resources, Base Benefits, Time & Labor, Payroll, ePay and eProfile. Boise State is seeking expert project management, functional and technical resources to assist in their Human Capital Management (HCM) 9.1 Project. Boise State seeks to leverage delivered functionality to eliminate current customizations. The deliverables will consist of business rules, system, process, and configuration assessment and definition, as well as working with Boise State functional and technical resources to implement new features and functionality of the HCM 9.1 system. Boise State is expecting to have integration between HCM modules reviewed and refined as needed. As part of this project Boise State also seeks to separate Campus Solutions 9.0 from HCM 9.1 and establish integration as they are currently in a shared environment. CIBER will be responsible for establishing delivered inbound and outbound integrations with Campus Solutions ("CS") and Financials Management Solutions ("FMS"). This project will also deliver integration with current 3rd party systems and state agencies. As part of Boise State's Enterprise Systems Roadmap program the primary goal of this project is to implement delivered functionality to provide flexibility, sustainability and value configuration over customization. Boise State expects a significant reduction in current customized objects.

Project Goals:

- Business Outcomes
 - More efficient, streamlined processes and workflow, applying automation and reducing paper where possible.
 - Easier to use and to learn Self Service applications.
 - Expanded self-service applications for students, faculty and staff.
 - Improved usability, ease of access, better performance, improved support, more services, and providing accurate and complete data.
 - Improved auditing and status tracking for HCM transactions and changes to roles that provide levels of system access.



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- All business processes and customizations are documented and implemented to a uniform standard.
- Establish a solid foundation for supporting research enterprise.
- Technical Outcomes
 - Reduced customization by leveraging delivered functionality and best practices.
 - Reduced overhead in support and management of the target systems and increased sustainability. Bundles and Patches should take less time to apply with fewer customizations. Ability to go to Oracle for support is increased.
 - System live utilizing new configuration and functionality.
 - Separated HCM and CS environments with integration established.
 - Establish inbound and outbound integrations with CS and FMS.
 - Integrate third party solutions where necessary (i.e. SOA).
 - Staff trained on current systems as well as new functionality.
 - Successfully transition PeopleSoft Application Servers and Oracle Database Servers from AIX Unix to Red Hat Enterprise Linux.
 - Security assessment and implementation for both functional and technical aspects of PeopleSoft security. Documented changes related to revisions in business processes and system updates

2. Scope

This Statement of Work (SOW) is incorporated into, made part of, and is subject to the terms and conditions of the Master Services Agreement between CIBER, Inc. ("CIBER") and Boise State University entitled **Master Consulting Services Agreement** (hereinafter referred to as the "Agreement") dated <<Contract/MSA_Date>>.

This section describes the work that is considered In-Scope and Out-of-Scope for the Human Capital Management PeopleSoft Version 9.1 upgrade.

2.1 In-Scope

CIBER's scope will consist of project management, and functional and technical consulting to support the Enterprise Systems Roadmap Human Capital Management project. This will consist of the following specific activities:

1. CIBER will provide project management consulting and will provide this management on-site throughout the CIBER engagement.



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2. CIBER functional consultants will provide fit/gap review sessions with members of the Boise State University Enterprise Systems Roadmap Human Capital Management team. These sessions will require approximately two weeks to complete for each module (including documentation). The sessions will provide details of the differences in the functionality and usage between what Boise State is currently using and what is actually delivered in Oracle/PeopleSoft 9.1. The sessions will also review business processes as it relates to PeopleSoft functionality. Fit/Gap sessions will be handled for the following modules:
 - **Human Resources**
 - **Base Benefit**
 - **Benefit Administration**
 - **Time & Labor**
 - **Payroll (Commitment Accounting)**
 - **Talent Acquisitions**
 - **ePay**
 - **eProfile**
 - **Learning Management (Fit Gap only)**
 - **Performance Management (Fit Gap only)**
 - **Grievance Management (Fit Gap only)**
3. CIBER will provide functional consulting in order to:
 - a. evaluate and document business processes,
 - b. assist with business process re-engineering and documentation,
 - c. identify third party solutions if required,
 - d. test new and changed functionality,
 - e. analyze and retrofit customizations,
 - f. provide knowledge transfer,
 - g. develop end-user training,
 - h. support go-live activities for HCM go-live
 - i. support go-live activities for FMS go-live as it relates to HCM
 - j. Setup and configuration
4. CIBER will provide technical consulting to:
 - a. analyze, retrofit, remove/modify/add customizations,
 - b. update and test delivered interface and integration points. Integration points needed between CS and HCM/FMS will be completed. Review of all current third party integrations and testing will be completed.
5. CIBER will provide Database Administration (DBA) and Security consulting. CIBER's security consultant will be responsible for a security assessment of the Human Capital Management system. CIBER's DBA and Security Consultant will be responsible for:
 - a. creation of the new database without customizations
 - i. Lead Initial Pass
 - ii. Lead First Test Move to Production
 - iii. Assist with additional Test Moves to Production



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- iv. Lead Final Move to Production
- b. Analyzing and designing the Campus Solutions/HCM split. Complete the split when HCM goes live.
- c. In addition to any other support already defined within the SOW, Provide technical assistance and guidance up to 60 hours to transition PeopleSoft Application Servers and Oracle Database Servers from AIX Unix to Red Hat Enterprise Linux.
- d. Documented recommended changes to security.

2.2 Out-of-Scope

Work that is not specifically listed above as In-Scope or in CIBER's deliverables and roles and responsibilities listed below is considered Out-of-Scope for this SOW. CIBER will address alterations to the scope of this SOW through the Project Change Management Process defined herein.

Additionally, out of scope work may result from items identified in the Risk Management Plan for Master Services Agreement Projects 1, 2, and 3 with Boise State.

3. Deliverables

The following deliverables/services will be produced as part of the scope for this engagement and will conform to CIBER's defined processes. Acceptance criteria for each deliverable will be mutually agreed to by CIBER and Boise State University and documented as part of the Project Management Plan developed during the planning efforts of the project. Alterations to this list of deliverables/services will be managed via the Project Change Management Process defined herein.



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Table 1: Life Cycle Phases

Phase	Project Deliverables / Services
Phase I: Assessment, Review, Analysis and Planning	<ul style="list-style-type: none"> • Process Documentation (Document all future state business processes) • Environmental Setup/Creation of Boise State Database without Customizations • Fit Gap Documentation • Customization Review (Review viability of existing customizations that may address identified gaps) • Human Capital Management Security Assessment • Third-Party integration inventory • Detailed Project Plan
Phase II: Upgrade/Implementation	<ul style="list-style-type: none"> • Design Completed (Configuration completed) • Data Conversion • Development Completed • Recommend changes to security • User Acceptance and Integration Testing Completed • HCM and CS split • Continued Student Refunding Solution with Student Financials until the Financials 9.1 Go-Live.
Phase III: Training, Change Management, and Go-Live	<ul style="list-style-type: none"> • End User Training Completed • Support Documentation • Production Readiness Assessment • Executed Cutover • Two-weeks on-site Post Implementation Support

3.1 Acceptance Management

Formal written acceptance by Boise State University of the project's deliverables and services indicates that the deliverables or services have been completed in accordance with this SOW.

The CIBER Project Manager will submit a deliverable or service acceptance form for each completed deliverable or service, following the completion of user testing, user acceptance and/or user validation, completion of documentation, and knowledge transfer (where applicable) to the designated Boise State University approver. The deliverables or services to be reviewed for acceptance will be presented formally through acceptance/status meetings between Ciber Project Management and the designated Boise State approver.

- The Boise State University approver will accept or reject the deliverable or service within three (3) business days from the receipt of the Project Manager's notification of completion.



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- If the Boise State University approver does not accept or reject the deliverable or service within three (3) business days from the receipt of the Project Manager's notification of completion and does not communicate a timeframe (up to 12 business days) in which a decision will be made, the deliverable or service will be considered accepted. Boise State University and CIBER may mutually agree to extend the timeframe to be up to 20 business days.
 - 1) Work will progress to maintain the established project schedule, with the understanding that any change to an accepted deliverable or service constitutes a change in scope.
 - 2) A Project Change Request (PCR) may result if modifications to the accepted deliverable or service are required and those modifications affect accepted or in-progress project work.
- If Boise State University rejects a deliverable or service, the cause for rejection and all defects to be addressed shall be documented (e.g. failed test scripts) by Boise State University and provided to CIBER for CIBER to correct or revise. Once CIBER corrects the cause for rejection, the deliverable will be sent back through the acceptance process for acceptance of the correction. Once a deliverable is accepted, further corrections or revisions will be addressed under the Warranty provision of the Agreement.

The following Boise State University person(s) has been designated as the approver of deliverables and services for the project:

Name: Max Davis-Johnson or his designee

Title: Associate Vice President of Office of Information Technology

4. Work Approach

This section defines CIBER's approach to managing and delivering the work associated with this project. Changes to this approach could affect the project's schedule or budget and will be addressed through the Project Change Management Process defined herein.

4.1 Project Management

CIBER will plan, execute, control, and communicate the progress of the project using the CIBER Project Management Methodology (CPMM).

Boise State's Program Management Office will work with CIBER to ensure that Boise State Policies, Procedures and Standards are implemented as part of the project management structure and methodology. This is done to ensure consistency across all Enterprise Roadmap Program projects as



well as ensure the successful transition to Boise State support and resources from CIBER at the close of the engagement.

CIBER's PMRx® Project site will be used to track project progress, information, and artifacts; and to capture, track, and communicate the overall status of the project.

4.2 Delivery Method

Phase I: Assessment, Review, Analysis and Planning:

This phase will encompass a full review of existing processes that could be in PeopleSoft, customizations needed to support existing processes, and vanilla processes that are not currently in use. During this phase CIBER will review and document system rules, configuration and other foundational components that are needed and recommend any business process changes.

Boise State owns and has implemented a number of modules for PeopleSoft and the goal of this phase is to clearly define which components should be brought online to deliver the best service to the campus. The outcome of this phase will be process documentation, completion of a fit-gap and definition for what will be upgraded and implemented and how it will be accomplished.

Requirements for customizations, business process changes and testing criteria will be defined in this phases as well. For any gaps requiring a third party solution, CIBER will identify the needs and possible third party solutions.

During this phase CIBER will plan the CS and HCM split, which entails sequencing the split in relation to other elements of this scope of work document and appropriately including the split in subsequent phases, below.

Phase II: Upgrade/Implementation:

During this phase CIBER will perform the required software upgrade and implement other changes to provide the defined outcomes from Phase I. In this phase there will be software installation, configuration, data migration planning and design, development, and testing at multiple levels. CIBER will create the split HCM database without customizations in this phase. Initial Pass and Test Moves to Production will be completed. Boise State resources will be heavily involved in this phase, per the detailed project plan and will be trained on the new technology and changes.

Phase III: Training, Change Management, and Go-Live:

This phase will encompass the steps that are required to take the defined environment from Phase I and II live to the campus. This phase will include any end-user training that is required for acceptance of the new system and processes. This phase will include implementing support documentation, changed business processes and help for users through the transition. This involves finalizing documentation and information for support once the system goes live. In this phase the



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system will go-live in a production environment and be turned over to the users for day-to-day operation, including integration to external systems (PeopleSoft and Third-Party)

4.3 Technical Environment

Boise State has a multi-platform environment consisting of eight IBM RS6000 servers (using AIX 5.2 and Oracle 11g) which run the University's PeopleSoft development, test, and production database and application servers. During fiscal year 2012, the University will upgrade the infrastructure for the PeopleSoft enterprise systems to Intel-based platforms running Red Hat operating systems, with Oracle 11g for the databases. This will be Boise State's go-live platform.

4.4 Work Location

The work described in this document will be delivered from the following locations:

1910 University Drive
Boise, Idaho 83725

CIBER consultants may perform certain activities remotely that are still considered part of the billable services under the terms of this SOW.

4.5 Work Schedule

The schedule and price defined herein are based upon a 40-hour work week for core project team members, including Boise State resources. However, the project may have "peak" periods where the project team will be expected to work outside normal business hours. Standard Boise State holidays that differ from the seven (7) holidays observed by CIBER will be scheduled work days for consultants. Project Plan will represent the actual calendar and work schedule.

The Standard Project Work Week (work week) for consultants working at the Boise State facility is Monday through Thursday, with four days onsite. The work-week is defined as 4-4-5— 4 nights and 4 days at Boise State facility and a 5th day at a remote work location as necessary to complete the work week. Work-site arrival time on Mondays will be no later than 10:00AM local time, with a work-site departure no earlier than 3:00 PM local time on Thursday. Modifications to the work week for individuals or specific work groups will be mutually agreed to by Boise State and CIBER project management.

5. CIBER Roles

5.1 CIBER Roles

The following roles will be provided by CIBER to execute the scope of work defined in this SOW.



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Table 2: CIBER Roles

Role	Role Description
Account Executive:	<p>The Account Executive will serve as the contract manager for this engagement, and will work with Boise State to resolve all resourcing needs and contractual or invoicing issues. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Evaluates the integrity of the project scope. • Provides assistance with issue resolution. • Makes decisions pertaining to CIBER personnel. • Actively manages project issues, risks and the staffing and scheduling of CIBER personnel. • Resolves contract issues.
Project Manager:	<p>CIBER's Project Manager is responsible for following CIBER's Methodology and for completing the project deliverables. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Develops the initial project plan. • Establishes the following project controls to verify the quality of project deliverables and minimize disruption to the project schedule: <ul style="list-style-type: none"> ○ Change control ○ Quality assurance ○ Risk management ○ Issue management • Manages the day-to-day execution of CIBER services. • Provides weekly Status Reports to the Boise State Project Manager



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Role	Role Description
DBA/PS Admin	<p>CIBER's DBA is responsible for performing all technical DBA/PS Admin tasks that are within CIBER's scope. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Creation of Vanilla Human Capital Management split database. • Creation of copy of current production Human Capital Management split database. • Works with CIBER technical lead to address the integration points to accommodate the HCM/CS split. • Maintains daily contact with Boise State personnel. • Transfers knowledge to project team. • Provides technical guidance to the project team. • Assists with testing the Oracle/PeopleSoft system, during User and System Acceptance testing, to verify the system meets requirements. • Provides deployment support during the final Move to Production. • Provides weekly Status Reports to the CIBER/Boise State University Project Manager.
Security Consultant	<p>CIBER's Security Consultant is responsible for performing all Security tasks that are within CIBER's scope. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Security Assessment • Documentation of Recommendations • Templates for longer term definition of Security • Recommended Methodology



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Role	Role Description
Functional Consultants:	<p>CIBER's Functional consultants provide functional guidance for all aspects of the upgrade/implementation, and will coordinate all functional upgrade/implementation tasks and activities with the CIBER Project Manager and client resources.</p> <p>Responsibilities consist of:</p> <ul style="list-style-type: none"> • Lead/Facilitate Fit-Gap Sessions (would encompass the gathering of process requirements and review) • Maintains daily contact with Boise State personnel. • Provides expertise and guidance in new or changed functionality in PeopleSoft version 9.1. • Recommend resolution to gaps, whenever possible, and in retrofitting existing Boise State business processes and requirements into the new release. • Document future state business processes as it relates to PeopleSoft • Assists with setting up system tables for any newly implemented functionality. • Assists with testing the system during System Acceptance to verify the system meets requirements. • Reports project status, progress and issues to CIBER/Boise State's Project Manager in a timely manner. • Transfers knowledge to client staff. • Provides functional guidance to the client staff. • Provides options for issue resolution and identifies business process improvement opportunities. • Facilitates business process analysis and design.



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Role	Role Description
Technical Lead:	<p>CIBER's Technical Lead provide technical guidance related to development review and retrofitting, and data conversion or cleansing (if needed).</p> <p>Responsibilities consist of:</p> <ul style="list-style-type: none"> • Maintains daily contact with Boise State personnel. • Transfers knowledge to project team. • Provides technical guidance to the project team. • Assists in resolving gaps whenever possible by recommending work-arounds, process improvements, or modifications. • Provides options for issue resolution and identifies business process improvement opportunities. • Assists with testing the Oracle/PeopleSoft system, during User and System Acceptance testing, to verify the system meets requirements. • Retrofits or modifies Oracle/PeopleSoft interfaces or integrations assigned. • Reports project status, progress and issues to the CIBER/Boise State University Project Manager in a timely manner.
Technical Developers:	<p>CIBER's Technical consultants provide technical guidance related to custom development review and retrofitting, and data conversion or cleansing (if needed).</p> <p>Responsibilities include:</p> <ul style="list-style-type: none"> • Transfers knowledge to project team. • Retrofits or modifies Oracle/PeopleSoft interfaces or integrations assigned utilizing appropriate tools and technology. • Reports project status, progress and issues to the CIBER/Boise State University Project Manager in a timely manner.



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Role	Role Description
Quality Assurance Lead	<p>Quality Assurance Lead will perform routine QA reviews throughout the project. The purpose of the QA reports will be the following:</p> <ul style="list-style-type: none"> ▪ Confirmation that the project is being managed in accordance with CIBER practices and methodologies. ▪ Identifies measures of performance that can be monitored. ▪ Provides opportunities for review and improvement of processes. ▪ Leads to tighter control over the project. ▪ Confirmation client objectives are being met. ▪ Generates a joint agreement (client and CIBER) on acceptable quality, early in the project. ▪ Provides early identification of any areas of dissatisfaction, allowing time for corrective action.

6. Boise State University Roles and Responsibilities

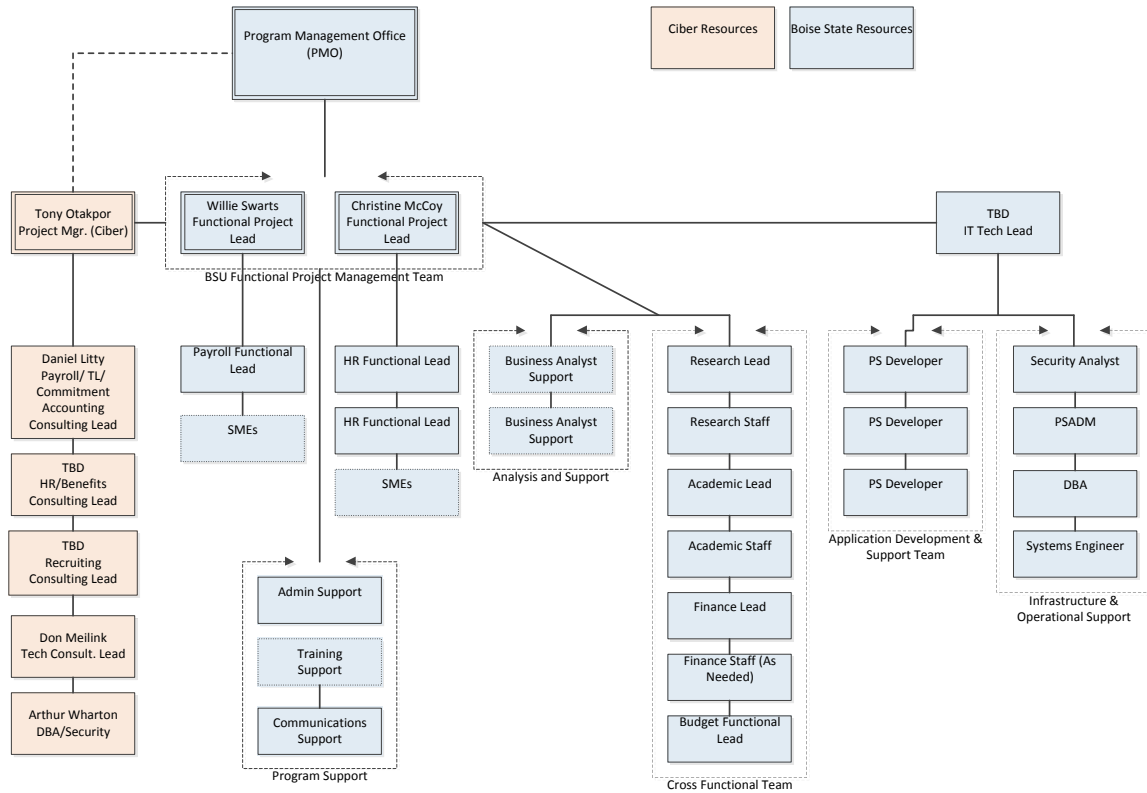
If, during the execution of this engagement, roles and responsibilities defined herein cannot be fulfilled by Boise State University, CIBER will negotiate budget, schedule, or scope changes to address the deficiency in accordance with the Change Management process defined herein.

6.1 Project Organization

The Organization Chart below depicts the key project roles and the anticipated communication channels for the project.

Figure 1: Project Organizational Chart

Project Organization for
HCM 9.1 Project



6.2 Boise State University Roles

The following roles will be provided by Boise State University to facilitate the scope of work defined in this SOW.

Boise State will allocate the following functional and technical resources to the project. Boise State University will provide a dedicated internal project manager and executive leadership to the project to ensure that the University is meeting and managing its obligations.

Role/Area	Maximum FTE	Requirements
Executive Sponsorship	Varies	Executive Sponsorship is required for a successful project. Executive participation varies widely depending on the meeting schedule, and could be as low as eight hours per



Statement of Work

Role/Area	Maximum FTE	Requirements
		month for each Executive. Participation must be higher at the beginning of the project (to build visibility and demonstrate support); during times when critical decisions must be reviewed and made; and during deployment.
Project Management	1.0	Project Management includes collaboration with the CIBER Project Manager to facilitate coordination of the University team, and scheduling and administration of all project activities. The Boise State Project Manager is responsible for the internal budgeting. Responsible for securing facilities and for significant project communication duties. Also monitors project progress and the quality of deliverables on an ongoing basis; reviews and approves deliverables prior to submission to Project Sponsors and helps to ensure consistency of activities and deliverables across teams. In collaboration with the CIBER Project Manager, communicates status and issues to Executive Steering Committee, ensures timely and adequate communication throughout the project team and creates and manages external communication strategy.
Functional Lead	3.0	Boise State will provide one dedicated functional lead for each functional area involved in the project.
Subject Matter Experts (SME)	Varies (Maximum .25 FTE per individual)	Subject Matter Experts (SMEs .25 FTE for each module) will be brought in as needed for the duration of the project.
Technical Lead	1.0	Collaborates with the CIBER Technical Lead to provide daily leadership to the University's technical resources and manages the University technical plan and schedule. Coordinates activities related to system security, and database administration. Responsible for coordination of activities related to interface, integration and software



Statement of Work

Role/Area	Maximum FTE	Requirements
		development efforts. With guidance from CIBER, mentors technical resources concerning methods, procedures, and standards to be used during design, development, unit testing and change management phases of system development projects. Also assists with technical development effort when needed, and communicates issues and status information to Project Management. This resource can be shared across projects as long as assistance is assigned while projects overlap.
Technical Developers	5.0	Technical developers perform the work of custom development remediation and data cleansing.
Database Administration	0.5	The Boise State University DBA will share joint responsibility with the CIBER DBA on database administration tasks.
System Administration and Network	0.1	Respond to issues and complete assigned tasks and service request by due dates set in the project plan.
Security	0.2	Respond to issues and complete assigned tasks and service request by due dates set in the project plan.
Trainer	1.0	Works with CIBER to develop training plan and create training documentation. Performs first training session with CIBER oversight when needed. This resource can be shared across projects.

6.3 Boise State University Responsibilities

Boise State University responsibilities will be coordinated by Boise State and CIBER Project Management. Boise State University is responsible for the following:

Table 3: Boise State University Responsibilities

Area	Project Responsibilities
------	--------------------------



Statement of Work

Area	Project Responsibilities
Data Protection	Boise State University is responsible for all physical, administrative, network, and electronic data protection required by applicable law for its facilities, operations, policies, and data, including without limitation, providing appropriate notices and systems of records required under applicable law. Boise State University is responsible for compliance with all legal requirements.
Project Resources	Boise State University is responsible to ensure that all resources are available for project tasks as defined in this SOW and the baseline work plan or other communicated schedule of activities. Boise State University will ensure that assigned personnel are skilled in relation to their assignments, are available with the authority to perform the work and make decisions, and they fully participate in completing the effort of each task.
Project Information	Boise State University will ensure that all information supplied to CIBER with respect to this effort is complete and accurate, to the best of its knowledge. Incomplete, inaccurate or erroneous information may impact the project scope, budget and schedule.
Knowledge Transfer	Boise State University must assign resources to actively participate in assigned project activities and meetings, and must adequately complete assigned project tasks.
On-site workspace	Boise State University is responsible for providing work areas and access to shared printers and conference facilities for on-site CIBER team members.
Executive Sponsorship	Boise State University will ensure that all Enterprise Roadmap projects are sponsored at the executive level, and support for the projects is currently in place.
Governance	Boise State University will adhere to an overall program governance structure for the Enterprise Roadmap projects. This will consist of a day-to-day leadership and project management support, a dedicated project manager and overall program director, a steering committee and an overall governance committee. These will be shared between all projects, and will be utilized as frequently as needed.
Licensed Modules for Human Capital Management	Boise State University will ensure that it stays current with all applicable licenses, including the following: Human Resources, Base Benefit, Benefit Administration, Payroll, ePay, Talent Acquisition, eProfile and Time & Labor.
UPK Licenses and 10 developer licenses	Boise State University will stay current with its UPK licenses. Boise State is currently licensed for UPK to be leveraged in Boise State's production environment for PeopleSoft administrative users (400). Boise State currently owns content for all of our modules.



Statement of Work

Area	Project Responsibilities
Other Enterprise Systems	Boise State University currently has a number of 3rd party applications for various systems around campus such as Tracker I9, Background check services; Budget office dB; state agencies dBs; regulatory reporting (i.e. vets100), benefits vendors, etc. These applications need to integrate with Boise State's core PeopleSoft systems. Boise State will maintain current licenses for these systems, as well as, others may be identified or acquired over the course of this project.
PMO	Boise State University will utilize a common project management methodology throughout the Roadmap projects. To achieve this goal, a PMO resource will be added to the leadership team. The resource will work with Boise State University to insure commonality and standardization within all projects.

7. Project Tasks

This table below indicates CIBER's and Boise State's accountability for project activities: (A = Accountable, C = Contributor, CBR = CIBER, BSU = Boise State University)

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Project Charter Sessions	Interviews with BSU Project team, executives and stakeholders	CBR	BSU	Conduct and document interviews.	Schedule all interviews with BSU staff. Assist with note-taking.	Project Charter PHASE I
Project Charter Review and Editing	Review and edit Project Charter drafts	CBR	BSU	Draft all Project Charter materials(strategi es, controls, standards and procedures for managing the Project)and incorporate BSU edits from up to two edit cycles.	Review and provide edit and feedback for Project Charter drafts.	Project Charter PHASE I



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Prepare Fit/Gap Schedule	Draft proposed Fit/Gap Schedule	CBR	BSU	Prepare proposed Fit/Gap schedule addressing all application areas in scope.	Revise Fit/Gap Schedule to accommodate BSU staff availability and needs.	Fit/Gap Schedules PHASE I
Schedule Fit/Gap Sessions	Establish Fit/Gap session schedule and participants	BSU	CBR	Work with BSU to make sure all Fit/Gap activities have representation from all areas of the University.	Schedule BSU staff and facilities for Fit/Gap sessions. Communicate session schedule to stakeholders.	Fit/Gap Schedule PHASE I
Fit/Gap Sessions	Fit/Gap Sessions	CBR	BSU	Conduct Fit/Gap sessions	Participate in Fit/Gap sessions. Provide BSU source Documentation such as configuration Documentation, desk procedure manuals and current reports.	Fit/Gap Document PHASE I
Validate Fit/Gap Report	Secure validation of Fit/Gap report from BSU community .	BSU	CBR	Update Fit/Gap report based on feedback from Campus.	Conduct meetings or other validation activities to inform and gain agreement from the BSU regarding the	Validated Fit/Gap Document PHASE I



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
					Fit/Gap recommendations.	
Configure Base System	Configure base System with BSU values	CBR	BSU	Lead configuration activities, and confirm all configuration tables are populated.	Participate in configuration activities. Complete and document configuration of tables under instruction from CIBER.	Configured Base System PHASE I
Business Process Assessment	Define business processes and candidates for improvement using prior BSU BPR studies.	CBR	BSU	Draft Business Process Inventory.	Validate/edit Business Process Inventory. Survey users to determine effort and satisfaction ratings.	Business Process Inventory PHASE I
Secure Final Scope Approval	Secure final scope Approval from university community.	BSU	CBR	Support Town Hall or other design Specifications validation activities	Conduct Town Hall or other design Specifications validation presentations to confirm that design Specifications are accurate and approved by BSU community	Approved Scope (in Fit/Gap document) PHASE I



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Project Planning	Develop the final baseline detailed Project Workplan	CBR	BSU	Update and create the detailed Project Workplan, and work with BSU to finalize.	Review and provide input into tasks, resources, durations and sequencing of activities.	Detailed Project Workplan PHASE I
Establish Hardware Environment	Establish Hardware Environment	BSU	CBR	Provide input to third-party hardware as needed.	Size, design, purchase and install hardware environment	PeopleSoft hardware environment PHASE I
Install System Environment	Install Database Software and Operating Systems	BSU	CBR	None	Install Database software and Operating System to prepare for PeopleSoft install	Installed Database and Operating System Software PHASE I
Initial Pass	Creation of Initial Pass Database	CBR	BSU	Lead Initial Pass	Assist with Initial Pass	Initial Pass Database created PHASE II
First Test Move to Production	First TMTP	CBR	BSU	Lead First TMTP	Assist with First TMTP	First TMTP Database Create PHASE II
Additional Test Moves to Production	Additional TMTP	BSU	CBR	Assist with Additional TMTP	Lead Additional TMTP	Additional TMTP Database



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
						Create PHASE II
Final Move to Production	Final MTP	CBR	BSU	Lead Final MTP	Assist with Final MTP	Creation of upgraded Production database PHASE III
Define data conversion strategy and plan	Define all in-scope data conversion targets, and the method and tools to be used for ETL	CBR	BSU	Lead sessions to identify all in-scope data conversion sources. Work with BSU technical staff to define common file formats.	Inventory all possible data sources for conversion. Work with CIBER to define common file format.	Project Charter: Data Conversion Strategy; and Conversion Plan PHASE I
Develop Functional/ Technical Specification for CIBER assigned Interfaces defined in this SOW	Create Specifications for Interfaces	CBR	BSU	Provide template for all Custom Development. Complete Specifications for all CIBER-assigned Interfaces.	Provide support and comments to plan Review and approve Specification.	Interface Functional/ Technical Specifications PHASE II
Develop Functional/Technical Specification for BSU-assigned Interfaces	Create Specifications for Interfaces	BSU	CBR	Provide template for all Custom Development. Provide guidance and review of all BSU-created Specifications.	Complete all Specifications for BSU-assigned Interfaces using CIBER template.	Interface Functional/ Technical Specifications PHASE II



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Develop Interfaces assigned to CBR	Develop and test Interfaces	CBR	BSU	Develop all assigned Interfaces. Work with any 3rd party software providers as needed.	Conduct code review. Review and validate technical solution Documentation. Work with any 3rd party software providers as needed. Provide support, comments and testing support	Technical Solution for Interfaces PHASE II
Develop Interfaces assigned to BSU	Develop and test Interfaces	BSU	CBR	Provide guidance and review of Documentation and code for all BSU-created Interfaces.	Develop all BSU-assigned Interfaces.	Technical Solution for Interfaces PHASE II
Testing for Interfaces	Testing for Interfaces	BSU CBR	CBR BSU	Assist, Participate, and Support Testing	Conduct Testing of all Interfaces	Technical Solution for Interfaces PHASE II & III
Security Strategy	Define high-level security strategy	CBR	BSU	Conduct security overview process.	Participate in interviews and provide information on current security	Security Strategy PHASE I



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
					policies and practices.	
Security Templates	Provide security template	CBR	BSU	Provide template and training on how to complete it	Understand security template and complete it	Security Templates PHASE I
Security Plan	Define detailed steps required to implement security	CBR	BSU	Define detailed tasks and responsibilities to implement security.	Take responsibility for carrying out the plan.	Security Plan PHASE I
Security Design	Functional Security Design within PeopleSoft	CBR	BSU	Define functional design for Application, Query, Process and Access Security	Participate in defining security design.	Functional Security Design and Matrices PHASE II
Application Security	Build, Document and Implement security	BSU	CBR	Advise as needed for interpretation of security recommendation.	Build and Implement security.	Permission Lists and Roles PHASE II
Define Testing Strategy	Define Testing Strategy	CBR	BSU	Provide a testing strategy template based on CIBER experience with	Review and contribute to Testing	Project Charter: Testing



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
				other clients.	Strategy.	Strategy PHASE I
Define Test Plan	Define Test Plan including performance testing	CBR	BSU	Provide templates and draft the test plan. Work with BSU to complete test scenarios and finalize test plan.	Work with CIBER to complete test scenarios and finalize test plan.	Test Plan PHASE I & II
Define Test Cases	Define Test Cases	CBR	BSU	Identify all test cases	Review and validate CIBER identified test cases.	Identified Test Cases PHASE II
Develop Test Cases	Develop Test Cases	BSU	CBR	Provide a template and review test cases and provide feedback.	Develop actual test cases.	Test Cases PHASE II
Conduct Functional Testing	Conduct Testing as outlined in the Test Strategy and Plan	BSU	CBR	Assist with BSU-led functional testing	Participate in functional testing	Completed tests PHASE II
Acceptance	Confirm test completion and results	BSU		None	Approval and signature on Acceptance Form	Acceptance Document PHASE III
Review Batch Process Schedule	Review Batch Process	CBR	BSU	Confirm Batch Process Schedule for all processes	Review and take ownership of schedule at	Batch Process



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
	Schedule			scheduled at deployment.	deployment.	Schedule PHASE III
Load Testing	Load Testing	BSU	CBR	Assist with Load Testing	Perform Load testing using OpenLoad	Load Testing completed PHASE III
Assess Readiness	Deployment Use Readiness Assessment	CBR	BSU	CIBER will assess institutional readiness to Deployment Use and recommend corrective actions where needed.	BSU will work with CIBER to address any issues identified.	Readiness Assessment PHASE III
Plan Cutover	Plan Deployment Use cutover	CBR	BSU	CIBER will provide a template based on CIBER materials and will work with BSU to define events and responsibility.	BSU will work with CIBER to plan for cutover.	Cutover Event Schedule PHASE III
Conduct "Go, No-Go" Meeting	Conduct "Go, No-Go" Meeting	BSU	CBR	Provide input to "Go, No-Go" Meeting	Conduct "Go, No-Go" Meeting	Cutover decision PHASE III
Execute Cutover	Execute Cutover	BSU	CBR	Support cutover	BSU will execute the cutover with support from CIBER.	Cutover PHASE III
Post implementation Support	Provide 2 weeks of post-implementation	CBR	BSU	Post-implementation on-site support	Manage issue resolution Resolve BSU-	PHASE III



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
	on support				assigned issues	
Define Training Strategy	Define Training Strategy for all Project members	CBR	BSU	Provide templates and guidance for appropriate training and timing of training.	Participate in defining Training Strategy.	Project Charter: Training Strategy PHASE I
Define Training Plan	Define detailed Training Plan for end users	CBR	BSU	Provide templates and guidance on recommended courses.	Provide information on end users, facilities.	Training Plan PHASE I
Training Content	UPK content customized for BSU use	BSU	CBR	Provide input and guidance in developing and modifying UPK content. CIBER will work with BSU in developing content.	Develop custom UPK content	Training Content PHASE II & III
Conduct End-User Training	Conduct End-User Training	CBR BSU	CBR BSU	Conduct initial training sessions, provide feedback, and provide templates for assessing success of training.	Schedule classes and attendees. Assist in delivering and assess training as much as possible. Learn how to independently conduct training.	Trained End Users PHASE III



8. Project Change Management

The following Project Change Management process will be used to manage alterations to the baseline scope, schedule, and cost of the project or changes to any other aspect of the project that has a potential impact to the project's scope, schedule, or cost.

1. Notification of intended changes will be communicated in writing via a Project Change Request (PCR) form and provide justification for the change and the impact to the project's scope, schedule, and cost.
2. The Boise State University approver will approve or reject the change request within three (3) business days from the receipt of the Project Change Request form.
3. If the Boise State University approver does not approve or reject the change request within three (3) business days from the receipt of the Project Change Request form and does not communicate a timeframe in which a decision will be made, the requested change will be considered deferred:
 - a. The change request status will be logged, tracked and managed as a 'deferred' request.
 - b. Work will progress without incorporating the requested change into the work plan.
 - c. Where an approval or rejection decision is necessary for the project to progress, the change request decision will be escalated as a project issue.
4. For change requests that are outside the stated project scope, the Boise State University approver will authorize budget and/or schedule allowance for CIBER on a time and materials basis for the initial analysis of a change request.
5. CIBER and Boise State University will work to resolve disputes regarding the 'in scope' or 'out of scope' classification of work according to the *Dispute Resolution* clause of the Agreement.

The following persons have been designated as the approvers of change requests for the project:

CIBER, Inc.

Boise State University

Name: Jeff Beech

Name: Max Davis-Johnson or Designee

Title: Delivery Director

Title: Associate Vice President of OIT

9. Project Schedule

The following project schedule is based upon an anticipated start date of **February 13, 2012**. Any change to this start date or any other specified date in this SOW will affect schedule and deliverable dates accordingly. All dates displayed are estimated and will be affirmed during the planning process of the engagement. Updated milestones and dates will be identified during the project planning phase.

Figure 2: Project Schedule

Number	Milestone	Completion
1	Discovery - Project Charter Complete	Month 1
2	Fit/Gap Documentation Complete	Month 2
3	Configuration Documented	Month 3
4	Customization Review Complete	Month 4
5	Initial Pass Complete/ Retrofit Customizations/ Business Process Developed	Month 5
6	Test Move 1 Complete/ Retrofit Customizations/ Business Process Developed	Month 6
7	Test Move 2 Complete/ Retrofit Customizations/ Business Process Developed	Month 7
8	Test Move 3 Complete/ Retrofit Customizations/ Business Process Developed	Month 8
9	Retrofit Customization Complete	Month 9
10	Integration Testing Complete	Month 10
11	Performance Testing Complete	Month 11
12	Go-live	Month 12
13	Production Support	Month 13



10. Project Price

This engagement will be invoiced per the terms of the Agreement.

In line with professional practices CIBER has used due diligence and depended upon the accuracy of the information provided by Boise State University to estimate and price the scope of this work. Incomplete, inaccurate or erroneous information may cause an increase in contract price and schedule.

If it is necessary to exceed the scope of this engagement, CIBER will inform Boise State University via the Project Change Management process defined herein. All changes to project cost and schedule will be agreed upon with Boise State University and documented and approved via a Change Request Form.

Fixed Price Project total: \$1,695,210

T&M Price Project total: \$1,541,100

Payment Schedule

Payments (monthly payments to be billed at end of the month)

	Amount	Estimated
Initial Payment	96,869.00	Month 1
Monthly Progress Payment	96,869.00	Month 1
Monthly Progress Payment	96,869.00	Month 2
Project Charter Complete	37,691.00	Month 2
Monthly Progress Payment	96,869.00	Month 3
Monthly Progress Payment	96,869.00	Month 4
Fit/Gap Documentation Complete	37,691.00	Month 4
Monthly Progress Payment	96,869.00	Month 5
Configuration Documented	37,691.00	Month 5
Monthly Progress Payment	96,869.00	Month 6
Initial Pass Completed	37,691.00	Month 6
Monthly Progress Payment	96,869.00	Month 7
Test Move 1 Completed	37,691.00	Month 7



Statement of Work

Monthly Progress Payment	96,869.00	Month 8
Monthly Progress Payment	96,869.00	Month 9
Integration Testing Complete	37,691.00	Month 10
Monthly Progress Payment	96,869.00	Month 10
User Acceptance Testing Completed	37,691.00	Month 11
Monthly Progress Payment	96,869.00	Month 11
Project Acceptance	37,691.00	Month 12
Monthly Progress Payment	96,869.00	Month 12
Monthly Progress Payment	96,869.00	Month 13
Production Support	37,516.00	Month 13

11. Approvals

The terms and conditions of this SOW, including all rates and pricing provisions, shall not be binding on CIBER unless this SOW is signed by the authorized representatives of both CIBER and Boise State University.

IN WITNESS WHEREOF, the parties have executed this SOW on the date or dates indicated below.

BY:

BY:

CIBER, Inc.

Boise State University

Name

Name

Title

Title

Date

Date

Attachment 3

Boise State University Contract Summary Project 1 HCM, 10/26/11

Cost Summary	
	Project total \$1,695,210 – Based on our current scope and timeline as defined in the Statement of Work dated 10/26/2011. If additional effort is required due to scope or other changes the process outlined in Risk Plan will be followed.
Scope Statement	
	<p>CIBER's scope will include project management, and functional and technical consulting to support the Enterprise Systems Roadmap Human Capital Management project. This will include the following specific activities:</p> <ol style="list-style-type: none"> 1. CIBER will provide project management consulting and will provide this management on-site throughout the CIBER engagement. 2. CIBER functional consultants will provide fit/gap review sessions with members of the Boise State University Enterprise Systems Roadmap Human Capital Management team. These sessions will require approximately two weeks to complete for each module (including documentation). The sessions will provide details of the differences in the functionality and usage between what Boise State is currently using and what is actually delivered in Oracle/PeopleSoft <p>9.1. Fit/Gap sessions will be handled for the following modules:</p> <ul style="list-style-type: none"> ➤ Human Resources ➤ Base Benefit ➤ Benefit Administration ➤ Time & Labor ➤ Payroll (Commitment Accounting) ➤ Talent Acquisitions ➤ ePay ➤ eProfile ➤ Learning Management (Fit Gap only) ➤ Performance Management (Fit Gap only) ➤ Grievance Management (Fit Gap only)

3. CIBER will provide functional consulting in order to evaluate business processes, test new and changed functionality, analyze and retrofit customizations and for go-live activities.
4. CIBER will provide technical consulting to analyze, retrofit or remove customizations and to work on interface and integration points.
5. CIBER will provide Database Administration and PeopleSoft Admin.
6. CIBER plans to assign the following resources to this project:

Role	Name
Project Manager	Tony Otakpor
Project Administrator	TBD
Human Resources, Benefit Administration	TBD
Payroll, Time & labor, Commitment Accounting	Daniel Litty
Talent Acquisition	TBD
DBA/Security Lead	Arthur Wharton
HCM Tech	Don Meilink

- Any changes to project resources must be approved in advance by Boise State.
- The project manager is expected to be assigned to the project for the duration. Exceptions to this would be for circumstances beyond the control of CIBER, such as a medical situation, or the resource leaving the company or a similarly serious scenario.

Dominant Measurements

- Significant Reduction in Customizations, percentage to be mutually determined during planning phase
- All business processes and associated customizations documented to a mutually agreed uniform standard
- Complete Business process review, fit/gap, and documentation for all modules
- Successful separation of HCM and CS environments

	<ul style="list-style-type: none"> • Successful integration of HCM and CS/FMS environments, message failure rate between HCM and CS/FMS is less than 0.01% • Successful upgrade to HCM 9.1 environment with delivered functionality supporting processes identified in business process and customization review in Phase 1 of the project implementation • End user training completed on all new or retrofitted processes • Successfully reach all milestones listed in the Milestone Schedule, below, within the timelines established in the documented and approved project plan • Knowledge transfer to Boise State on the PeopleSoft 9.1 new functionalities • Complete Business process review for all modules • 90% Customer Satisfaction as measured by PIPS survey instrument 		
Risk & Mitigations	See attached Risk Mitigation Plan		
	<ul style="list-style-type: none"> • The post award contract will be managed using the weekly risk reporting system (WRR) described in the best value procurement process. The purpose of the WRR is to allow the Bidder to manage and document all risks that occur throughout a project. Risk is defined as anything that impacts project cost, quality or project schedule. This includes risks that are caused by the Bidder (or entities contracted by the Bidder), and risks that are caused by the University (scope changes, unforeseen conditions, etc). The University's project manager may also require the Bidder to document risks that may impact customer or the University satisfaction. The full risk mitigation plan is attached to the master Consulting Service Agreement. • Ineffective Project Management - CIBER Project Manager will work closely with Boise State Project management to ensure project management methodologies and best practices are followed. • Lack of Project Controls - Our first order of business on a new project whether it is an upgrade or a new implementation is to conduct a Project Charter. The Project Charter Process is a crucial first step in every project. It establishes a foundation for the project by ensuring that all project participants share a clear understanding of the project goals and objectives and agree on how these objectives will be achieved. • Lack of Boise State University resources available to the project - CIBER project management will have a detailed plan defining the exact needs and duration for different Boise State resources. By identifying these needs early, Boise State will be able to plan accordingly to maximize the available time of Boise State resources. 		
Milestone Schedule	Taken from Statement of Work		
	Number	Milestone	Completion
	1	Discovery - Project Charter Complete	Month 1

	2	Fit/Gap Documentation Complete	Month 2
	3	Configuration Documented	Month 3
	4	Customization Review Complete	Month 4
	5	Initial Pass Complete/ Retrofit Customizations/ Business Process Developed	Month 5
	6	Test Move 1 Complete/ Retrofit Customizations/ Business Process Developed	Month 6
	7	Test Move 2 Complete/ Retrofit Customizations/ Business Process Developed	Month 7
	8	Test Move 3 Complete/ Retrofit Customizations/ Business Process Developed	Month 8
	9	Retrofit Customization Complete	Month 9
	10	Integration Testing Complete	Month 10
	11	Performance Testing Complete	Month 11
	12	Go-live	Month 12
	13	Production Support	Month 13
Assumptions			
<p>Boise State will:</p> <ul style="list-style-type: none"> • Provide access to all people and information necessary to complete the defined project tasks. • Provide the CIBER Consultants with access to the PeopleSoft System and supporting systems and hardware where necessary to complete the defined project tasks. • Provide the appropriate workspace, printer access, phone access, PC, VPN, and network connections for the CIBER Consultants. 			

	<ul style="list-style-type: none">• Agree that all scope changes, role changes, development / testing methodology changes, project timeframe changes, and any other major change which could affect the outcome, timeframe, or cost of the project must be approved in writing by both CIBER and Boise State.• Promptly make decisions per the Statement of Work
Term & Conditions	See Master Agreement and Statement of Work

Attachment 4



Practical **Innovation.**



Boise State University

Campus Solutions PeopleSoft Version 9.0

Statement of Work

September 15, 2011



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1. Introduction

Boise State University (Boise State) is a publicly-supported, multi-disciplinary institution of higher education recognized by the Carnegie Foundation for outreach and community engagement. The University has the largest student enrollment of any university in Idaho, with enrollment of 19,993 for the Fall semester of 2010 and is located in Boise, Idaho.

Boise State requires consulting assistance on the Oracle/PeopleSoft Enterprise Systems Roadmap Campus Solutions project. Boise State implemented its current ERP systems, PeopleSoft Financials and PeopleSoft Human Resources/Campus Solutions (PS-FS and PS-HRCS, respectively), in 1998. At the time, particularly in the case of Campus Solutions, core functionality was not fully developed and/or delivered by PeopleSoft. Boise State met this challenge with a large number of customizations across all three system areas to meet business needs. The systems have been upgraded several times since the original implementation. Although the delivered core functionality is now stable and mature, Boise State has continued to remain highly customized. Maintaining Boise State's current level of system customization reduces the ability to move forward.

The University is currently using Academic Advising, Admissions, Campus Community, Financial Aid, Student Financials and Student Records. Boise State is seeking expert project management, functional and technical resources to assist in their Campus Solutions (CS) 9.0 Project. Boise State seeks to leverage delivered functionality, consisting of population update, population selection, equation engine, packaging variables and 3C's, to eliminate current customizations. The deliverables will consist of business rules, system, process, and configuration assessment and definition, as well as working with Boise State functional and technical resources to implement new features and functionality of the CS 9.0 system. Boise State is expecting to have integration between CS modules reviewed and refined as needed. As part of this project Boise State also seeks to separate Campus Solutions 9.0 from HCM 9.1 and establish integration as they are currently in a shared environment. CIBER will be responsible for establishing inbound and outbound integrations with HCM. This project will also assess integration with 3rd party systems and state agencies. As part of Boise State's Enterprise Systems Roadmap program the primary goal of this project is to implement delivered functionality to provide flexibility, sustainability and to value configuration over customization. Boise State expects a significant reduction in current customized objects.

Project Goals:

- Business Outcomes
 - More efficient, streamlined processes and workflow, applying automation and reducing paper where possible.
 - Easier to use and to learn Self Service applications.
 - Expanded self-service applications for students, faculty and staff.
 - Improved usability, ease of access, better performance, improved support, more services, and providing accurate and complete data.



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- Improved auditing and status tracking for student academic transactions and changes to roles that provide levels of system access.
- All business processes and customizations are documented to a uniform standard.
- Technical Outcomes
 - Reduced customization by leveraging delivered functionality and best practices.
 - Reduced overhead in support and management of the target systems and increased sustainability. Bundles and Patches should take less time to apply with fewer customizations. Ability to go to Oracle for support is increased.
 - System live utilizing new configuration and functionality.
 - Separated HCM and CS environments with integration established.
 - New refunding solution implemented.
 - Establish inbound and outbound integrations with HCM and Finance.
 - Integrate third party solutions where necessary (i.e. SOA).
 - Staff trained on current systems as well as new functionality.
 - Successfully transition PeopleSoft Application Servers and Oracle Database Servers from AIX Unix to Red Hat Enterprise Linux.
 - Security assessment and documented changes related to revisions in business processes and system updates

2. Scope

This Statement of Work (SOW) is incorporated into, made part of, and is subject to the terms and conditions of the Master Services Agreement between CIBER, Inc. ("CIBER") and Boise State University entitled **Master Consulting Services Agreement** (hereinafter referred to as the "Agreement") dated <<Contract/MSA_Date>>.

This section describes the work that is considered In-Scope and Out-of-Scope for the Campus Solutions PeopleSoft Version 9.0 upgrade.

2.1. In-Scope



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CIBER's scope will consist of project management, and functional and technical consulting to support the Enterprise Systems Roadmap Campus Solutions project. This will consist of the following specific activities:

1. CIBER will provide project management consulting and will provide this management on-site throughout the CIBER engagement.
2. CIBER functional consultants will provide fit/gap review sessions with members of the Boise State University Enterprise Systems Roadmap Campus Solutions team. These sessions will require approximately two weeks to complete for each module (including documentation). The sessions will provide details of the differences in the functionality and usage between what Boise State is currently using and what is actually delivered in Oracle/PeopleSoft 9.0. Fit/Gap sessions will be handled for the following modules:
 - **Academic Advising**
 - **Admissions**
 - **Campus Community**
 - **Financial Aid**
 - **Student Financials**
 - **Student Records**
3. CIBER will provide functional consulting in order to:
 - a. evaluate and document business processes,
 - b. assist with business process re-engineering and documentation,
 - c. evaluate third party solutions,
 - d. test new and changed functionality,
 - e. analyze and retrofit customizations,
 - f. provide knowledge transfer,
 - g. develop end-user training,
 - h. support go-live activities.
4. CIBER will provide technical consulting to:
 - a. analyze, retrofit, remove/modify/add customizations,
 - b. update and test interface and integration points. Integration points needed between CS and HCM/FMS will be completed. Review of all current third party integrations and testing will be completed.
5. CIBER will provide Database Administration (DBA) and Security consulting. CIBER's security consultant will be responsible for a security assessment of the Campus Solutions system. CIBER's DBA will be responsible for:
 - a. creation of the new database without customizations
 - b. creation of a database with customizations to use as the source of customizations if a customization is deemed necessary.
 - c. Analyzing and designing the Campus Solutions/HCM split.



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- d. In addition to any other support already defined within the SOW, Provide technical assistance and guidance up to 60 hours to transition PeopleSoft Application Servers and Oracle Database Servers from AIX Unix to Red Hat Enterprise Linux.
- e. Documented recommended changes to security.

2.2. Out-of-Scope

Work that is not specifically listed above as In-Scope or in CIBER's deliverables and responsibilities listed below is considered Out-of-Scope for this SOW. CIBER will address alterations to the scope of this SOW through the Project Change Management Process defined herein.

Additionally, out of scope work may result from items identified in the Risk Management Plan for Campus Solutions Contract with Boise State.

3. CIBER Deliverables

The following deliverables/services will be produced as part of the scope for this engagement and will conform to CIBER's defined processes. Acceptance criteria for each deliverable will be mutually agreed to by CIBER and Boise State University and documented as part of the Project Management Plan developed during the planning efforts of the project. Alterations to this list of deliverables/services will be managed via the Project Change Management Process defined herein.



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Table 1: Life Cycle Phases

Phase	Project Deliverables / Services
Phase I: Assessment, Review, Analysis and Planning	<ul style="list-style-type: none"> • Process Documentation (Document all future state business processes) • Environmental Setup/Creation of Boise State Database without Customizations • Fit Gap Documentation • Customization Review (Review viability of existing customizations that may address identified gaps) • Campus Solutions Security Assessment • Detailed Project Plan
Phase II: Upgrade/Implementation	<ul style="list-style-type: none"> • Design Completed • Development Completed • Recommend changes to security • Student Financials Refunding Solution • User Acceptance Testing Completed • HCM and CS split
Phase III: Training, Change Management, and Go-Live	<ul style="list-style-type: none"> • End User Training Completed • Support Documentation • Production Readiness Assessment • Executed Cutover • Two-weeks on-site Post Implementation Support

3.1. Acceptance Management

Formal written acceptance by Boise State University of the project's deliverables and services indicates that the deliverables or services have been completed in accordance with this SOW.

The CIBER Project Manager will submit a deliverable or service acceptance form for each completed deliverable or service to the designated Boise State University approver.

- The Boise State University approver will accept or reject the deliverable or service within three (3) business days from the receipt of the Project Manager's notification of completion.
- If the Boise State University approver does not accept or reject the deliverable or service within three (3) business days from the receipt of the Project Manager's notification of completion and does not communicate a timeframe (up to 12 business days) in which a



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decision will be made, the deliverable or service will be considered accepted. Boise State University and CIBER may mutually agree to extend the timeframe to be up to 20 business days.

- 1) Work will progress to maintain the established project schedule, with the understanding that any change to an accepted deliverable or service constitutes a change in scope.
 - 2) A Project Change Request (PCR) may result if modifications to the accepted deliverable or service are required and those modifications affect accepted or in-progress project work.
- If Boise State University rejects a deliverable or service, the cause for rejection and all defects to be addressed shall be documented by Boise State University and provided to CIBER for CIBER to correct or revise. Once CIBER corrects the cause for rejection, the deliverable will be sent back through the acceptance process for acceptance of the correction. Once a deliverable is accepted, further corrections or revisions will be addressed under the Warranty provision of the Agreement.

The following Boise State University person(s) has been designated as the approver of deliverables and services for the project:

Name: Max Davis-Johnson or his designee

Title: Associate Vice President of Office of Information Technology

4. Work Approach

This section defines CIBER's approach to managing and delivering the work associated with this project. Changes to this approach could affect the project's schedule or budget and will be addressed through the Project Change Management Process defined herein.

4.1. Project Management

CIBER will plan, execute, control, and communicate the progress of the project using the CIBER Project Management Methodology (CPMM).

CIBER's PMRx® Project site will be used to track project progress, information, and artifacts; and to capture, track, and communicate the overall status of the project.



4.2. Delivery Method

Phase I: Assessment, Review, Analysis and Planning:

This phase will encompass a full review of existing processes, customizations needed to support existing processes, and vanilla processes that are not currently in use. During this phase CIBER will review and document system rules, configuration and other foundational components that are needed and recommend any business process changes.

Boise State owns and has implemented a number of modules for PeopleSoft and the goal of this phase is to clearly define which components should be brought online to deliver the best service to the campus. The outcome of this phase will be process documentation, completion of a fit-gap and definition for what will be upgraded and implemented and how it will be accomplished.

Requirements for customizations, business process changes and testing criteria will be defined in this phases as well. For any gaps requiring a third party solution, CIBER will identify the needs and possible third party solutions.

During this phase CIBER will plan the CS and HCM split, which entails sequencing the split in relation to other elements of this scope of work document and appropriately including the split in subsequent phases, below.

Phase II: Upgrade/Implementation:

During this phase CIBER will perform the required software upgrade and implement other changes to provide the defined outcomes from Phase I. In this phase there will be software installation, configuration, data migration planning and design, development, and testing at multiple levels. CIBER will create the split CS database without customizations in this phase. Boise State resources will be heavily involved in this phase, per the detailed project plan and will be trained on the new technology and changes.

Phase III: Training, Change Management, and Go-Live:

This phase will encompass the steps that are required to take the defined environment from Phase I and II live to the campus. This phase will include any end-user training that is required for acceptance of the new system and processes. This phase will include implementing support documentation, changed business processes and help for users through the transition. This involves finalizing documentation and information for support once the system goes live. In this phase the system will go-live in a production environment and be turned over to the users for day-to-day operation.



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4.3. Technical Environment

Boise State has a multi-platform environment consisting of eight IBM RS6000 servers (using AIX 5.2 and Oracle 11g) which run the University's PeopleSoft development, test, and production database and application servers. During fiscal year 2012, the University will upgrade the infrastructure for the PeopleSoft enterprise systems to Intel-based platforms running Red Hat operating systems, with Oracle 11g for the databases. This will be Boise State's go-live platform.

4.4. Work Location

The work described in this document will be delivered from the following locations:

1910 University Drive
Boise, Idaho 83725

CIBER consultants may perform certain activities remotely that are still considered part of the billable services under the terms of this SOW.

4.5. Work Schedule

The schedule and price defined herein are based upon a 40-hour work week for core project team members, including BSU resources. However, the project may have "peak" periods where the project team will be expected to work outside normal business hours. Standard Boise State holidays that differ from the seven (7) holidays observed by CIBER will be scheduled work days for consultants.

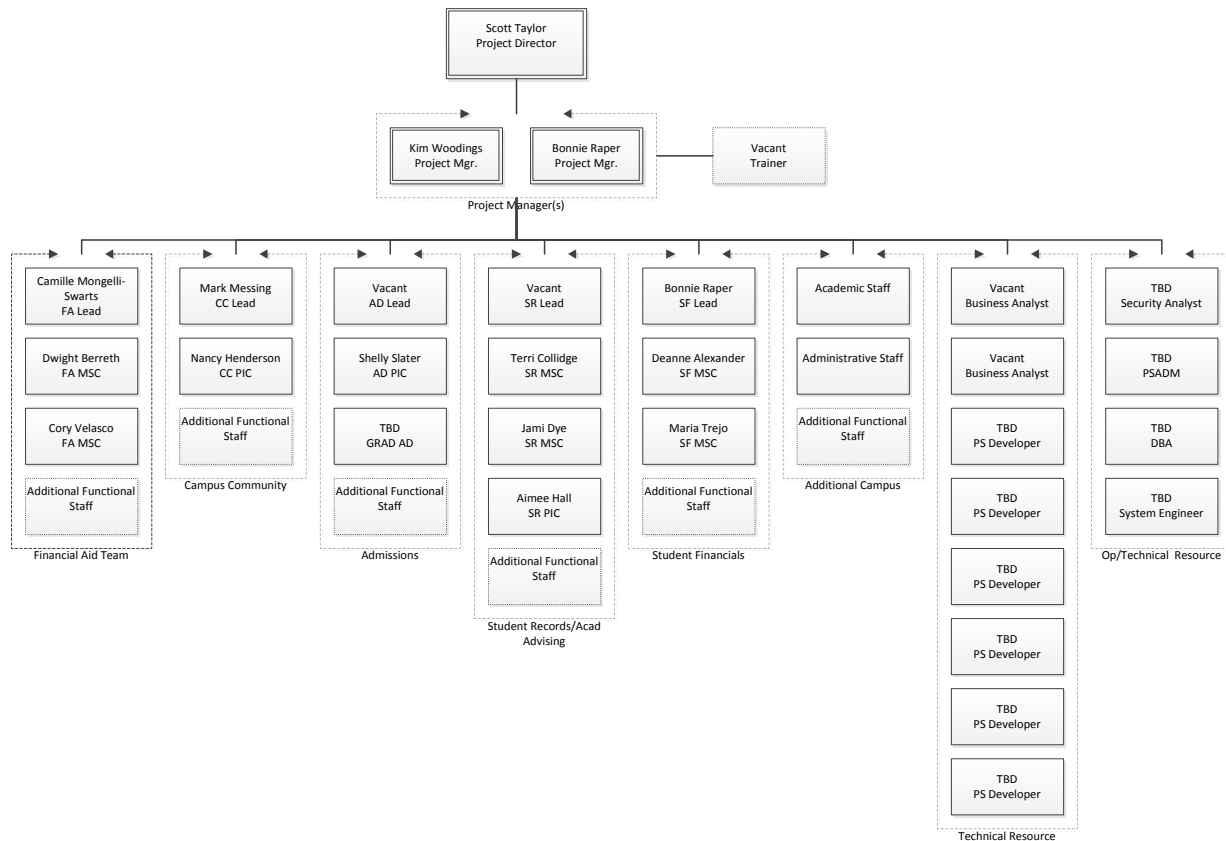
The Standard Project Work Week (work week) for consultants working at the BSU facility is Monday through Thursday, with four days onsite. The work-week is defined as 4-4-5— 4 nights and 4 days at Boise State facility and a 5th day at a remote work location as necessary to complete the work week. Work-site arrival time on Mondays will be no later than 10:00AM local time, with a work-site departure no earlier than 3:00 PM local time on Thursday. Modifications to the work week for individuals or specific work groups will be mutually agreed to by Boise State and CIBER project management.

5. CIBER Roles

5.1. Boise State Project Organization

The Organization Chart below depicts the key Boise State project roles and the anticipated communication channels for the project.

Figure 1: Boise State Project Organizational Chart



5.2. CIBER Roles

The following roles will be provided by CIBER to execute the scope of work defined in this SOW.



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Table 2: CIBER Roles

Role	Role Description
Account Executive:	<p>The Account Executive will serve as the contract manager for this engagement, and will work with Boise State to resolve all resourcing needs and contractual or invoicing issues. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Evaluates the integrity of the project scope. • Provides assistance with issue resolution. • Makes decisions pertaining to CIBER personnel. • Actively manages project issues, risks and the staffing and scheduling of CIBER personnel. • Resolves contract issues.
Project Manager:	<p>CIBER's Project Manager is responsible for following CIBER's Methodology and for completing the project deliverables. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Develops the initial project plan. • Establishes the following project controls to verify the quality of project deliverables and minimize disruption to the project schedule: <ul style="list-style-type: none"> ○ Change control ○ Quality assurance ○ Risk management ○ Issue management • Manages the day-to-day execution of CIBER services. • Provides weekly Status Reports to the Boise State Project Manager



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Role	Role Description
DBA/Security/PS Admin	<p>CIBER's DBA/Security expert is responsible for performing all technical DBA/PS Admin/Security tasks that are within CIBER's scope. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Creation of Vanilla Campus Solutions split database. • Creation of copy of current production Campus Solutions split database. • Works with CIBER technical lead to address the integration points to accommodate the HCM/CS split. • Maintains daily contact with Boise State personnel. • Transfers knowledge to project team. • Provides technical guidance to the project team. • Assists with testing the Oracle/PeopleSoft system, during User and System Acceptance testing, to verify the system meets requirements. • Provides deployment support during the final Move to Production. • Provides weekly Status Reports to the CIBER/Boise State University Project Manager. • Security Assessment



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Role	Role Description
Functional Consultants:	<p>CIBER's Functional consultants provide functional guidance for all aspects of the upgrade/implementation, and will coordinate all functional upgrade/implementation tasks and activities with the CIBER Project Manager and client resources.</p> <p>Responsibilities consist of:</p> <ul style="list-style-type: none"> • Maintains daily contact with Boise State personnel. • Provides expertise and guidance in new or changed functionality in PeopleSoft version 9.0. • Assists in resolving gaps, whenever possible, and in retrofitting existing Boise State business processes and requirements into the new release. • Assists with setting up system tables for any newly implemented functionality. • Assists with testing the system during System Acceptance to verify the system meets requirements. • Reports project status, progress and issues to CIBER/Boise State's Project Manager in a timely manner. • Transfers knowledge to client staff. • Provides functional guidance to the client staff. • Provides options for issue resolution and identifies business process improvement opportunities. • Facilitates business process analysis and design.



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Role	Role Description
Technical Lead:	<p>CIBER's Technical Lead to provide technical guidance related to development review and retrofitting, and data conversion or cleansing (if needed).</p> <p>Responsibilities consist of:</p> <ul style="list-style-type: none"> • Maintains daily contact with Boise State personnel. • Transfers knowledge to project team. • Provides technical guidance to the project team. • Assists in resolving gaps whenever possible by recommending work-arounds, process improvements, or modifications. • Provides options for issue resolution and identifies business process improvement opportunities. • Assists with testing the Oracle/PeopleSoft system, during User and System Acceptance testing, to verify the system meets requirements. • Retrofits or modifies Oracle/PeopleSoft interfaces or integrations assigned. • Reports project status, progress and issues to the CIBER/Boise State University Project Manager in a timely manner.
Technical Developers:	<p>CIBER's Technical consultants provide technical guidance related to custom development review and retrofitting, and data conversion or cleansing (if needed).</p> <p>Responsibilities include:</p> <ul style="list-style-type: none"> • Transfers knowledge to project team. • Retrofits or modifies Oracle/PeopleSoft interfaces or integrations assigned utilizing appropriate tools and technology. • Reports project status, progress and issues to the CIBER/Boise State University Project Manager in a timely manner.



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Role	Role Description
Quality Assurance Lead	<p>Quality Assurance Lead will perform routine QA reviews throughout the project. The purpose of the QA reports will be the following:</p> <ul style="list-style-type: none"> ▪ Confirmation that the project is being managed in accordance with CIBER practices and methodologies. ▪ Identifies measures of performance that can be monitored. ▪ Provides opportunities for review and improvement of processes. ▪ Leads to tighter control over the project. ▪ Confirmation client objectives are being met. ▪ Generates a joint agreement (client and CIBER) on acceptable quality, early in the project. ▪ Provides early identification of any areas of dissatisfaction, allowing time for corrective action.

6. Boise State University Roles and Responsibilities

If, during the execution of this engagement, roles and responsibilities defined herein cannot be fulfilled by Boise State University, CIBER will negotiate budget, schedule, or scope changes to address the deficiency in accordance with the Change Management process defined herein.

6.1. Boise State University Roles

The following roles will be provided by Boise State University to facilitate the scope of work defined in this SOW.

Boise State will allocate the following functional and technical resources to the project. Boise State University will provide a dedicated internal project manager and executive leadership to the project to ensure that the University is meeting and managing its obligations.

Role/Area	Maximum FTE	Requirements
Executive Sponsorship	Varies	Executive Sponsorship is required for a successful project. Executive participation varies widely depending on the meeting schedule, and could be as low as eight hours per



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Role/Area	Maximum FTE	Requirements
		month for each Executive. Participation must be higher at the beginning of the project (to build visibility and demonstrate support); during times when critical decisions must be reviewed and made; and during deployment.
Project Management	1.0	Project Management includes collaboration with the CIBER Project Manager to facilitate coordination of the University team, and scheduling and administration of all project activities. The Boise State Project Manager is responsible for the internal budgeting. Responsible for securing facilities and for significant project communication duties. Also monitors project progress and the quality of deliverables on an ongoing basis; reviews and approves deliverables prior to submission to Project Sponsors and helps to ensure consistency of activities and deliverables across teams. In collaboration with the CIBER Project Manager, communicates status and issues to Executive Steering Committee, ensures timely and adequate communication throughout the project team and creates and manages external communication strategy.
Functional Lead	5.0	Boise State will provide one dedicated functional lead for each functional area involved in the project. Subject Matter Experts (SMEs .25 FTE for each module) will be brought in as needed for the duration of the project.
Technical Lead	1.0	Collaborates with the CIBER Technical Lead to provide daily leadership to the University's technical resources and manages the University technical plan and schedule. Coordinates activities related to system security, and database administration. Responsible for coordination of activities related to interface, integration and software development efforts. With guidance from CIBER, mentors technical resources concerning methods, procedures, and



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Role/Area	Maximum FTE	Requirements
		standards to be used during design, development, unit testing and change management phases of system development projects. Also assists with technical development effort when needed, and communicates issues and status information to Project Management.
Technical Developers	5.0	Technical developers perform the work of custom development remediation and data cleansing.
Database Administration	0.5	The Boise State University DBA will share joint responsibility with the CIBER DBA on database administration tasks.
System Administration and Network	0.1	Respond to issues and complete assigned tasks and service request by due dates set in the project plan.
Security	0.2	Respond to issues and complete assigned tasks and service request by due dates set in the project plan.
Trainer	1.0	Works with CIBER to develop training plan and create training documentation. Performs first training session with CIBER oversight.

6.2. Boise State University Responsibilities

Boise State University responsibilities will be coordinated by Boise State and CIBER Project Management. Boise State University is responsible for the following:

Table 3: Boise State University Responsibilities

Area	Project Responsibilities
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Area	Project Responsibilities
Data Protection	Boise State University is responsible for all physical, administrative, network, and electronic data protection required by applicable law for its facilities, operations, policies, and data, including without limitation, providing appropriate notices and systems of records required under applicable law. Boise State University is responsible for compliance with all legal requirements.
Project Resources	Boise State University is responsible to ensure that all resources are available for project tasks as defined in this SOW and the baseline work plan or other communicated schedule of activities. Boise State University will ensure that assigned personnel are skilled in relation to their assignments, are available with the authority to perform the work and make decisions, and they fully participate in completing the effort of each task.
Project Information	Boise State University will ensure that all information supplied to CIBER with respect to this effort is complete and accurate, to the best of its knowledge. Incomplete, inaccurate or erroneous information may impact the project scope, budget and schedule.
Knowledge Transfer	Boise State University must assign resources to actively participate in assigned project activities and meetings, and must adequately complete assigned project tasks.
On-site workspace	Boise State University is responsible for providing work areas and access to shared printers and conference facilities for on-site CIBER team members.
Executive Sponsorship	Boise State University will ensure that all Enterprise Roadmap projects are sponsored at the executive level, and support for the projects is currently in place.
Governance	Boise State University will adhere to an overall program governance structure for the Enterprise Roadmap projects. This will consist of a day-to-day leadership and project management support, a dedicated project manager and overall program director, a steering committee and an overall governance committee. These will be shared between all projects, and will be utilized as frequently as needed.
Licensed Modules for Campus Solutions	Boise State University will ensure that it stays current with all applicable licenses, including the following: Admissions, Academic Advisement, Financial Aid, Student Financials, Campus Community, Student Records, Outreach, Community Directory, Learning Management, Community Access, Involvement, Personal Portfolio, Learner Services



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Area	Project Responsibilities
UPK Licenses and 10 developer licenses	Boise State University will stay current with its UPK licenses. Boise State is currently licensed for UPK to be leveraged in Boise State's production environment for PeopleSoft administrative users (400). Boise State currently owns content for all of our modules.
Other Enterprise Systems	Boise State University currently has a number of 3rd party applications for various systems around campus such as Blackboard, T2, Simplicity, and others. These applications need to integrate with Boise State's core PeopleSoft systems. Boise State will maintain current licenses for these systems, as well as, others may be identified or acquired over the course of this project.
PMO	Boise State University will utilize a common project management methodology throughout the Roadmap projects. To achieve this goal, a PMO resource will be added to the leadership team. The resource will work with Boise State University to insure commonality and standardization within all projects.

7. Project Tasks

This table below indicates CIBER's and Boise State's accountability for project activities: (A = Accountable, C = Contributor, CBR = CIBER, BSU = Boise State University)

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Project Charter Sessions	Interviews with BSU Project team, executives and stakeholders	CBR	BSU	Conduct and document interviews.	Schedule all interviews with BSU staff. Assist with note-taking.	Project Charter
Project Charter Review and Editing	Review and edit Project Charter drafts	CBR	BSU	Draft all Project Charter materials (strategies, controls, standards and procedures for managing	Review and provide edit and feedback for Project Charter drafts.	Project Charter



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Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
				the Project)and incorporate BSU edits from up to two edit cycles.		
Prepare Fit/Gap Schedule	Draft proposed Fit/Gap Schedule	CBR	BSU	Prepare proposed Fit/Gap schedule addressing all application areas in scope.	Revise Fit/Gap Schedule to accommodate BSU staff availability and needs.	Fit/Gap Schedules
Schedule Fit/Gap Sessions	Establish Fit/Gap session schedule and participants	BSU	CBR	Work with BSU to make sure all Fit/Gap activities have representation from all campuses.	Schedule BSU staff and facilities for Fit/Gap sessions. Communicate session schedule to stakeholders.	Fit/Gap Schedule
Fit/Gap Sessions	Fit/Gap Sessions	CBR	BSU	Conduct Fit/Gap sessions	Participate in Fit/Gap sessions. Provide BSU source Documentation such as configuration Documentation, desk procedure manuals and current reports.	Fit/Gap Document
Validate Fit/Gap	Secure validation of	BSU	CBR	Update Fit/Gap	Conduct Town Hall meetings or other	Validated Fit/Gap



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Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Report	Fit/Gap report from BSU community (All Campuses).			report based on feedback from BSU Campuses.	validation activities to inform and gain agreement from the BSU campuses regarding the Fit/Gap recommendations.	Document
Configure Base System	Configure base System with BSU values	CBR	BSU	Lead configuration activities, and confirm all configuration tables are populated.	Participate in configuration activities. Complete configuration of tables under instruction from CIBER.	Configured Base System
Business Process Assessment	Define business processes and candidates for improvement using prior BSU BPR studies.	CBR	BSU	Draft Business Process Inventory.	Validate/edit Business Process Inventory. Survey users to determine effort and satisfaction ratings.	Business Process Inventory
Secure Final Scope Approval	Secure final scope Approval from university community.	BSU	CBR	Support Town Hall or other design Specifications validation activities	Conduct Town Hall or other design Specifications validation presentations to confirm that design Specifications are accurate and approved by BSU community	Approved Scope (in Fit/Gap document)
Project	Develop the final baseline	CBR	BSU	Update and create the	Review and provide input into tasks,	Detailed Project



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Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Planning	detailed Project Workplan			detailed Project Workplan, and work with BSU to finalize.	resources, durations and sequencing of activities.	Workplan
Establish Hardware Environment	Establish Hardware Environment	BSU	CBR	Provide input to third-party hardware as needed.	Size, design, purchase and install hardware environment	PeopleSoft hardware environment
Install System Environment	Install Database Software and Operating Systems	BSU	CBR	None	Install Database software and Operating System to prepare for PeopleSoft install	Installed Database and Operating System Software
Install PeopleSoft Instances	Install PeopleSoft Instances	CBR	BSU	Install or Review PeopleSoft and Web environment, and create SYS and DMO	Participate in install in order to gain knowledge for additional instance creation.	Initial, tuned PeopleSoft Environment with 2 database instances
Create additional instances	Create additional PeopleSoft database instances	BSU	CBR	Provide transfer of Know-How to enable BSU to self-install data-base instances. Provide troubleshooting and guidance as	Create additional instances as needed during implementation	Additional PeopleSoft Database Instances



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Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
				necessary.		
Define data conversion strategy and plan	Define all in-scope data conversion targets, and the method and tools to be used for ETL	CBR	BSU	Lead sessions to identify all in-scope data conversion sources. Work with BSU technical staff to define common file formats.	Inventory all possible data sources for conversion. Work with CIBER to define common file format.	Project Charter: Data Conversion Strategy; and Conversion Plan
Develop Functional/ Technical Specification for CIBER assigned Interfaces defined in this SOW	Create Specifications for Interfaces	CBR	BSU	Provide template for all Custom Development. Complete Specifications for all CIBER-assigned Interfaces.	Provide support and comments to plan Review and approve Specification.	Interface Functional/ Technical Specifications
Develop Functional/T echnical Specification for BSU-assigned Interfaces	Create Specifications for Interfaces	BSU	CBR	Provide template for all Custom Development. Provide guidance and review of all BSU-created Specifications .	Complete all Specifications for BSU-assigned Interfaces using CIBER template.	Interface Functional/ Technical Specifications
Develop Interfaces assigned to	Develop and test Interfaces	CBR	BSU	Develop all assigned Interfaces. Work with	Conduct code review. Review and validate technical solution	Technical Solution for Interfaces



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Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
CBR				any 3rd party software providers as needed.	Documentation. Work with any 3rd party software providers as needed. Provide support, comments and testing support	
Develop Interfaces assigned to BSU	Develop and test Interfaces	BSU	CBR	Provide guidance and review of Documentation and code for all BSU-created Interfaces.	Develop all BSU-assigned Interfaces.	Technical Solution for Interfaces
Testing for Interfaces	Testing for Interfaces	BSU CBR	CBR BSU	Assist, Participate, and Support Testing	Conduct Testing of all Interfaces	Technical Solution for Interfaces
Security Strategy	Define high-level security strategy	CBR	BSU	Conduct security overview process.	Participate in interviews and provide information on current security policies and practices.	Security Strategy
Security Templates	Provide security	CBR	BSU	Provide template and training on	Understand security template and	Security Templates



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Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
	template			how to complete it	complete it	
Security Plan	Define detailed steps required to implement security	CBR	BSU	Define detailed tasks and responsibilities to implement security.	Take responsibility for carrying out the plan.	Security Plan
Security Design	Functional Security Design within PeopleSoft	CBR	BSU	Define functional design for Application, Query, Process and Access Security	Participate in defining security design.	Functional Security Design and Matrices
Application Security	Build, Document and Implement security	BSU	CBR	Advise as needed for interpretation of security recommendation.	Build and Implement security.	Permission Lists and Roles
Define Testing Strategy	Define Testing Strategy	CBR	BSU	Provide a testing strategy template based on CIBER experience with other	Review and contribute to Testing Strategy.	Project Charter: Testing Strategy



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
				clients.		
Define Test Plan	Define Test Plan including performance testing	CBR	BSU	Provide templates and draft the test plan. Work with BSU to complete test scenarios and finalize test plan.	Work with CIBER to complete test scenarios and finalize test plan.	Test Plan
Define Test Cases	Define Test Cases	CBR	BSU	Identify all test cases	Review and validate CIBER identified test cases.	Identified Test Cases
Develop Test Cases	Develop Test Cases	BSU	CBR	Provide a template and review test cases and provide feedback.	Develop actual test cases.	Test Cases
Conduct Functional Testing	Conduct Testing as outlined in the Test Strategy and Plan	BSU	CBR	Assist with BSU-led functional testing	Participate in functional testing	Completed tests
Acceptance	Confirm test completion and results	BSU		None	Approval and signature on Acceptance Form	Acceptance Document
Review Batch Process Schedule	Review Batch Process Schedule	CBR	BSU	Confirm Batch Process Schedule for all processes	Review and take ownership of schedule at deployment.	Batch Process Schedule



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
				scheduled at deployment.		
Load Testing	Load Testing	BSU	CBR	Assist with Load Testing	Perform Load testing using OpenLoad	Load Testing completed
Assess Readiness	Deployment Use Readiness Assessment	CBR	BSU	CIBER will assess institutional readiness to Deployment Use and recommend corrective actions where needed.	BSU will work with CIBER to address any issues identified.	Readiness Assessment
Plan Cutover	Plan Deployment Use cutover	CBR	BSU	CIBER will provide a template based on CIBER materials and will work with BSU to define events and responsibility.	BSU will work with CIBER to plan for cutover.	Cutover Event Schedule
Conduct "Go, No-Go" Meeting	Conduct "Go, No-Go" Meeting	BSU	CBR	Provide input to "Go, No-Go" Meeting	Conduct "Go, No-Go" Meeting	Cutover decision
Execute Cutover	Execute Cutover	BSU	CBR	Support cutover	BSU will execute the cutover with support from CIBER.	Cutover
Post	Provide 2	CBR	BSU	Post-	Manage issue	



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
implementation Support	weeks of post-implementation support			implementation on-site support	resolution Resolve BSU-assigned issues	
Define Training Strategy	Define Training Strategy for all Project members	CBR	BSU	Provide templates and guidance for appropriate training and timing of training.	Participate in defining Training Strategy.	Project Charter: Training Strategy
Define Training Plan	Define detailed Training Plan for end users	CBR	BSU	Provide templates and guidance on recommended courses.	Provide information on end users, facilities.	Training Plan
Training Content	UPK content customized for BSU use	BSU	CBR	Provide input and guidance in developing and modifying UPK content. CIBER will work with BSU in developing content.	Develop custom UPK content	Training Content
Conduct End-User Training	Conduct End-User Training	CBR BSU	CBR BSU	Conduct initial training sessions, provide feedback, and provide	Schedule classes and attendees. Assist in delivering and assess training as much as possible. Learn how to	Trained End Users



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
				templates for assessing success of training.	independently conduct training.	

8. Project Change Management

The following Project Change Management process will be used to manage alterations to the baseline scope, schedule, and cost of the project or changes to any other aspect of the project that has a potential impact to the project's scope, schedule, or cost.

1. Notification of intended changes will be communicated in writing via a Project Change Request (PCR) form and provide justification for the change and the impact to the project's scope, schedule, and cost.
2. The Boise State University approver will approve or reject the change request within three (3) business days from the receipt of the Project Change Request form.
3. If the Boise State University approver does not approve or reject the change request within three (3) business days from the receipt of the Project Change Request form and does not communicate a timeframe in which a decision will be made, the requested change will be considered deferred:
 - a. The change request status will be logged, tracked and managed as a 'deferred' request.
 - b. Work will progress without incorporating the requested change into the work plan.
 - c. Where an approval or rejection decision is necessary for the project to progress, the change request decision will be escalated as a project issue.
4. For change requests that are outside the stated project scope, the Boise State University approver will authorize budget and/or schedule allowance for CIBER on a time and materials basis for the initial analysis of a change request.
5. CIBER and Boise State University will work to resolve disputes regarding the 'in scope' or 'out of scope' classification of work according to the *Dispute Resolution* clause of the Agreement.

The following persons have been designated as the approvers of change requests for the project:



Statement of Work

CIBER, Inc.

Boise State University

Name: Jeff Beech

Name: Max Davis-Johnson or Designee

Title: Delivery Director

Title: Associate Vice President of OIT

9. Project Schedule

The following project schedule is based upon an anticipated start date of <<Month, Day, Year>>. Any change to this start date or any other specified date in this SOW will affect schedule and deliverable dates accordingly. All dates displayed are estimated and will be affirmed during the planning process of the engagement. Updated milestones and dates will be identified during the project planning phase.

Figure 2: Project Schedule

Number	Milestone	Estimated Completion
1	Discovery - Project Charter Complete	Month 2
2	Delta/Fit Gap Documentation Complete	Month 4
3	Configuration Documented	Month 5
4	Customization Review Complete	Month 5
5	Retrofit Customizations Complete	Month 7
6	Integration Testing Complete	Month 8
7	User Acceptance Complete	Month 9
8	Go-Live Acceptance	Month 10
9	Project Acceptance	Month 11

10. Project Price

This engagement will be invoiced per the terms of the Agreement.

In line with professional practices CIBER has used due diligence and depended upon the accuracy of the information provided by Boise State University to estimate and price the scope of this work. Incomplete, inaccurate or erroneous information may cause an increase in contract price and schedule.



Statement of Work

If it is necessary to exceed the scope of this engagement, CIBER will inform Boise State University via the Project Change Management process defined herein. All changes to project cost and schedule will be agreed upon with Boise State University and documented and approved via a Change Request Form.

Fixed Price Project total: \$1,426,500

PAYMENT SCHEDULE

Payments (monthly payments to be billed at end of month)	Amount	Estimated
Initial Payment	\$103,700.00	Month1
Monthly Progress Payment	\$103,700.00	Month 1
Monthly Progress Payment	\$103,700.00	Month 2
Project Charter Completed	\$44,000.00	Month 2
Monthly Progress Payment	\$103,700.00	Month 3
Monthly Progress Payment	\$103,700.00	Month 4
Fit Gap Documentation Completed	\$50,000.00	Month 4
Monthly Progress Payment	\$103,700.00	Month 5
Configuration Documented	\$44,000.00	Month 5
Monthly Progress Payment	\$103,700.00	Month 6
Monthly Progress Payment	\$103,700.00	Month 7
Monthly Progress Payment	\$103,700.00	Month 8
Integration Testing Completed	\$44,000.00	Month 8
Monthly Progress Payment	\$103,700.00	Month 9
User Acceptance Testing Completed	\$44,000.00	Month 9
Monthly Progress Payment	\$103,700.00	Month 10
Project Acceptance	\$59,800.00	Month 11

11. Approvals

The terms and conditions of this SOW, including all rates and pricing provisions, shall not be binding on CIBER unless this SOW is signed by the authorized representatives of both CIBER and Boise State University.



Campus Solutions PeopleSoft Version 9.0
upgrade



Statement of Work

IN WITNESS WHEREOF, the parties have executed this SOW on the date or dates indicated below.

BY:

BY:

CIBER, Inc.

Boise State University

Name

Name

Title

Title

Date

Date

Attachment 5

Boise State Contract Summary Project 2 Campus Solutions

Cost Summary	
Scope Statement	<p>Project total \$1,426,500 – Based on scope and timeline as defined in the Statement of Work dated 9/15/2011. If additional effort is required due to scope or other changes the process outlined in Risk Plan will be followed.</p> <p>CIBER's scope will include project management, and functional and technical consulting to support the Enterprise Systems Roadmap Campus Solutions project. This will include the following specific activities:</p> <ol style="list-style-type: none"> 1. CIBER will provide project management, and functional and technical consulting as specified in the Statement of Work. 2. CIBER functional consultants will provide fit/gap review sessions to members of the Boise State University Enterprise Systems Roadmap Campus Solutions team. These sessions will require approximately two weeks to complete for each module (including documentation). The sessions will provide details of the differences in the functionality and usage between what Boise State University is currently using and what is actually delivered in Oracle/PeopleSoft 9.0. Fit/Gap sessions will be handled for the following modules listed below: <ul style="list-style-type: none"> ➤ Academic Advising ➤ Admissions ➤ Campus Community ➤ Financial Aid ➤ Student Financials ➤ Student Records 3. CIBER will provide functional consulting in order to evaluate business processes, test new and changed functionality, analyze and retrofit customizations and for go-live activities. 4. CIBER will provide technical consulting to analyze, retrofit or remove customizations and to work on interface and integration points. 5. CIBER will provide Database Administration and PeopleSoft Administration.

	<p>6. CIBER plans to assign the following resources to this project:</p> <table border="1" data-bbox="283 147 1024 509"> <thead> <tr> <th>Role</th><th>Name</th></tr> </thead> <tbody> <tr> <td>Project Manager</td><td>Tony Otakpor</td></tr> <tr> <td>Admissions</td><td>Roselyn Fletcher</td></tr> <tr> <td>Student Records/AA</td><td>Genelle Charette</td></tr> <tr> <td>Student Financials</td><td>Sheena Porter</td></tr> <tr> <td>Financial Aid</td><td>John Tinney</td></tr> <tr> <td>DBA/Security Lead</td><td>Arthur Wharton</td></tr> <tr> <td>CS Tech</td><td>David Eggleston</td></tr> </tbody> </table> <ul style="list-style-type: none"> Any changes to project resources must be approved in advance by Boise State. The project manager is expected to be assigned to the project for the duration. Exceptions to this would be for circumstances beyond the control of CIBER, such as a medical situation, or the resource leaving the company or a similarly serious scenario. 	Role	Name	Project Manager	Tony Otakpor	Admissions	Roselyn Fletcher	Student Records/AA	Genelle Charette	Student Financials	Sheena Porter	Financial Aid	John Tinney	DBA/Security Lead	Arthur Wharton	CS Tech	David Eggleston
Role	Name																
Project Manager	Tony Otakpor																
Admissions	Roselyn Fletcher																
Student Records/AA	Genelle Charette																
Student Financials	Sheena Porter																
Financial Aid	John Tinney																
DBA/Security Lead	Arthur Wharton																
CS Tech	David Eggleston																
Dominant Measurements																	
	<ul style="list-style-type: none"> Significant Reduction in Customizations, percentage to be mutually determined during planning phase All business processes and associated customizations documented to a mutually agreed uniform standard Complete Business process review, fit/gap, and documentation for all modules Successful separation of HCM and CS environments Successful integration of HCM and CS environments. Message failure rate between HCM and CS is less than 0.01%. Successful re-implementation of CS 9.0 environment with delivered functionality supporting processes identified in business process and customization review in Phase 1 of the project implementation. End user training completed on all new or retrofitted processes Implementation of a refunding solution Successfully reach all milestones listed in the Milestone Schedule, below, within the timelines established in the documented and approved project plan. Knowledge transfer to Boise State on the PeopleSoft 9.0 new functionalities Complete Business process review for all modules 90% Customer Satisfaction as measured by PIPS survey instrument 																
Risk & Mitigations	See attached Risk Mitigation Plan																

	<ul style="list-style-type: none"> The post award contract will be managed using the weekly risk reporting system (WRR) described in the best value procurement process. The purpose of the WRR is to allow the Bidder to manage and document all risks that occur throughout a project. Risk is defined as anything that impacts project cost, quality or project schedule. This includes risks that are caused by the Bidder (or entities contracted by the Bidder), and risks that are caused by the University (scope changes, unforeseen conditions, etc). The University's project manager may also require the Bidder to document risks that may impact customer or the University satisfaction. The full risk mitigation plan is attached to the Master Consulting Services Agreement. Ineffective Project Management - CIBER Project Manager will work closely with Boise State Project management to ensure project management methodologies and best practices are followed. Lack of Project Controls - Our first order of business on a new project whether it is an upgrade or a new implementation is to conduct a Project Charter. The Project Charter Process is a crucial first step in every project. It establishes a foundation for the project by ensuring that all project participants share a clear understanding of the project goals and objectives and agree on how these objectives will be achieved. Lack of Boise State University resources available to the project - CIBER project management will have a detailed plan defining the exact needs and duration for different Boise State resources. By identifying these needs early, Boise State will be able to plan accordingly to maximize the available time of Boise State resources. 		
Milestone Schedule	Taken from Statement of Work		
	Number	Milestone	Estimated Completion
	1	Discovery - Project Charter Complete	Month 2
	2	Delta/Fit Gap Documentation Complete	Month 4
	3	Configuration Documented	Month 5
	4	Customization Review Complete	Month 5
	5	Retrofit Customizations Complete	Month 7
	6	Integration Testing Complete	Month 8
	7	User Acceptance Complete	Month 9

	8	Go-Live Acceptance	Month 10
	9	Project Acceptance	Month 11
Assumptions			
	<p>Boise State will:</p> <ul style="list-style-type: none"> • Provide access to all people and information necessary to complete the defined project tasks. • Provide the CIBER Consultants with access to the PeopleSoft System and supporting systems and hardware where necessary to complete the defined project tasks. • Provide the appropriate workspace, printer access, phone access, PC, VPN, and network connections for the CIBER Consultants. • Agree that all scope changes, role changes, development / testing methodology changes, project timeframe changes, and any other major change which could affect the outcome, timeframe, or cost of the project must be approved in writing by both CIBER and Boise State. • Promptly make decisions per the Statement of Work 		
Term & Conditions	See Master Agreement and Statement of Work		

Attachment 6



Practical **Innovation.**



Boise State University

Financials Management System PeopleSoft Version 9.1

Statement of Work

October 26, 2011



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1. Introduction

Boise State University (Boise State) is a publicly-supported, multi-disciplinary institution of higher education recognized by the Carnegie Foundation for outreach and community engagement. The University has the largest student enrollment of any university in Idaho, with enrollment of 19,993 for the Fall semester of 2010 and is located in Boise, Idaho.

Boise State requires consulting assistance on the Oracle/PeopleSoft Enterprise Systems Roadmap Financial Management System project. Boise State implemented its current ERP systems, PeopleSoft Financials and PeopleSoft Human Resources/Campus Solutions (PS-FS and PS-HRCS, respectively), in 1998. At the time, particularly in the case of Campus Solutions, core functionality was not fully developed and/or delivered by PeopleSoft. Boise State met this challenge with a large number of customizations across all three system areas to meet business needs. The systems have been upgraded several times since the original implementation. Although the delivered core functionality is now stable and mature, Boise State has continued to remain highly customized. Maintaining Boise State's current level of system customization reduces the ability to move forward.

The University is currently using General Ledger, Purchasing, Accounts Payable, Expenses and Asset Management. Boise State is seeking expert project management, functional and technical resources to assist in their Financial Management System (FMS) 9.1 Project. Boise State seeks to leverage delivered functionality, consisting of Row level security, a more robust AWE for work Flow and to eliminate current customizations. The deliverables will consist of business rules, system, process, and configuration assessment and definition, as well as working with Boise State functional and technical resources to implement new features and functionality of the FMS 9.1 system. Boise State is expecting to have integration between FMS modules reviewed and refined as needed. CIBER will be responsible for establishing delivered inbound and outbound integrations with Human Capital Management ("HCM") and Campus Solutions ("CS"). This project will also deliver integration with current 3rd party systems and state agencies. As part of Boise State's Enterprise Systems Roadmap program the primary goal of this project is to implement delivered functionality to provide flexibility, sustainability and value configuration over customization. Boise State expects a significant reduction in current customized objects.

Project Goals:

- Business Outcomes
 - More efficient, streamlined processes and workflow, applying automation and reducing paper where possible.
 - Easier to use and to learn Self Service applications.
 - Improved usability, ease of access, better performance, improved support, more services, and providing accurate and complete data.
 - All business processes and customizations are documented and implemented to a uniform standard.
 - Establish a solid foundation for supporting research enterprise.

- Technical Outcomes
 - Reduced customization by leveraging delivered functionality and best practices.
 - Reduced overhead in support and management of the target systems and increased sustainability. Bundles and Patches should take less time to apply with fewer customizations. Ability to go to Oracle for support is increased.
 - System live utilizing new configuration and functionality.
 - New refunding solution implemented.
 - Establish inbound and outbound integrations with HCM and CS.
 - Integrate third party solutions where necessary (i.e. SOA).
 - Staff trained on current systems as well as new functionality.
 - Successfully transition PeopleSoft Application Servers and Oracle Database Servers from AIX Unix to Red Hat Enterprise Linux.
 - Security assessment and and implementation for both functional and technical aspects of PeopleSoft security. Documented changes related to revisions in business processes and system updates

2. Scope

This Statement of Work (SOW) is incorporated into, made part of, and is subject to the terms and conditions of the Master Services Agreement between CIBER, Inc. ("CIBER") and Boise State University entitled **Master Consulting Services Agreement** (hereinafter referred to as the "Agreement") dated <<Contract/MSA_Date>>.

This section describes the work that is considered In-Scope and Out-of-Scope for the Financial Management System PeopleSoft Version 9.1 upgrade.

2.1 In-Scope

CIBER's scope will consist of project management, and functional and technical consulting to support the Enterprise Systems Roadmap Financial Management System project. This will consist of the following specific activities:

1. CIBER will provide project management consulting and will provide this management on-site throughout the CIBER engagement.
2. CIBER functional consultants will provide fit/gap review sessions with members of the Boise State University Enterprise Systems Roadmap Financial Management System team. These sessions will require approximately two weeks to complete for each module (including documentation). The sessions will provide details of the differences in the functionality and



Statement of Work

usage between what Boise State is currently using and what is actually delivered in Oracle/PeopleSoft 9.1. The sessions will also review business processes as it relates to PeopleSoft functionality. Fit/Gap sessions will be handled for the following modules:

- **General Ledger** (Chart of Account revision, Commitment Control, Workflow)
 - **Expenses**
 - **Requisition/Purchasing**
 - **Accounts Payable**
 - **Asset Management**
 - **Project Costing**
 - **Accounts Receivable/Billing**
3. CIBER will provide functional consulting in order to:
 - a. evaluate and document business processes,
 - b. assist with business process re-engineering and documentation,
 - c. identify third party solutions if required,
 - d. test new and changed functionality,
 - e. analyze and retrofit customizations,
 - f. provide knowledge transfer,
 - g. develop end-user training,
 - h. support go-live activities.
 - i. setup and configuration
 4. CIBER will provide technical consulting to:
 - a. analyze, retrofit, remove/modify/add customizations,
 - b. update and test delivered interface and integration points. Integration points needed between CS and HCM/FMS will be completed. Review of all current third party integrations and testing will be completed.
 - c. configure and test Refunding through AP
 5. CIBER will provide Database Administration (DBA) and Security consulting. CIBER's security consultant will be responsible for a security assessment of the Financial Management System. CIBER's DBA and Security Consultant will be responsible for:
 - a. creation of the new database without customizations
 - i. Lead Initial Pass
 - ii. Lead First Test Move to Production
 - iii. Assist with additional Test Moves to Production
 - iv. Lead Final Move to Production
 - b. In addition to any other support already defined within the SOW, Provide technical assistance and guidance up to 60 hours to transition PeopleSoft Application Servers and Oracle Database Servers from AIX Unix to Red Hat Enterprise Linux.
 - c. Documented recommended changes to security.

2.2 Out-of-Scope



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Work that is not specifically listed above as In-Scope or in CIBER's deliverables and roles and responsibilities listed below is considered Out-of-Scope for this SOW. CIBER will address alterations to the scope of this SOW through the Project Change Management Process defined herein.

Additionally, out of scope work may result from items identified in the Risk Management Plan for Master Services Agreement Projects 1, 2, and 3 with Boise State.

3. Deliverables

The following deliverables/services will be produced as part of the scope for this engagement and will conform to CIBER's defined processes. Acceptance criteria for each deliverable will be mutually agreed to by CIBER and Boise State University and documented as part of the Project Management Plan developed during the planning efforts of the project. Alterations to this list of deliverables/services will be managed via the Project Change Management Process defined herein.

Table 1: Life Cycle Phases

Phase	Project Deliverables / Services
Phase I: Assessment, Review, Analysis and Planning	<ul style="list-style-type: none"> • Process Documentation (Document all future state business processes) • Environmental Setup/Creation of Boise State Database without Customizations • Fit Gap Documentation • Customization Review (Review viability of existing customizations that may address identified gaps) • Financial Management System Security Assessment • Third-Party Integration Inventory • Detailed Project Plan
Phase II: Upgrade/Implementation	<ul style="list-style-type: none"> • Design Completed (Configuration Completed) • Data Conversion • Development Completed • Recommend changes to security • Student Financials Refunding Solution • User Acceptance and Integration Testing Completed
Phase III: Training, Change Management, and Go-Live	<ul style="list-style-type: none"> • End User Training Completed • Support Documentation • Production Readiness Assessment • Executed Cutover • Two-weeks on-site Post Implementation Support



Statement of Work

3.1 Acceptance Management

Formal written acceptance by Boise State University of the project's deliverables and services indicates that the deliverables or services have been completed in accordance with this SOW.

The CIBER Project Manager will submit a deliverable or service acceptance form for each completed deliverable or service, following the completion of user testing, user acceptance and/or user validation, completion of documentation, and knowledge transfer (where applicable) to the designated Boise State University approver. The deliverables or services to be reviewed for acceptance will be presented formally through acceptance/status meetings between Ciber Project Management and the designated Boise State approver.

- The Boise State University approver will accept or reject the deliverable or service within three (3) business days from the receipt of the Project Manager's notification of completion.
- If the Boise State University approver does not accept or reject the deliverable or service within three (3) business days from the receipt of the Project Manager's notification of completion and does not communicate a timeframe (up to 12 business days) in which a decision will be made, the deliverable or service will be considered accepted. Boise State University and CIBER may mutually agree to extend the timeframe to be up to 20 business days.
 - 1) Work will progress to maintain the established project schedule, with the understanding that any change to an accepted deliverable or service constitutes a change in scope.
 - 2) A Project Change Request (PCR) may result if modifications to the accepted deliverable or service are required and those modifications affect accepted or in-progress project work.
- If Boise State University rejects a deliverable or service, the cause for rejection and all defects to be addressed shall be documented (e.g. failed test script) by Boise State University and provided to CIBER for CIBER to correct or revise. Once CIBER corrects the cause for rejection, the deliverable will be sent back through the acceptance process for acceptance of the correction. Once a deliverable is accepted, further corrections or revisions will be addressed under the Warranty provision of the Agreement.

The following Boise State University person(s) has been designated as the approver of deliverables and services for the project:

Name: Max Davis-Johnson or his designee

Title: Associate Vice President of Office of Information Technology



4. Work Approach

This section defines CIBER's approach to managing and delivering the work associated with this project. Changes to this approach could affect the project's schedule or budget and will be addressed through the Project Change Management Process defined herein.

4.1 Project Management

CIBER will plan, execute, control, and communicate the progress of the project using the CIBER Project Management Methodology (CPMM).

Boise State's Program Management Office will work with CIBER to ensure that Boise State Policies, Procedures and Standards are implemented as part of the project management structure and methodology. This is done to ensure consistency across all Enterprise Roadmap Program projects as well as ensure the successful transition to Boise State support and resources from CIBER at the close of the engagement.

CIBER's PMRx® Project site will be used to track project progress, information, and artifacts; and to capture, track, and communicate the overall status of the project.

4.2 Delivery Method

Phase I: Assessment, Review, Analysis and Planning:

This phase will encompass a full review of existing processes that could be in PeopleSoft, customizations needed to support existing processes, and vanilla processes that are not currently in use. During this phase CIBER will review and document system rules, configuration and other foundational components that are needed and recommend any business process changes.

Boise State owns and has implemented a number of modules for PeopleSoft and the goal of this phase is to clearly define which components should be brought online to deliver the best service to the campus. The outcome of this phase will be process documentation, completion of a fit-gap and definition for what will be upgraded and implemented and how it will be accomplished.

Requirements for customizations, business process changes and testing criteria will be defined in this phases as well. For any gaps requiring a third party solution, CIBER will identify the needs and possible third party solutions.

Phase II: Upgrade/Implementation:

During this phase CIBER will perform the required software upgrade and implement other changes to provide the defined outcomes from Phase I. In this phase there will be software installation, configuration, data migration planning and design, development, and testing at multiple levels. CIBER will create the FMS database without customizations in this phase. Initial Pass and Test



Statement of Work

Moves to Production will be completed. Boise State resources will be heavily involved in this phase, per the detailed project plan and will be trained on the new technology and changes.

Phase III: Training, Change Management, and Go-Live:

This phase will encompass the steps that are required to take the defined environment from Phase I and II live to the campus. This phase will include any end-user training that is required for acceptance of the new system and processes. This phase will include implementing support documentation, changed business processes and help for users through the transition. This involves finalizing documentation and information for support once the system goes live. In this phase the system will go-live in a production environment and be turned over to the users for day-to-day operation, including integration to external systems (PeopleSoft and Third-Party) Technical Environment

Boise State has a multi-platform environment consisting of eight IBM RS6000 servers (using AIX 5.2 and Oracle 11g) which run the University's PeopleSoft development, test, and production database and application servers. During fiscal year 2012, the University will upgrade the infrastructure for the PeopleSoft enterprise systems to Intel-based platforms running Red Hat operating systems, with Oracle 11g for the databases. This will be Boise State's go-live platform.

4.3 Work Location

The work described in this document will be delivered from the following locations:

1910 University Drive
Boise, Idaho 83725

CIBER consultants may perform certain activities remotely that are still considered part of the billable services under the terms of this SOW.

4.4 Work Schedule

The schedule and price defined herein are based upon a 40-hour work week for core project team members, including Boise State resources. However, the project may have "peak" periods where the project team will be expected to work outside normal business hours. Standard Boise State holidays that differ from the seven (7) holidays observed by CIBER will be scheduled work days for consultants. . Project Plan will represent the actual calendar and work schedule.

The Standard Project Work Week (work week) for consultants working at the Boise State facility is Monday through Thursday, with four days onsite. The work-week is defined as 4-4-5— 4 nights and 4 days at Boise State facility and a 5th day at a remote work location as necessary to complete the work week. Work-site arrival time on Mondays will be no later than 10:00AM local time, with a work-site departure no earlier than 3:00 PM local time on Thursday. Modifications to the work

week for individuals or specific work groups will be mutually agreed to by Boise State and CIBER project management.

5. CIBER Roles

5.1 CIBER Roles

The following roles will be provided by CIBER to execute the scope of work defined in this SOW.

Table 2: CIBER Roles

Role	Role Description
Account Executive:	<p>The Account Executive will serve as the contract manager for this engagement, and will work with Boise State to resolve all resourcing needs and contractual or invoicing issues. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Evaluates the integrity of the project scope. • Provides assistance with issue resolution. • Makes decisions pertaining to CIBER personnel. • Actively manages project issues, risks and the staffing and scheduling of CIBER personnel. • Resolves contract issues.
Project Manager:	<p>CIBER's Project Manager is responsible for following CIBER's Methodology and for completing the project deliverables. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Develops the initial project plan. • Establishes the following project controls to verify the quality of project deliverables and minimize disruption to the project schedule: <ul style="list-style-type: none"> ○ Change control ○ Quality assurance ○ Risk management ○ Issue management • Manages the day-to-day execution of CIBER services. • Provides weekly Status Reports to the Boise State Project Manager



Statement of Work

Role	Role Description
DBA /PS Admin	<p>CIBER's DBA is responsible for performing all technical DBA/PS Admin/Security tasks that are within CIBER's scope. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Creation of Vanilla FMS database. • Maintains daily contact with Boise State personnel. • Transfers knowledge to project team. • Provides technical guidance to the project team. • Assists with testing the Oracle/PeopleSoft system, during User and System Acceptance testing, to verify the system meets requirements. • Provides deployment support during the final Move to Production. • Provides weekly Status Reports to the CIBER/Boise State University Project Manager
Security Consultant	<p>CIBER's Security Consultant is responsible for performing all Security tasks that are within CIBER's scope. Responsibilities consist of:</p> <ul style="list-style-type: none"> • Security Assessment • Documentation of Recommendations • Templates for longer term definition of Security • Recommended Methodology



Statement of Work

Role	Role Description
Functional Consultants:	<p>CIBER's Functional consultants provide functional guidance for all aspects of the upgrade/implementation, and will coordinate all functional upgrade/implementation tasks and activities with the CIBER Project Manager and client resources.</p> <p>Responsibilities consist of:</p> <ul style="list-style-type: none"> • Lead/Facilitate Fit-Gap Sessions (would encompass the gathering of process requirements and review) • Maintains daily contact with Boise State personnel. • Provides expertise and guidance in new or changed functionality in PeopleSoft version 9.1. • Recommend resolution to gaps, whenever possible, and in retrofitting existing Boise State business processes and requirements into the new release. • Document future state business processes as it relates to PeopleSoft • Assists with setting up system tables for any newly implemented functionality. • Assists with testing the system during System Acceptance to verify the system meets requirements. • Reports project status, progress and issues to CIBER/Boise State's Project Manager in a timely manner. • Transfers knowledge to client staff. • Provides functional guidance to the client staff. • Provides options for issue resolution and identifies business process improvement opportunities. • Facilitates business process analysis and design.



Statement of Work

Role	Role Description
Technical Lead:	<p>CIBER's Technical Lead provide technical guidance related to development review and retrofitting, and data conversion or cleansing (if needed).</p> <p>Responsibilities consist of:</p> <ul style="list-style-type: none"> • Maintains daily contact with Boise State personnel. • Transfers knowledge to project team. • Provides technical guidance to the project team. • Assists in resolving gaps whenever possible by recommending work-arounds, process improvements, or modifications. • Provides options for issue resolution and identifies business process improvement opportunities. • Assists with testing the Oracle/PeopleSoft system, during User and System Acceptance testing, to verify the system meets requirements. • Retrofits or modifies Oracle/PeopleSoft interfaces or integrations assigned. • Reports project status, progress and issues to the CIBER/Boise State University Project Manager in a timely manner.
Technical Developers:	<p>CIBER's Technical consultants provide technical guidance related to custom development review and retrofitting, and data conversion or cleansing (if needed).</p> <p>Responsibilities include:</p> <ul style="list-style-type: none"> • Transfers knowledge to project team. • Retrofits or modifies Oracle/PeopleSoft interfaces or integrations assigned utilizing appropriate tools and technology. • Reports project status, progress and issues to the CIBER/Boise State University Project Manager in a timely manner.



Statement of Work

Role	Role Description
Quality Assurance Lead	<p>Quality Assurance Lead will perform routine QA reviews throughout the project. The purpose of the QA reports will be the following:</p> <ul style="list-style-type: none"> ▪ Confirmation that the project is being managed in accordance with CIBER practices and methodologies. ▪ Identifies measures of performance that can be monitored. ▪ Provides opportunities for review and improvement of processes. ▪ Leads to tighter control over the project. ▪ Confirmation client objectives are being met. ▪ Generates a joint agreement (client and CIBER) on acceptable quality, early in the project. ▪ Provides early identification of any areas of dissatisfaction, allowing time for corrective action.

6. Boise State University Roles and Responsibilities

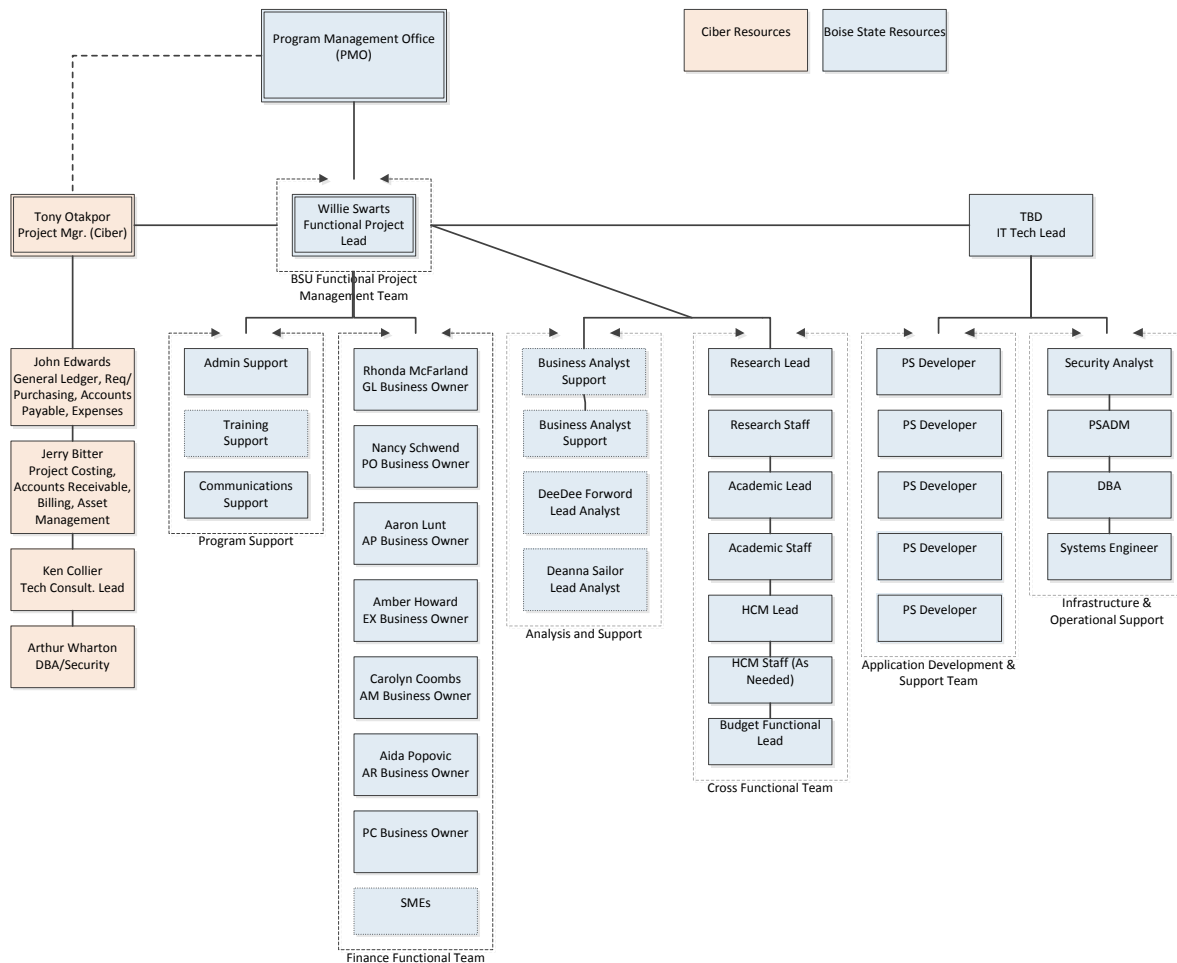
If, during the execution of this engagement, roles and responsibilities defined herein cannot be fulfilled by Boise State University, CIBER will negotiate budget, schedule, or scope changes to address the deficiency in accordance with the Change Management process defined herein.

6.1 Project Organization

The Organization Chart below depicts the key project roles and the anticipated communication channels for the project.

Figure 1: Project Organizational Chart

Project Organization for
Finance 9.1 Project



6.2 Boise State University Roles

The following roles will be provided by Boise State University to facilitate the scope of work defined in this SOW.

Boise State will allocate the following functional and technical resources to the project. Boise State University will provide a dedicated internal project manager and executive leadership to the project to ensure that the University is meeting and managing its obligations.



Statement of Work

Role/Area	Maximum FTE	Requirements
Executive Sponsorship	Varies	Executive Sponsorship is required for a successful project. Executive participation varies widely depending on the meeting schedule, and could be as low as eight hours per month for each Executive. Participation must be higher at the beginning of the project (to build visibility and demonstrate support); during times when critical decisions must be reviewed and made; and during deployment.
Project Management	1.0	Project Management includes collaboration with the CIBER Project Manager to facilitate coordination of the University team, and scheduling and administration of all project activities. The Boise State Project Manager is responsible for the internal budgeting. Responsible for securing facilities and for significant project communication duties. Also monitors project progress and the quality of deliverables on an ongoing basis; reviews and approves deliverables prior to submission to Project Sponsors and helps to ensure consistency of activities and deliverables across teams. In collaboration with the CIBER Project Manager, communicates status and issues to Executive Steering Committee, ensures timely and adequate communication throughout the project team and creates and manages external communication strategy.
Functional Lead	2.0	Boise State will provide one dedicated functional lead for each functional area involved in the project.
Subject Matter Expert (SME)	Varies (Not to exceed .25 FT per Individual.)	Subject Matter Experts (.25 FTE for each module) will be brought in as needed for the duration of the project.
Technical Lead	1.0	Collaborates with the CIBER Technical Lead to provide daily leadership to the University's technical resources and manages the University technical plan and schedule.



Statement of Work

Role/Area	Maximum FTE	Requirements
		Coordinates activities related to system security, and database administration. Responsible for coordination of activities related to interface, integration and software development efforts. With guidance from CIBER, mentors technical resources concerning methods, procedures, and standards to be used during design, development, unit testing and change management phases of system development projects. Also assists with technical development effort when needed, and communicates issues and status information to Project Management. This resource can be shared across projects as long as assistance is assigned while projects overlap.
Technical Developers	5.0	Technical developers perform the work of custom development remediation and data cleansing.
Database Administration	0.5	The Boise State University DBA will share joint responsibility with the CIBER DBA on database administration tasks.
System Administration and Network	0.1	Respond to issues and complete assigned tasks and service request by due dates set in the project plan.
Security	0.2	Respond to issues and complete assigned tasks and service request by due dates set in the project plan.
Trainer	1.0	Works with CIBER to develop training plan and create training documentation. Performs first training session with CIBER oversight when needed. Shared with other projects. . This resource can be shared across projects.

6.3 Boise State University Responsibilities

Boise State University responsibilities will be coordinated by Boise State and CIBER Project Management. Boise State University is responsible for the following:



Statement of Work

Table 3: Boise State University Responsibilities

Area	Project Responsibilities
Data Protection	Boise State University is responsible for all physical, administrative, network, and electronic data protection required by applicable law for its facilities, operations, policies, and data, including without limitation, providing appropriate notices and systems of records required under applicable law. Boise State University is responsible for compliance with all legal requirements.
Project Resources	Boise State University is responsible to ensure that all resources are available for project tasks as defined in this SOW and the baseline work plan or other communicated schedule of activities. Boise State University will ensure that assigned personnel are skilled in relation to their assignments, are available with the authority to perform the work and make decisions, and they fully participate in completing the effort of each task.
Project Information	Boise State University will ensure that all information supplied to CIBER with respect to this effort is complete and accurate, to the best of its knowledge. Incomplete, inaccurate or erroneous information may impact the project scope, budget and schedule.
Knowledge Transfer	Boise State University must assign resources to actively participate in assigned project activities and meetings, and must adequately complete assigned project tasks.
On-site workspace	Boise State University is responsible for providing work areas and access to shared printers and conference facilities for on-site CIBER team members.
Executive Sponsorship	Boise State University will ensure that all Enterprise Roadmap projects are sponsored at the executive level, and support for the projects is currently in place.
Governance	Boise State University will adhere to an overall program governance structure for the Enterprise Roadmap projects. This will consist of a day-to-day leadership and project management support, a dedicated project manager and overall program director, a steering committee and an overall governance committee. These will be shared between all projects, and will be utilized as frequently as needed.
Licensed Modules for Financial Management System	Boise State University will ensure that it stays current with all applicable licenses, including the following: General Ledger, Expenses, Purchasing, Accounts Payable, Project Costing, Accounts Receivable & Billing and Asset Management.



Statement of Work

Area	Project Responsibilities
UPK Licenses and 10 developer licenses	Boise State University will stay current with its UPK licenses. Boise State is currently licensed for UPK to be leveraged in Boise State's production environment for PeopleSoft administrative users (400). Boise State currently owns content for all of our modules.
Other Enterprise Systems	Boise State University currently has a number of 3rd party applications for various systems around campus that must interface with our Finance system such as CG4 Asset Inventory tracking, State Controller interface, etc. These applications need to integrate with Boise State's core PeopleSoft systems. Boise State will maintain current licenses for these systems, as well as, others may be identified or acquired over the course of this project.
PMO	Boise State University will utilize a common project management methodology throughout the Roadmap projects. To achieve this goal, a PMO resource will be added to the leadership team. The resource will work with Boise State University to insure commonality and standardization within all projects.

7. Project Tasks

This table below indicates CIBER's and Boise State's accountability for project activities: (A = Accountable, C = Contributor, CBR = CIBER, BSU = Boise State University)

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Project Charter Sessions	Interviews with BSU Project team, executives and stakeholders	CBR	BSU	Conduct and document interviews.	Schedule all interviews with BSU staff. Assist with note-taking.	Project Charter PHASE I
Project Charter Review and Editing	Review and edit Project Charter drafts	CBR	BSU	Draft all Project Charter materials(strategi es, controls, standards and procedures for managing the Project)and incorporate BSU edits from up to	Review and provide edit and feedback for Project Charter drafts.	Project Charter PHASE I



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
				two edit cycles.		
Prepare Fit/Gap Schedule	Draft proposed Fit/Gap Schedule	CBR	BSU	Prepare proposed Fit/Gap schedule addressing all application areas in scope.	Revise Fit/Gap Schedule to accommodate BSU staff availability and needs.	Fit/Gap Schedules PHASE I
Schedule Fit/Gap Sessions	Establish Fit/Gap session schedule and participants	BSU	CBR	Work with BSU to make sure all Fit/Gap activities have representation from all areas of the University.	Schedule BSU staff and facilities for Fit/Gap sessions. Communicate session schedule to stakeholders.	Fit/Gap Schedule PHASE I
Fit/Gap Sessions	Fit/Gap Sessions	CBR	BSU	Conduct Fit/Gap sessions	Participate in Fit/Gap sessions. Provide BSU source Documentation such as configuration Documentation, desk procedure manuals and current reports.	Fit/Gap Document PHASE I
Validate Fit/Gap Report	Secure validation of Fit/Gap report from BSU	BSU	CBR	Update Fit/Gap report based on feedback from BSU Campus.	Conduct meetings or other validation activities to inform and gain agreement from	Validated Fit/Gap Document PHASE I



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
	community				the BSU regarding the Fit/Gap recommendations.	
Configure Base System	Configure base System with BSU values	CBR	BSU	Lead configuration activities, and confirm all configuration tables are populated.	Participate in configuration activities. Complete and document configuration of tables under instruction from CIBER.	Configured Base System PHASE I
Business Process Assessment	Define business processes and candidates for improvement using prior BSU BPR studies.	CBR	BSU	Draft Business Process Inventory.	Validate/edit Business Process Inventory. Survey users to determine effort and satisfaction ratings.	Business Process Inventory PHASE I
Secure Final Scope Approval	Secure final scope Approval from university community.	BSU	CBR	Support Town Hall or other design Specifications validation activities	Conduct Town Hall or other design Specifications validation presentations to confirm that design Specifications are accurate and approved by BSU	Approved Scope (in Fit/Gap document) PHASE I



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
					community	
Project Planning	Develop the final baseline detailed Project Workplan	CBR	BSU	Update and create the detailed Project Workplan, and work with BSU to finalize.	Review and provide input into tasks, resources, durations and sequencing of activities.	Detailed Project Workplan PHASE I
Establish Hardware Environment	Establish Hardware Environment	BSU	CBR	Provide input to third-party hardware as needed.	Size, design, purchase and install hardware environment	PeopleSoft hardware environment PHASE I
Install System Environment	Install Database Software and Operating Systems	BSU	CBR	None	Install Database software and Operating System to prepare for PeopleSoft install	Installed Database and Operating System Software PHASE I
Initial Pass	Creation of Initial Pass Database	CBR	BSU	Lead Initial Pass	Assist with Initial Pass	Initial Pass Database created PHASE II
First Test Move to Production	First TMTP	CBR	BSU	Lead First TMTP	Assist with First TMTP	First TMTP Database Create PHASE II
Additional Test Moves to	Additional	BSU	CBR	Assist with	Lead Additional	Additional TMTP



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Production	TMTF			Additional TMTF	TMTF	Database Create PHASE II
Final Move to Production	Final MTP	CBR	BSU	Lead Final MTP	Assist with Final MTP	Creation of upgraded Production database PHASE III
Define data conversion strategy and plan	Define all in-scope data conversion targets, and the method and tools to be used for ETL	CBR	BSU	Lead sessions to identify all in-scope data conversion sources. Work with BSU technical staff to define common file formats.	Inventory all possible data sources for conversion. Work with CIBER to define common file format.	Project Charter: Data Conversion Strategy; and Conversion Plan PHASE I
Develop Functional/ Technical Specification for CIBER assigned Interfaces defined in this SOW	Create Specifications for Interfaces	CBR	BSU	Provide template for all Custom Development. Complete Specifications for all CIBER-assigned Interfaces.	Provide support and comments to plan Review and approve Specification.	Interface Functional/ Technical Specifications PHASE II
Develop Functional/Technical Specification for BSU-assigned Interfaces	Create Specifications for Interfaces	BSU	CBR	Provide template for all Custom Development. Provide guidance and review of all BSU-created	Complete all Specifications for BSU-assigned Interfaces using CIBER template.	Interface Functional/ Technical Specifications PHASE II



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
				Specifications.		
Develop Interfaces assigned to CBR	Develop and test Interfaces	CBR	BSU	Develop all assigned Interfaces. Work with any 3rd party software providers as needed.	Conduct code review. Review and validate technical solution Documentation. Work with any 3rd party software providers as needed. Provide support, comments and testing support	Technical Solution for Interfaces PHASE II
Develop Interfaces assigned to BSU	Develop and test Interfaces	BSU	CBR	Provide guidance and review of Documentation and code for all BSU-created Interfaces.	Develop all BSU-assigned Interfaces.	Technical Solution for Interfaces PHASE II
Testing for Interfaces	Testing for Interfaces	BSU CBR	CBR BSU	Assist, Participate, and Support Testing	Conduct Testing of all Interfaces	Technical Solution for Interfaces PHASE II & III
Security Strategy	Define high-level security	CBR	BSU	Conduct security overview process.	Participate in interviews and provide	Security Strategy



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
	strategy				information on current security policies and practices.	PHASE I
Security Templates	Provide security template	CBR	BSU	Provide template and training on how to complete it	Understand security template and complete it	Security Templates PHASE I
Security Plan	Define detailed steps required to implement security	CBR	BSU	Define detailed tasks and responsibilities to implement security.	Take responsibility for carrying out the plan.	Security Plan PHASE I
Security Design	Functional Security Design within PeopleSoft	CBR	BSU	Define functional design for Application, Query, Process and Access Security	Participate in defining security design.	Functional Security Design and Matrices PHASE II
Application Security	Build, Document and Implement security	BSU	CBR	Advise as needed for interpretation of security recommendation.	Build and Implement security.	Permission Lists and Roles PHASE II
Define Testing	Define Testing	CBR	BSU	Provide a testing strategy template	Review and contribute to	Project Charter:



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Strategy	Strategy			based on CIBER experience with other clients.	Testing Strategy.	Testing Strategy PHASE I
Define Test Plan	Define Test Plan including performance testing	CBR	BSU	Provide templates and draft the test plan. Work with BSU to complete test scenarios and finalize test plan.	Work with CIBER to complete test scenarios and finalize test plan.	Test Plan PHASE I & II
Define Test Cases	Define Test Cases	CBR	BSU	Identify all test cases	Review and validate CIBER identified test cases.	Identified Test Cases PHASE II
Develop Test Cases	Develop Test Cases	BSU	CBR	Provide a template and review test cases and provide feedback.	Develop actual test cases.	Test Cases PHASE II
Conduct Functional Testing	Conduct Testing as outlined in the Test Strategy and Plan	BSU	CBR	Assist with BSU-led functional testing	Participate in functional testing	Completed tests PHASE II
Acceptance	Confirm test completion and results	BSU		None	Approval and signature on Acceptance Form	Acceptance Document PHASE III
Review Batch	Review Batch Process	CBR	BSU	Confirm Batch Process Schedule	Review and take ownership of	Batch Process



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
Process Schedule	Schedule			for all processes scheduled at deployment.	schedule at deployment.	Schedule PHASE III
Load Testing	Load Testing	BSU	CBR	Assist with Load Testing	Perform Load testing using OpenLoad	Load Testing completed PHASE III
Assess Readiness	Deployment Use Readiness Assessment	CBR	BSU	CIBER will assess institutional readiness to Deployment Use and recommend corrective actions where needed.	BSU will work with CIBER to address any issues identified.	Readiness Assessment PHASE III
Plan Cutover	Plan Deployment Use cutover	CBR	BSU	CIBER will provide a template based on CIBER materials and will work with BSU to define events and responsibility.	BSU will work with CIBER to plan for cutover.	Cutover Event Schedule PHASE III
Conduct "Go, No-Go" Meeting	Conduct "Go, No-Go" Meeting	BSU	CBR	Provide input to "Go, No-Go" Meeting	Conduct "Go, No-Go" Meeting	Cutover decision PHASE III
Execute Cutover	Execute Cutover	BSU	CBR	Support cutover	BSU will execute the cutover with support from CIBER.	Cutover PHASE III
Post implementation Support	Provide 2 weeks of post-	CBR	BSU	Post-implementation on-site support	Manage issue resolution Resolve BSU-	PHASE III



Statement of Work

Activity	Brief Description	A	C	CIBER Responsibility	BSU Responsibility	Deliverable
	implementation support				assigned issues	
Define Training Strategy	Define Training Strategy for all Project members	CBR	BSU	Provide templates and guidance for appropriate training and timing of training.	Participate in defining Training Strategy.	Project Charter: Training Strategy PHASE I
Define Training Plan	Define detailed Training Plan for end users	CBR	BSU	Provide templates and guidance on recommended courses.	Provide information on end users, facilities.	Training Plan PHASE I
Training Content	UPK content customized for BSU use	BSU	CBR	Provide input and guidance in developing and modifying UPK content. CIBER will work with BSU in developing content.	Develop custom UPK content	Training Content PHASE II & III
Conduct End-User Training	Conduct End-User Training	CBR BSU	CBR BSU	Conduct initial training sessions, provide feedback, and provide templates for assessing success of training.	Schedule classes and attendees. Assist in delivering and assess training as much as possible. Learn how to independently conduct training.	Trained End Users PHASE III



8. Project Change Management

The following Project Change Management process will be used to manage alterations to the baseline scope, schedule, and cost of the project or changes to any other aspect of the project that has a potential impact to the project's scope, schedule, or cost.

1. Notification of intended changes will be communicated in writing via a Project Change Request (PCR) form and provide justification for the change and the impact to the project's scope, schedule, and cost.
2. The Boise State University approver will approve or reject the change request within three (3) business days from the receipt of the Project Change Request form.
3. If the Boise State University approver does not approve or reject the change request within three (3) business days from the receipt of the Project Change Request form and does not communicate a timeframe in which a decision will be made, the requested change will be considered deferred:
 - a. The change request status will be logged, tracked and managed as a 'deferred' request.
 - b. Work will progress without incorporating the requested change into the work plan.
 - c. Where an approval or rejection decision is necessary for the project to progress, the change request decision will be escalated as a project issue.
4. For change requests that are outside the stated project scope, the Boise State University approver will authorize budget and/or schedule allowance for CIBER on a time and materials basis for the initial analysis of a change request.
5. CIBER and Boise State University will work to resolve disputes regarding the 'in scope' or 'out of scope' classification of work according to the *Dispute Resolution* clause of the Agreement.

The following persons have been designated as the approvers of change requests for the project:

CIBER, Inc.

Boise State University

Name: Jeff Beech

Name: Max Davis-Johnson or Designee

Title: Delivery Director

Title: Associate Vice President of OIT



9. Project Schedule

The following project schedule is based upon an anticipated start date of **March 26, 2012**. Any change to this start date or any other specified date in this SOW will affect schedule and deliverable dates accordingly. All dates displayed are estimated and will be affirmed during the planning process of the engagement. Updated milestones and dates will be identified during the project planning phase.

Figure 2: Project Schedule

Number	Milestone	Completion
1	Discovery - Project Charter Complete	Month 1
2	Fit/Gap Documentation Complete	Month 2
3	Configuration Documented	Month 3
4	Customization Review Complete	Month 4
5	Initial Pass Complete/ Retrofit Customizations/ Business Process Developed	Month 5
6	Test Move 1 complete / Retrofit Customizations/ Business Process Developed	Month 6
7	Test Move 2 complete / Retrofit Customizations/ Business Process Developed	Month 7
8	Test Move 3 complete / Retrofit Customizations/ Business Process Developed	Month 8
9	Retrofit Customizations Complete	Month 9
10	Business Process Documented	Month 10
11	FS 9.1 upgrade complete	Month 11
12	Integration Testing Complete	Month 12
13	Performance Testing Complete	Month 13
14	Project Acceptance	Month 14
15	End User Training	Month 15
16	Go-Live	Month 16



Statement of Work

10. Project Price

This engagement will be invoiced per the terms of the Agreement.

In line with professional practices CIBER has used due diligence and depended upon the accuracy of the information provided by Boise State University to estimate and price the scope of this work. Incomplete, inaccurate or erroneous information may cause an increase in contract price and schedule.

If it is necessary to exceed the scope of this engagement, CIBER will inform Boise State University via the Project Change Management process defined herein. All changes to project cost and schedule will be agreed upon with Boise State University and documented and approved via a Change Request Form.

Fixed Price Project total: \$1,714,130

T&M Price Project total: \$1,558,300

Payment Schedule		
Payments (monthly payments to be billed at end of the month)	Amount	Estimated
Initial Payment	80,665.00	Month 1
Monthly Progress Payment	80,665.00	Month 1
Monthly Progress Payment	80,665.00	Month 2
Project Charter Complete	34,283.00	Month 2
Monthly Progress Payment	80,665.00	Month 3
Monthly Progress Payment	80,665.00	Month 4
Fit/Gap Documentation Complete	34,283.00	Month 4
Monthly Progress Payment	80,665.00	Month 5
Configuration Documented	34,283.00	Month 5
Monthly Progress Payment	80,665.00	Month 6
Initial Pass Completed	34,283.00	Month 6
Monthly Progress Payment	80,665.00	Month 7
Test Move 1 Completed	34,283.00	Month 7
Monthly Progress Payment	80,665.00	Month 8
Monthly Progress Payment	80,665.00	Month 9
FS 9.1 upgrade completed	34,283.00	Month 10
Monthly Progress Payment	80,665.00	Month 10



Statement of Work

Payment Schedule		
Payments (monthly payments to be billed at end of the month)	Amount	Estimated
Integration Testing Complete	34,283.00	Month 11
Monthly Progress Payment	80,665.00	Month 11
Monthly Progress Payment	80,665.00	Month 12
Monthly Progress Payment	80,665.00	Month 13
User Acceptance Testing Completed	34,283.00	Month 14
Monthly Progress Payment	80,665.00	Month 14
Project Acceptance	34,283.00	Month 15
Monthly Progress Payment	80,665.00	Month 15
Production Support	34,278.00	Month 16
Monthly Progress Payment	80,665.00	Month 16

11. Approvals

The terms and conditions of this SOW, including all rates and pricing provisions, shall not be binding on CIBER unless this SOW is signed by the authorized representatives of both CIBER and Boise State University.

IN WITNESS WHEREOF, the parties have executed this SOW on the date or dates indicated below.

BY:

BY:

CIBER, Inc.

Boise State University

Name

Name

Title

Title

Date

Date

Attachment 7

Boise State University Contract Summary Project 3 FMS, 10/26/11

Cost Summary	
	<p>Project total \$1,714,130 – Based on our current scope and timeline as defined in the Statement of Work dated 10/26/2011. If additional effort is required due to scope or other changes the process outlined in Risk Plan will be followed.</p>
Scope Statement	
	<p>CIBER's scope will consist of project management, and functional and technical consulting to support the Enterprise Systems Roadmap Financial Management System project. This will consist of the following specific activities:</p> <ol style="list-style-type: none"> 1. CIBER will provide project management consulting and will provide this management on-site throughout the CIBER engagement. 2. CIBER functional consultants will provide fit/gap review sessions with members of the Boise State University Enterprise Systems Roadmap Financial Management System team. These sessions will require approximately two weeks to complete for each module (including documentation). The sessions will provide details of the differences in the functionality and usage between what Boise State is currently using and what is actually delivered in Oracle/PeopleSoft 9.1. Fit/Gap sessions will be handled for the following modules: <ul style="list-style-type: none"> ➤ General Ledger (Chart of Account revision, Commitment Control, Workflow) ➤ Expenses ➤ Requisition/Purchasing ➤ Accounts Payable ➤ Asset Management ➤ Project Costing ➤ Accounts Receivable/Billing 3. CIBER will provide functional consulting in order to evaluate business processes, test new and changed functionality, analyze and retrofit customizations and for go-live activities. 4. CIBER will provide technical consulting to analyze, retrofit or remove customizations and to work on interface and

integration points.

5. CIBER will provide Database Administration and PeopleSoft Admin.

6. CIBER plans to assign the following resources to this project:

Role	Name
Project Manager	Tony Otakpor
Project Administrator	TBD
General Ledger, Req/Purchasing, Accounts Payable Expenses	John Edwards
Project Costing, Accounts Receivable, Billing, Asset Management	Jerry Bitter
DBA/Security Lead	Arthur Wharton
FS Tech On-Site FS Tech Off-Site	Ken Collier

- Any changes to project resources must be approved in advance by Boise State.
- The project manager is expected to be assigned to the project for the duration. Exceptions to this would be for circumstances beyond the control of CIBER, such as a medical situation, or the resource leaving the company or a similarly serious scenario.

Dominant Measurements

- Significant Reduction in Customizations, percentage to be mutually determined during planning phase
- All business processes and associated customizations documented to a uniform standard
- Complete Business process review, fit/gap, and documentation for all modules
- Successful integration of HCM and CS/FS environments, message failure rate between CS/FS and HCM is less than 0.01%
- Successful upgrade to FS 9.1 environment with delivered functionality supporting processes identified in business process and customization review in Phase 1 of the project implementation

	<ul style="list-style-type: none">• End user training completed on all new or retrofitted processes• Implementation of A/P refunding solution• Successfully reach all milestones listed in the Milestone Schedule, below, within the timelines established in the documented and approved project plan.• Knowledge transfer to Boise State on the PeopleSoft 9.1 new functionalities• Complete Business process review for all modules• 90% Customer Satisfaction as measured by PIPS survey instrument												
Risk & Mitigations	See attached Risk Mitigation Plan												
	<ul style="list-style-type: none">• The post award contract will be managed using the weekly risk reporting system (WRR) described in the best value procurement process. The purpose of the WRR is to allow the Bidder to manage and document all risks that occur throughout a project. Risk is defined as anything that impacts project cost, quality or project schedule. This includes risks that are caused by the Bidder (or entities contracted by the Bidder), and risks that are caused by the University (scope changes, unforeseen conditions, etc). The University’s project manager may also require the Bidder to document risks that may impact customer or the University satisfaction. The full risk mitigation plan is attached to the master Consulting Service Agreement.• Ineffective Project Management - CIBER Project Manager will work closely with Boise State Project management to ensure project management methodologies and best practices are followed.• Lack of Project Controls - Our first order of business on a new project whether it is an upgrade or a new implementation is to conduct a Project Charter. The Project Charter Process is a crucial first step in every project. It establishes a foundation for the project by ensuring that all project participants share a clear understanding of the project goals and objectives and agree on how these objectives will be achieved.• Lack of Boise State University resources available to the project - CIBER project management will have a detailed plan defining the exact needs and duration for different Boise State resources. By identifying these needs early, Boise State will be able to plan accordingly to maximize the available time of Boise State resources.												
Milestone Schedule	Taken from Statement of Work												
	<table><tr><th>Number</th><th>Milestone</th><th>Completion</th></tr><tr><td>Number</td><td>Milestone</td><td>Completion</td></tr><tr><td>1</td><td>Discovery - Project Charter Complete</td><td>Month 1</td></tr><tr><td>2</td><td>Fit/Gap Documentation Complete</td><td>Month 2</td></tr></table>	Number	Milestone	Completion	Number	Milestone	Completion	1	Discovery - Project Charter Complete	Month 1	2	Fit/Gap Documentation Complete	Month 2
Number	Milestone	Completion											
Number	Milestone	Completion											
1	Discovery - Project Charter Complete	Month 1											
2	Fit/Gap Documentation Complete	Month 2											

	3	Configuration Documented	Month 3
	4	Customization Review Complete	Month 4
	5	Initial Pass Complete / Retrofit Customizations/ Business Process Developed	Month 5
	6	Test Move 1 complete / Retrofit Customizations/ Business Process Developed	Month 6
	7	Test Move 2 complete / Retrofit Customizations/ Business Process Developed	Month 7
	8	Test Move 3 complete / Retrofit Customizations/ Business Process Developed	Month 8
	9	Retrofit Customizations Complete	Month 9
	10	Business Process Documented	Month 10
	11	FS 9.1 upgrade complete	Month 11
	12	Integration Testing Complete	Month 12
	13	Performance Testing Complete	Month 13
	14	Project Acceptance	Month 14
	15	End User Training	Month 15
	16	Go-Live	Month 16
Assumptions			
	Boise State will: <ul style="list-style-type: none"> • Provide access to all people and information necessary to complete the defined project tasks. • Provide the CIBER Consultants with access to the PeopleSoft System and supporting systems and hardware where 		

	<p>necessary to complete the defined project tasks.</p> <ul style="list-style-type: none">• Provide the appropriate workspace, printer access, phone access, PC, VPN, and network connections for the CIBER Consultants.• Agree that all scope changes, role changes, development / testing methodology changes, project timeframe changes, and any other major change which could affect the outcome, timeframe, or cost of the project must be approved in writing by both CIBER and Boise State.• Promptly make decisions per the Statement of Work
Term & Conditions	See Master Agreement and Statement of Work

Attachment 8

Risk Management Plan for Master Services Agreement Projects 1, 2, 3 with Boise State

Risk	Likelihood	Impact	Mitigation Strategy
1.1 Ineffective Project Management from BOISE STATE UNIVERSITY	Low	Low	<p>CIBER and Boise State University need to provide effective Project Management for this project to succeed. This will require a full-time dedicated Boise State Project Manager who has the proper Project Management skills, internal support, and communication skills to be effective.</p> <p>If the BOISE STATE UNIVERSITY Project Manager is ineffective the following steps will occur:</p> <ol style="list-style-type: none"> 1 BOISE STATE UNIVERSITY will resolve any CIBER identified issue within 5 days. 2 If the identified issues cannot be resolved, BOISE STATE UNIVERSITY will replace the Project Manager within 10 days. 3 If BOISE STATE UNIVERSITY is unable to find and allocate a replacement Project Manager, CIBER will provide a project manager/administrator to temporarily or permanently replace the BOISE STATE UNIVERSITY Project Manager for additional charge per the Resource Matrix Rate Schedule below.
1.2 Lack of adherence to Project Controls identified in the Project Charter	Low	High	<p>The project management needs to prepare and adopt a Quality Assurance Strategy as part of the Project Charter that includes periodic monitoring and assessment of the effectiveness of Project Controls and include the monitoring and improvement tasks as part of the Project Plan.</p> <p>If the project controls identified in the Project charter are not adhered to by BOISE STATE UNIVERSITY the following steps will occur:</p> <ol style="list-style-type: none"> 1 CIBER will recommend alternative remedies. 2 BOISE STATE UNIVERSITY will resolve any CIBER identified issue within 5 days. 3 If BOISE STATE UNIVERSITY is unable to resolve the issue, CIBER shall be relieved of all applicable performance obligations that are contingent upon or related to such issue. 4 A meeting between Boise State and CIBER Executive leadership will be scheduled to discuss relief of applicable performance obligations and contract deliverable adjustments. 5 Relief of applicable performance obligations will include partial payment of

Risk	Likelihood	Impact	Mitigation Strategy
			completed deliverables.
1.3 Lack of Boise State University resources available to the project.	Medium	Low-High	<p>CIBER will develop a detailed Project Plan defining the exact BOISE STATE UNIVERSITY resource requirements including schedule and duration. If BOISE STATE UNIVERSITY does not provide the required resources as identified in the Project Plan the following steps will occur:</p> <ol style="list-style-type: none"> 1. BOISE STATE UNIVERSITY will resolve any CIBER identified issue within 5 days. 2. If the identified issues cannot be resolved, BOISE STATE UNIVERSITY will replace the resource within 10 days 3. If BOISE STATE UNIVERSITY is unable to find and allocate a replacement resource, CIBER will provide a Subject Matter Expert to temporarily or permanently replace the BOISE STATE UNIVERSITY resource for additional charge per the Resource Matrix Rate Schedule below. 4. If Boise State University does not remedy the resource shortage, CIBER shall be relieved of all applicable performance obligations that are contingent upon or related to such issue. 5. A meeting between Boise State and CIBER Executive leadership will be scheduled to discuss relief of applicable performance obligations and contract deliverable adjustments. 6. Relief of applicable performance obligations will include partial payment of completed deliverables.
1.4 Resistance to Change	High	Medium	<p>Resistance to change is mitigated through transparency and open communications. CIBER will assist BOISE STATE UNIVERSITY in addressing any identified resistance to change, BOISE STATE UNIVERSITY needs to:</p> <ul style="list-style-type: none"> • Conduct quarterly project updates on the current status of the project. • Communicate regularly with the University community on the potential impacts of the project. • Involve the campus continually and consistently to develop positive rapport and understanding to achieve quick turnaround requirements. • Follow escalation plan as stated in the Project Charter.

Risk	Likelihood	Impact	Mitigation Strategy
			<ul style="list-style-type: none"> • Maintain executive support. <p>Resistance to change can negatively impact project progress and might be manifested in performance outcomes such as slow/late acceptance of deliverables, lack of sufficient effort and attention in testing, and ineffective training participation.</p> <p>If a BOISE STATE UNIVERSITY resource is resistance to change, the following steps will occur:</p> <ol style="list-style-type: none"> 1. BOISE STATE UNIVERSITY will work with the individual to resolve the issue. 2. If efforts to resolve the issue with the individual are unsuccessful, BOISE STATE UNIVERSITY will escalate the issue to the BOISE STATE UNIVERSITY Project Manager for resolution. 3. If BOISE STATE UNIVERSITY Project Manager's efforts to resolve the issue are unsuccessful, the BOISE STATE UNIVERSITY Project Manager will escalate the issue to the Steering Committee for resolution. 4. If BOISE STATE UNIVERSITY is unable to resolve the issue, CIBER shall be relieved of all applicable performance obligations that are contingent upon or related to the change resistance issue. 5. A meeting between Boise State and CIBER Executive leadership will be scheduled to discuss relief of applicable performance obligations and contract deliverable adjustments. 6. Relief of applicable performance obligations will include partial payment of completed deliverables.
1.5 Lack of commitment and participation to achieve knowledge gain towards self-sufficiency	Medium	Low AND High	The project management team needs to monitor daily/weekly attendance and participation of BOISE STATE UNIVERSITY designated team members. All team members need to report their accomplishments each week, their task assignment progress, their progress towards achieving individual objectives, and any issues or concerns they may have relating to the status and progress of the project.

Risk	Likelihood	Impact	Mitigation Strategy
			<p>If BOISE STATE UNIVERSITY resource lacks commitment and participation, the following steps will be taken:</p> <ol style="list-style-type: none"> 1 BOISE STATE UNIVERSITY will work with individual to resolve the issue. 2 BOISE STATE UNIVERSITY will escalate issue to BOISE STATE UNIVERSITY Project Manager for resolution. 3 If BOISE STATE UNIVERSITY is unable to provide the business knowledge know-how CIBER will provide functional or technical consultants to meet the requirements for additional charge per the Resource Matrix Rate Schedule below. 4 CIBER will be relieved of any responsibility to repeat any previously completed work.
1.6 BOISE STATE UNIVERSITY's IT staff failing to complete database backups and refreshes per the project plan.	Low	High	<p>Project Management team will monitor all BOISE STATE UNIVERSITY IT staff support tasks and take remedial action immediately upon discovery of any lapse, effectiveness, or contention for resources.</p> <p>If BOISE STATE UNIVERSITY IT resources fail to complete database backup and refreshes escalation the following steps will be taken:</p> <ol style="list-style-type: none"> 1. BOISE STATE UNIVERSITY will escalate the issue to BOISE STATE UNIVERSITY Project Manager to resolve the issue. 2. If BOISE STATE UNIVERSITY is unable to resolve the issue, CIBER will provide a technical consultant for an additional charge per the Resource Matrix Rate Schedule below. 3. If BOISE STATE UNIVERSITY is unable to resolve the issue, CIBER shall be relieved of all applicable performance obligations that are contingent upon or related to the issue. 4. A meeting between Boise State and CIBER Executive leadership will be scheduled to discuss relief of applicable performance obligations and contract deliverable

Risk	Likelihood	Impact	Mitigation Strategy
			<p>adjustments.</p> <p>5. Relief of applicable performance obligations will include partial payment of completed deliverables.</p>
<p>1.7 New equipment/software procurement, delivery, and setup delays “new Red Hat environment”</p>	<p>Low</p>	<p>High</p>	<p>BOISE STATE UNIVERSITY currently has a multi-platform environment consisting of eight IBM RS6000 servers (using AIX 5.2 and Oracle 11g) which run the University’s PeopleSoft development, test, and production database and application servers. During fiscal year 2012, BOISE STATE UNIVERSITY will upgrade the infrastructure for the PeopleSoft enterprise systems to Intel-based platforms running Red Hat operating systems, with Oracle 11g for the databases.</p> <p>If BOISE STATE UNIVERSITY upgrade to the new infrastructure environment creates any delays to the Project 1,2, or 3 upgrade tasks, the following escalation process will be followed:</p> <ol style="list-style-type: none"> 1. CIBER will work with the BOISE STATE UNIVERSITY Project Manager to resolve the issue. 2. BOISE STATE UNIVERSITY will empower the Infrastructure Team to resolve the issue. 3. If necessary, BOISE STATE UNIVERSITY Project Manager will escalate to Steering Committee for resolution. 4. If BOISE STATE UNIVERSITY is unable to resolve the issue, CIBER will provide a technical consultant for an additional charge per the Resource Matrix Rate Schedule below. 5. If BOISE STATE UNIVERSITY is unable to resolve the issue, CIBER shall be relieved of all applicable performance obligations that are contingent upon or related to the issue. 6. A meeting between Boise State and CIBER Executive leadership will be scheduled to discuss relief of applicable performance obligations and contract deliverable adjustments. 7. Relief of applicable performance obligations will include partial payment of completed deliverables.

Risk	Likelihood	Impact	Mitigation Strategy
1.8 Lapsed hardware or software support contracts	Low	Medium	<p>BOISE STATE UNIVERSITY will maintain current hardware and software support contracts to provide the necessary on-going support required from Oracle during this project.</p> <p>If BOISE STATE UNIVERSITY hardware or software support lapses during the course of this project that leads to project delays the following will occur:</p> <ol style="list-style-type: none"> 1. CIBER will work with the BOISE STATE UNIVERSITY Project Manager to resolve the issue 2. BOISE STATE UNIVERSITY Project Manager will escalate the issue to Steering Committee for resolution 3. If BOISE STATE UNIVERSITY is unable to resolve the issue, CIBER shall be relieved of all applicable performance obligations that are contingent upon or related to the issue. 4. A meeting between Boise State and CIBER Executive leadership will be scheduled to discuss relief of applicable performance obligations and contract deliverable adjustments. 5. Relief of applicable performance obligations will include partial payment of completed deliverables.
1.9 Data Conversion (Academic Structure or Chart of Account Redesign)	Low	High	<p>If the Academic Structure for project 2 or Chart of Accounts for project 1 or 3 is completely redefined the data conversion effort will be larger than currently scoped.</p> <p>If this occurs:</p> <ol style="list-style-type: none"> 1 CIBER will escalate the issue to BOISE STATE UNIVERSITY project manager. 2 BOISE STATE UNIVERSITY can assign additional resources to this conversion task. 3 CIBER will provide BOISE STATE UNIVERSITY with a Project Change Request Form. 4 If BOISE STATE UNIVERSITY is unable to provide a resource, CIBER will provide a technical consultant for an additional charge per the Resource Matrix Rate

Risk	Likelihood	Impact	Mitigation Strategy
			Schedule below.
1.10 Data integration on project 1,2 or 3 after the split	Medium	High	<p>After the HCM/CS database split, If additional CIBER integration support is needed by BOISE STATE UNIVERSITY the following will occur:</p> <ol style="list-style-type: none"> 1 CIBER will escalate the issue to BOISE STATE UNIVERSITY project manager. 2 BOISE STATE UNIVERSITY can assign a resource to this conversion task. 3 If BOISE STATE UNIVERSITY is unable to provide a resource, CIBER will provide a technical consultant for an additional charge per the Resource Matrix Rate Schedule below.
1.11 Lack of client executive support for project.	Low	Medium	<p>Key BOISE STATE UNIVERSITY executives need to actively participate in project activities from start to finish. The Steering Committee needs to include representation and active participation from executive stakeholders. The project management team needs to routinely and consistently communicate project status and issues to the executives.</p> <p>If lack of BOISE STATE UNIVERSITY Executive Support results in deliverable review delays and delayed decision making, the following steps will occur:</p> <ol style="list-style-type: none"> 1. CIBER will escalate issue to BOISE STATE UNIVERSITY Project Manager for a decision. 2. BOISE STATE UNIVERSITY Project Manager will escalate to Steering Committee for remedy. 3. If BOISE STATE UNIVERSITY is unable to resolve the issue, CIBER shall be relieved of all applicable performance obligations that are contingent upon or related to the issue. 4. A meeting between Boise State and CIBER Executive leadership will be scheduled to discuss relief of applicable performance obligations and contract deliverable adjustments. 5. Relief of applicable performance obligations will include partial payment of completed deliverables.
1.12 Need for completely revamp of security	Low	Medium	<p>If the project 1, 2 or 3 security is completely redesigned the effort will be larger than currently scoped. If this occurs:</p> <ol style="list-style-type: none"> 1 CIBER will notify the BOISE STATE UNIVERSITY Project Manager of the scope change

Risk	Likelihood	Impact	Mitigation Strategy
			<p>using the Project Change Request Form.</p> <p>2 BOISE STATE UNIVERSITY can assign a resource to the security setup task.</p> <p>3 If BOISE STATE UNIVERSITY is unable to provide a capable resource, CIBER will provide a Subject Matter Expert to temporarily or permanently resource for additional charge per the Resource Matrix Rate Schedule below.</p>
1.13 Changes to State or Federal requirements	Low	Medium	<p>If there is a Federal or State mandated requirements identified after the Fit/Gap documents are finalized, this will result in an out of scope business requirement. If this occurs:</p> <p>1 BOISE STATE UNIVERSITY can assign a resource to work on the Federal or State requirements.</p> <p>2 CIBER will provide BOISE STATE UNIVERSITY with a Project Change Request Form.</p> <p>3 CIBER will provide Technical/Functional consultant for an additional charge per the Resource Matrix Rate Schedule below.</p>
1.14 Delays to overall project schedule	Medium	Medium	<p>CIBER has proposed a project timeline in the attached SOWs for each project and is confident that its deliverables can be completed within those timelines. . If CIBER has completed its deliverables and BOISE STATE UNIVERSITY elects to delay cutover there is a risk that additional support outside of the initial scope may be required. If BOISE STATE UNIVERSITY chooses to delay cutover BOISE STATE UNIVERSITY will notify CIBER and identify the additional support required. If this occurs:</p> <p>1. BOISE STATE UNIVERSITY can assign internal resources to provide the additional support</p> <p>2. CIBER will provide BOISE STATE UNIVERSITY with a Project Request Form</p> <p>3. CIBER will provide Technical/Functional consultant for additional charge per the Resource Matrix Rate Schedule below.</p>

Resource Matrix Rate Schedule

Role	Rate
Project Management	\$170.00
On Site Functional Consultant	\$170.00
On Site Senior Technical Consultant	\$170.00
On Site Technical Consultant	\$150.00
Off Site Functional Consultant - Global Delivery	\$75.00
Off Site Senior Technical Consultant - Global Delivery	\$75.00
Off Site Technical Consultant - Global Delivery	\$50.00

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UNIVERSITY OF IDAHO

SUBJECT

Ground lease for Delta Zeta Sorority.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Policies and Procedures, Section V.I.5.b.1.

BACKGROUND/DISCUSSION

Delta Zeta has proposed to construct, own and operate a new sorority house on land owned by the Regents. The 0.25 acre parcel is located on Elm Street in what is referred to as "Old Greek Row". The site is immediately west of the Student Union Building and is currently used as a small parking lot for the surrounding residential neighborhood. The University of Idaho's current Long Range Campus Development Plan identifies this site for housing rather than parking.

The attached ground lease will permit Delta Zeta to construct a new house that is at least 10,000 sq feet in size and accommodates at least 40 students. The lease permits Delta Zeta to operate a sorority on Regents' land for 40 years with an option to extend for an additional 40 year term. The lease has been prepared to ensure that the sorority will maintain the condition of their new property improvements for purposes of providing student housing for the initial term and any option term. The Regents are not obligated in the future to acquire the house, although its re-sale or assignment by Delta Zeta for uses other than student housing is prohibited without University consent. The ground lease effectively assigns operational and financial risks to the sorority, and the \$150,000 upfront rent payment and the \$2,500/yr rent for any option term acknowledges the value to the University of providing on-campus housing choices for students, while compensating the University for the immediate loss of the parking improvements for approximately 20 spaces as well as administrative costs associated with providing public property for private use.

IMPACT

No new financial costs will be imposed on the university by this lease, beyond lost revenue from the parking lot. Net annual revenue from the parking lot is currently about \$2,400.

ATTACHMENTS

Attachment 1 – Proposed Ground Lease

Page 3

STAFF COMMENTS AND RECOMMENDATIONS

The lease agreement provides that the initial term of the lease is for 40 years with an option to renew for an additional 40 years. The lease payment for the initial term is one lump sum payment of \$150,000 which equates to \$3,750 per

**BUSINESS AFFAIRS AND HUMAN RESOURCES
DECEMBER 8, 2011**

year. The lease agreement further provides that rent for the renewal term would be \$2,500 per year. Staff observes that the rent payment during the renewal term would be de minimis when discounted for inflation 40 years hence.

BOARD ACTION

I move to approve the proposed ground lease between the University of Idaho Board of Regents and Delta Zeta Sorority and to authorize the University's Vice President for Finance and Administration to execute that ground lease in substantial conformance to the form submitted in Attachment 1.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

GROUND LEASE

THIS GROUND LEASE (“**Ground Lease**”) is made as of the 1st day of January, 2012, by and between **Delta Zeta Sorority**, an Ohio non-profit corporation, and **The Board of Regents of the University of Idaho**, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the state of Idaho.

1. Definitions. The following terms as used in this Ground Lease shall have the meanings hereinafter set forth:

1.1 “Landlord”: The Board of Regents of the University of Idaho, a state educational institution and body politic and corporate organized and existing under the constitution and laws of the State of Idaho.

1.2 “Leased Premises”: That certain real property located at 706 Elm Street in the City of Moscow, County of Latah, State of Idaho, more particularly described as the north 40 feet of Lot 9 and all of Lot 10, Block 2, of Taylor and Lauder’s Addition to the City of Moscow, as shown on the recorded plat thereof together with all easements, rights and appurtenances thereto, with the exception of the area shown in the attached Exhibit A.

1.3 “Lienholder”: Any mortgagee under a mortgage, trustee or beneficiary under a deed of trust, or other secured party under any other form of financing constituting a lien on the Leased Premises.

1.4 “Tenant”: Delta Zeta Sorority, an Ohio non-profit corporation.

2. Due Diligence Period and Term.

2.1. Due Diligence. Tenant’s obligations under this Ground Lease are subject to the satisfaction or waiver by Tenant of the contingencies described in this Section 2.1.

Beginning on January 1, 2012, at Tenant’s sole cost and expenses, Tenant shall have a period

of one hundred eighty (180) days to complete its inspection and review of the Leased Premises in accordance with this Section 2.1 (the “Due Diligence Period”). All contingencies are solely for Tenant’s benefit and may be waived only by Tenant. Tenant may waive any of the contingencies at any time by written notice to Landlord. Tenant shall be permitted to conduct a feasibility study with regard to the development of the Premises for Tenant’s intended use, which results shall be acceptable to Tenant in its sole discretion, and which shall include, but are not be limited to the following: Tenant’s receipt a commitment for a policy of title insurance and a survey with respect to the Premises satisfactory to Tenant; Tenant’s receipt of a commitment for satisfactory financing for the development of the Premises; study of the environmental condition of the Premises, studies related to the soils, ground water, topography and geology of the real property on or about the Premises; zoning and land use requirements and other governmental approvals; and availability of utilities to the Premises appropriate for with Tenant’s intended use. Landlord hereby grants to Tenant and Tenant’s agents, employees and contractors the right to enter upon the Leased Premises, at any time or times during the Due Diligence Period, to conduct Tenant’s due diligence; provided that Tenant shall give 48 hours prior notice to Landlord if interruption shall occur with respect to or any special accommodation is required to be made to the Leased Premises for such due diligence. In consideration therefor, Tenant shall and does hereby agree to restore and repair any damage to the Premises caused by or on behalf of Tenant. If Tenant is not satisfied with the findings of its due diligence with respect to the Leased Premises, in its sole discretion, Tenant shall have the right to terminate this Ground Lease by delivering written notice thereof on or before the last day of the Due Diligence Period, whereupon neither Landlord nor Tenant shall have any further rights or obligations under this Lease.

2.2 Initial Term. Landlord leases and Tenant rents the Leased Premises for a term of forty (40) consecutive years commencing on June 1, 2014, and terminating on June 30, 2054.

2.3 Renewal Term. Provided that Tenant is not in default of this Ground Lease, after application of all notice and cure periods, and further provided that prior to the commencement of the renewal term, Tenant shall have made any necessary remodeling or improvements to extend the useful life of Tenant's building on the Leased Premises to June 30, 2094, the term of this Ground Lease shall renew for one 40 year term unless terminated as set forth below. In the event that Landlord concludes the remodeling, alteration or improvement of Tenant's building is insufficient to demonstrate the useful life of the building for the renewal term, Landlord shall identify in writing to Tenant its concerns relating to the insufficiency. Tenant shall then provide Landlord with its plans to address Landlord's concerns. All plans will be evaluated in accordance with the procedures set forth in Section 5 of this Ground Lease and the standards established in this Section 2.3. During the renewal term, Tenant shall continue to maintain the building in accordance with Section 6 of this Ground Lease.

2.4 Tenant's Early Termination Option. Upon at least one year's prior written notice to Landlord, Tenant may at any time during the initial or the renewal term terminate this Ground Lease, so long as Leased Premises and any existing improvements on Leased Premises are surrendered to Landlord in a condition free of any liens, conditions or encumbrances at the time of early termination. Surrender of Tenant's property interests to Landlord by this early termination option shall be subject to Section 16.1 of this Ground Lease.

3. Rent.

3.1 Amount. Tenant shall pay to Landlord on or before June 1, 2014, a lump sum payment of One Hundred Fifty Thousand Dollars (\$150,000). This amount shall be deemed the single rent payment for the Initial Term but shall not be refundable in the event of early termination of this Ground Lease. During the renewal term, as described in Section 2.3 of this Lease, Tenant shall pay Two Thousand Five Hundred Dollars (\$2,500) per year during the renewal term. Any other amounts due and payable to Landlord from Tenant under this Ground Lease shall be considered additional rent.

3.2 Delivery and Date of Rent Payments. Rent to Landlord shall be made payable to “Bursar, University of Idaho”, and mailed to the attention of “General Accounting, University of Idaho, PO Box 443166, Moscow, ID 83844-3166” or such different address as Landlord shall provide to Tenant by written notice. Rent for the initial year of the renewal term (if any) shall be payable and received the commencement of the renewal term, and each subsequent years’ Rent shall be payable and received on or before July 1 of each subsequent year during the renewal term of this Ground Lease. Additional rent (if any) shall be paid as billed by Landlord.

4. Tenant’s Use. Tenant may only use the Leased Premises for the housing of and related services to students enrolled, intending to enroll in the next enrollment period, or planning to continue a course of study beginning as of the next enrollment period at the University of Idaho and which are active members of the Delta Zeta Sorority or alumni of the Delta Zeta Sorority who remain on campus to complete graduate programs, additional professional exams or certifications may continue to occupy Premises, if such occupancy is permitted by Tenant after the active member has graduated. Notwithstanding the foregoing

sentence, house directors, resident advisors, caretakers, janitors, and other personnel of a character and number necessarily and customarily involved in the housing of students shall be permitted to occupy the Leased Premises. No tents, trailers, or shacks shall be permitted on the Leased Premises. Parking shall only be permitted on the Leased Premises in parking areas developed with, and accessible from, paved surfaces of asphalt or concrete. Parking desired by Tenant's occupants or other personnel that is off the Leased Premises, but on adjoining UI property or nearby public or private streets shall be permitted in accordance with the Landlord's "Campus Parking Regulations" as they exist at the time of Ground Lease and as those regulations may be amended from time to time; provided that any failure by Tenant's occupants or other personnel to comply with such rules shall not be deemed to be a default hereunder. Tenant shall operate the Leased Premises for the housing of University of Idaho students and active members or alumni of Delta Zeta Sorority and shall not permit the improvements on the Leased Premises to be vacated or abandoned, except during university observed holidays or breaks, university closures and cessations of use caused by casualty, condemnation or remodel. Furthermore, Tenant shall use its best efforts to rent one hundred percent (100%) of the rooms designated for housing to active members or alumni of the Delta Zeta Sorority on the Leased Premises during all periods of operation.

5. Construction, Alterations and Improvements.

5.1 Initial Construction and Subsequent Alterations. Tenant, at Tenant's sole cost and expense, shall commence construction of a student housing building having a minimum square footage of 10,000 and sufficient to house a minimum of 40 active members or alumni on the Leased Premises, according to plans and specifications approved by Landlord, on or before July 1, 2014, which approval shall not be unreasonably withheld conditioned or

delayed. Tenant, at Tenant's sole cost and expense, may remodel Tenant's building on the Leased Premises, according to plans and specifications approved by Landlord (pursuant to Section 5.3 below).

5.2 Information Technology Services. Landlord may provide access for the Leased Premises to the University of Idaho's Information Technology Services ("ITS") pursuant to a separate ITS agreement.

5.3 Approval Procedure. Before any construction, alteration (including, without limitation, color changes and landscaping) or improvement (including, without limitation parking areas and signs; provided that temporary signs and decorations associated with special events of the students shall be permitted without Landlord's approval but subject to campus regulations) to any building, structure, grounds or any other improvement on or to be located on the Leased Premises is commenced, Tenant shall obtain Landlord's prior written approval from the respective directors of University of Idaho Facilities' Architectural and Engineering Services and, if applicable, Information Technology Services (or functional equivalent of either at the time of construction, alteration or improvement planning). Such approval shall not be unreasonably withheld, conditioned or delayed. Tenant and Landlord hereby agree that Landlord may reasonably withhold approval of any proposed construction, alteration or improvement in order to preserve the architectural character of the campus and neighborhood located on Landlord's nearby property, and that it is reasonable for the Landlord to withhold approval for construction and alterations that are inconsistent with the architectural style existing in similarly used buildings in the neighborhood at the time of Tenant's submission. It shall not be reasonable for Landlord to withhold approval in order to initiate an architectural style not existing in similarly used buildings in the neighborhood at

the time of Tenant's submission. When obtaining Landlord's approval, sufficient information shall be sent to Landlord to enable Landlord to make a reasonable decision as to the proposal. Failure of Tenant to receive approval from ITS, shall not singularly constitute Landlord's denial of approval to proposed construction, so long as Tenant acknowledges in writing to Landlord that Tenant's failure to receive approval from ITS may result in ITS functions being unavailable for Tenant's improvements to Leased Premises and that certain standards, as specified by ITS, may be required for any installation of information technology infrastructure.

5.4 Diligent Completion. Once any construction, alteration or improvement is commenced, the same shall be continuously and diligently pursued to completion, subject to: the enactment or enforcement of any law or the issuance of any governmental order, rule or regulation establishing, rationing or priorities in the use of materials or restricting the use of labor; state of war or national or local emergency or acts of public enemies or terrorists; epidemics, plagues or famines; explosions, fire or other unavoidable casualty; acts of God (including, without limitation, fire, storms, hurricanes, tornadoes, unusually heavy rains, and other adverse weather conditions); and the existence of any other condition or the occurrence of any other event that causes a delay and that is not reasonably within the control of Tenant, including without limitation delays caused by Landlord (collectively, "Events of Force Majeure").

5.5 Liens. Except as otherwise permitted in Section 20 (Mortgage), Tenant shall keep the Leased Premises and all improvements thereon free from any liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant or to the Leased Premises. Any work performed, materials furnished or obligations incurred shall be

at Tenant's sole request and not at the instance of or as agent for Landlord. Except for such liens as are permitted pursuant to Section 20 (Mortgage), Tenant shall, within thirty (30) days after any lien is recorded against the Leased Premises, cause such lien or claim of lien to be released of record or transferred to bond in accordance with Idaho law. If Tenant fails to cause such lien or claim of lien to be released of record or transferred to bond, Landlord shall have the right, at Tenant's expense, to transfer said lien to bond.

5.6 Construction Requirements. Tenant shall comply with and shall require all contractors and subcontractors to comply with all applicable federal, state and local laws, rules and regulations when performing any work on or delivering materials for the Leased Premises and any building, structure or improvement on or serving the Leased Premises. All construction shall comply with all applicable federal, state and local laws, rules and regulations and shall comply with the Landlord's design standards as reasonably determined by the University of Idaho Facilities' Architectural and Engineering Services. In the event Tenant intends to be eligible for connection to Landlord's telecommunications and network infrastructure, Tenant shall also comply with Landlord's relevant infrastructure standards as defined by ITS at the time of construction. All construction staging shall occur on the Leased Premises, unless a separate license agreement is granted by Landlord specifying the precise location that staging may occur on the Landlord's nearby property. Landlord shall have no obligation to provide such licensed staging area outside the Leased Premises.

5.7 Ownership of Improvements. Tenant shall, at all times during the term and the renewal term, have title to the building. Upon the expiration or termination of the term, title to the building shall automatically vest in Landlord, and Tenant shall execute and deliver to Landlord, upon Landlord's request and at Landlord's expense for the preparation and

recording of the necessary documentation to convey title to the building as may then exist on the Leased Premises or demolish the building and return the Leased Premises to Landlord as a green space. Notwithstanding anything contained herein to the contrary, there shall be no merger of the fee simple or leasehold estate created under this Ground Lease or any sublease or the building with the Leased Premises if such interests are acquired by the same party or parties, without the express written consent of such party or parties.

5.8 Cooperation. The parties agree to work diligently and cooperatively with each other with respect to any Landlord approved construction and alterations of the building, including obtaining and granting all approvals required herein and in Tenant's application for and obtaining any third party consent or permits necessary for the initial construction and/or alterations of the building.

6. Maintenance and Restoration of the Leased Premises.

6.1 Maintenance and Repair by Tenant. Tenant shall, at Tenant's sole cost and expense, maintain, repair and replace (except as otherwise permitted in Section 6.3) as necessary in good working condition, reasonable wear and tear excepted, all buildings, structures, and improvements on the Leased Premises (including but not limited to street-side sidewalks within the immediately adjoining public right of way), and maintain, repair and replace as necessary all above and below ground utilities, exclusively serving Tenant's property on the Leased Premises and the extension from the Tenant's property on the Leased Premises to such utility's connection at the main line serving the Tenant's property. Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in a good and clean condition, free from waste and in compliance with all laws, rules, regulations and

ordinances, reasonable wear and tear, casualty and condemnation excepted. Tenant shall regularly sweep all paved surfaces and keep the same free of snow and ice. All landscaping on the Leased Premises shall be adequately maintained (including, but not limited to, replacement of dead or damaged plants, irrigation, cutting and pruning plants and mowing grass). Any planned changes to landscaping beyond maintenance and replacement of existing plants or materials with the same species or materials, shall be submitted in writing for approval to the Director of the University of Idaho Landscape and Exterior Services (or functional equivalent at the time of the proposed landscaping) and such approval shall not be unreasonably withheld conditioned or delayed.

6.2 Maintenance and Repair by Landlord. Landlord shall not be responsible for any maintenance, repair or replacement of the Leased Premises or any building, structure, landscaping, or improvement (including, without limitation, any utility) on the Leased Premises unless such maintenance, repair or replacement is required because of the willful or negligent act or omission of Landlord. Landlord has no obligation to provide fire or police protection for the Leased Premises. In the event Tenant shall fail to complete its obligations under Section 6.1 (Maintenance and Repair by Tenant), after notice and an opportunity to cure as provided for in Article 14 (Default), Landlord may perform the same at Tenant's expense and Tenant shall reimburse Landlord for all costs incurred by Landlord within fifteen (15) days after Tenant's receipt of an invoice and accompanying evidence of the expenditure of such expenses. Notwithstanding the foregoing, Tenant may, by separate agreement with Landlord, contract for maintenance, police, fire, ITS or other services to be provided by Landlord.

6.3 Restoration.

(a) In the event any building on the Leased Premises is materially damaged or destroyed by fire or other casualty, Tenant may terminate this Ground Lease by delivering written notice to Landlord within sixty (60) days after the occurrence of such casualty. This Ground Lease shall terminate once Tenant has removed the improvements on the Leased Premises, capped all utilities exclusively serving Tenant's property, graded the Leased Premises in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties, installed an automatic sprinkler system for that portion of the Leased Premises formerly occupied by Tenant's property and which is equivalent to and ties in with sprinkler system for the remainder of the Leased Premises (if any), and covered that portion of the Leased Premises formerly occupied by Tenant's property with sod or other Landlord approved landscaping or ground cover (hydro-seeding shall not be permitted). Tenant shall complete its obligation set forth in the preceding sentence within one hundred eighty (180) days after Tenant has delivered the lease termination to Landlord. In the event Tenant should fail to complete those obligations within such one hundred eighty (180) day period, Landlord may perform such obligations at Tenant's expense. In the event Landlord incurs any expenses in performing such obligations, Landlord, in Landlord's reasonable discretion, shall be entitled to so much of the insurance proceeds payable on account of such casualty as is necessary to reimburse Landlord for Landlord's expenses, and/or to receive payment directly from Tenant if the casualty is caused by an uninsured event.

(b) In the event Tenant does not elect to terminate this Ground Lease after any building on the Leased Premises is damaged or destroyed by fire or other casualty, this Ground Lease shall continue in full force and effect (without abatement in annual Rent if casualty occurs during the renewal term), and Tenant shall commence repair or restoration of

the casualty within ninety (90) days after the casualty, subject to Landlord's reasonable approval pursuant to Section 5.3 (Approval Procedure), and shall thereafter diligently pursue the repair or restoration to completion, subject to Events of Force Majeure. Any repair or restoration made by Tenant shall return the building to a similar or improved size, function and quality as existed prior to the casualty unless otherwise approved by Landlord in writing, which approval shall not be unreasonably withheld conditioned or delayed.

7. Landlord's Title.

7.1 Fee Title. Landlord covenants that Landlord is the holder of fee simple title to the Leased Premises and that Landlord has full right and authority to enter into this Ground Lease.

7.2 Quiet Enjoyment. Landlord covenants that so long as Tenant is not in default under this Ground Lease, Tenant shall have quiet and peaceful possession of the Leased Premises without unreasonable interference from Landlord or anyone claiming through or under Landlord.

7.3 Delivery of Leased Premises. Prior to this Ground Lease, Landlord has given Tenant ample opportunity to inspect and test the condition of the Leased Premises. Therefore, Tenant takes possession of the Leased Premises in its "AS-IS" condition with all faults, including both latent and patent defects, and Tenant releases Landlord from any and all liability to Tenant relating to any aspect or condition of the Leased Premises, known or unknown, foreseeable or unforeseeable, actual or contingent, arising by statute, common law or otherwise. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, LANDLORD AND LANDLORD'S AGENTS ARE NOT MAKING, HAVE NOT MADE AND EXPRESSLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES,

EXPRESS OR IMPLIED, WITH RESPECT TO ANY ASPECT, FEATURE OR CONDITION OF THE LEASED PREMISES INCLUDING, WITHOUT LIMITATION, THE EXISTENCE OF HAZARDOUS WASTE, OR THE SUITABILITY OF LEASED PREMISES FOR TENANT'S INTENDED USE. TENANT IS RELYING SOLELY UPON TENANT'S INSPECTIONS AND FAMILIARITY WITH THE PROPERTY AS TO THE CONDITION OF LEASED PREMISES. However, Landlord will make available for Tenant prior to the execution of this Lease, those reports, data and inspections Landlord is aware of related to the purposes of this section and which are in the possession of the Landlord's Real Estate Office at the time of Landlord's signature to this Ground Lease. Notwithstanding anything to the contrary contained within this Ground Lease, Tenant's liability and obligations under this Ground Lease with respect to hazardous waste and other hazardous materials shall be limited to hazardous waste and other hazardous materials which were brought onto and/or disposed of upon the Leased Premises by Tenant or any party for which Tenant is legally responsible. In no event shall Tenant have any liability or responsibility for any hazardous waste and other hazardous materials brought onto and/or disposed of upon the Leased Premises prior to the commencement or after the termination of this Ground Lease or surrender of the Leased Premises by Tenant.

7.4 Landlord's Reservations. At Landlord's sole expense, or as separately agreed to by the affected parties, Landlord reserves the right to install public or private utilities, communication lines and cables and any other services for the benefit of Landlord or Landlord's surrounding properties on, over, under or through those portions of the Leased Premises dedicated for public utility lines or otherwise not covered by any building or structure; provided that the installation, operation, repair and replacement of such services

does not unreasonably interfere with Tenant's use of the Leased Premises and Landlord promptly repairs any damage done to the Leased Premises caused by the installation, operation, repair and replacement of such services. Landlord reserves the rights-of-way for all utilities, communication lines and cables and any other services currently existing on, over, under or through the Leased Premises.

8. Taxes and Assessments. At the present time, because of Landlord's tax status, there are no taxes levied against the Leased Premises. In addition, Tenant may seek a property tax exemption or other tax savings measure with respect to the Property as a result of its tax status. The parties agree to work diligently and cooperatively with each other with respect to any tax exemption application or proceeding. Should property taxes be levied or assessed against the Leased Premises, Tenant agrees to pay prior to delinquency all taxes and assessments, if any, levied or assessed against the Leased Premises or Tenant's personal property thereon during the term of this Ground Lease. In the event any taxes or assessments levied or assessed against the Leased Premises during the term of this Ground Lease may be legally paid in installments, Tenant may pay such taxes or assessments in installments. If Tenant shall, in good faith, desire to contest the validity or amount of any taxes or assessment herein agreed to be paid by Tenant, Tenant shall be permitted to do so, and to defer payment of such tax or imposition, the validity or amount of which Tenant is so contesting, until final determination of the contest, upon giving to Landlord written notice thereof prior to the commencement of any such contest, which shall be at least ten (10) days prior to delinquency.

9. Utilities. Tenant agrees to pay all charges for electricity, gas, heat, sewer, water, telecommunication infrastructure system, television cable, waste disposal and all other utility services provided for the exclusive use of the Leased Premises during the term of this Ground

Lease. Landlord shall not be liable for any interruption in utilities furnished to the Leased Premises, nor does Landlord warrant that any of the utilities mentioned above are available from various utility providers including the Landlord. In the event Landlord provides such services, Tenant may make separate arrangements with the appropriate university service department and, if such arrangements are made, shall pay separately for such services as directed by that department. Such service charges are not included in rent and provision of services is not an obligation of Landlord under the terms of this Ground Lease.

10. Indemnification and Insurance.

10.1 Tenant's Indemnity. Tenant hereby waives as to Landlord, releases Landlord and agrees to indemnify, defend and hold harmless Landlord from and against any and all liability, claims, damages, expenses (including reasonable attorneys' fees and reasonable attorneys' fees on any appeal), judgments, proceedings and causes of action, for injury to or death of any person or damage to or destruction of any property occurring on the Leased Premises during Tenant's tenancy or arising out of Tenant's use or occupancy of the Leased Premises unless caused by a willful or negligent act taken by Landlord on the Leased Premises.

10.2 Liability Insurance. Tenant, at Tenant's sole cost and expense, shall provide and maintain commercial general liability insurance (Occurrence Basis) with broad form coverage endorsement covering its obligations under this Article 10 and insuring it against claims for personal injury, bodily injury or death, and property damage or destruction. Such insurance shall be written with an insurer licensed to do business in the state of Idaho, shall name Landlord as additional insured on ISO Form CG 2026 1185, and contain a waiver of subrogation endorsement in favor of Landlord. The initial limits of liability of all such

insurance shall be not less than \$1,000,000 for personal injury or bodily injury or death of any one person, \$1,000,000 for personal injury or bodily injury or death of more than one person in one occurrence and \$500,000 with respect to damage to or destruction of property; or, in lieu of such coverage, a combined single limit (covering personal injury, bodily injury or death and property damage or destruction) with a limit of not less than \$2,000,000 per occurrence.

10.3 Property Insurance. Tenant, at Tenant's sole cost and expense, shall purchase and maintain Causes of Loss-Special Form (formerly "all risk") Property Insurance (including demolition and increased cost of construction) insuring one hundred percent (100%) of the replacement cost of all improvements, buildings, structures, furniture, fixtures, and equipment located on the Leased Premises. The insurance shall name Landlord as a loss payee, as Landlord's interests may appear under the terms of this Ground Lease, and contain a waiver of subrogation in favor of Landlord.

10.4 Workers' Compensation Insurance. Tenant, at Tenant's sole cost and expense, shall carry Workers' Compensation Insurance as required by Idaho law. No "alternative" forms or self insurance coverage will be allowed.

10.5 Insurance Requirements. For all insurance which Tenant is required to maintain hereunder, Tenant shall furnish Landlord with certificates evidencing the insurance. All policies shall be obtained from an insurer licensed to do business in the State of Idaho, with a Best's Rating of "A" or higher and a Financial Size Category of "VIII" or higher. The policies of insurance shall provide that the insurance represented by the certificates shall not be cancelled, materially changed or nonrenewed without the insurer endeavoring to give thirty (30) days prior written notice to the holders of the insurance and the holders of the

certificates. No policy will contain a deductible or self-insured retention in excess of \$10,000 without Landlord's prior written approval, which approval shall not be unreasonably withheld conditioned or delayed. Failure of Landlord to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Landlord to identify a deficiency from evidence that is provided shall not be construed as a waiver of Tenant's obligation to maintain such insurance. By requiring insurance herein, Landlord does not represent that coverage and limits will necessarily be adequate to protect Tenant, and such coverage and limits shall not be deemed as a limitation on Tenant's liability under the indemnities granted to Landlord in this Ground Lease.

10.6 Noncontribution. The insurance carried by Tenant hereunder shall be primary and not contributory with any other insurance that is maintained by Landlord.

10.7 Blanket Policy. All insurance which Tenant is required to maintain hereunder may be provided under a blanket policy provided such policy otherwise complies with the requirements of this Ground Lease and is endorsed with an Aggregate Limits of Insurance (Per Location) endorsement.

11. Condemnation.

11.1 Termination Right. In the event of a taking of, or damage to, any portion of, interest in or access to the Leased Premises, or any easements, rights or appurtenances thereto by eminent domain or any transfer in lieu thereof or by any other governmental action, which taking or damage materially and adversely affects Tenant's use of the Leased Premises, Tenant may terminate this Ground Lease as of the date of such taking or damage by written notice to Landlord within three (3) months after the taking or damage deprives Tenant of possession of any such portion of, interest in or access to the Leased Premises, or

any easements, rights or appurtenances thereto. In no event will a taking or condemnation of all or any portion of the Leased Premises constitute a default by Landlord under this Ground Lease, including, without limitation, Landlord's covenant of quiet enjoyment. In the event the Ground Lease is terminated as a result of such taking, any condemnation award attributed to the Leased Premises shall be divided and paid as follows: (a) first, if any lender has loaned money, which loan is secured by Tenant's interest in the Leased Premises, then to such lender on Tenant's behalf for the amount then required to pay such loan up to the full amount of the loan; (b) next, to Tenant in the amount of the cost incurred to demolish the building if so required by Landlord; (c) next, to Landlord in an amount equal to the "fair market value" (determined by mutual agreement of the parties or, if agreement cannot be reached, by the court with jurisdiction thereof) of the Leased Premises only, as of the date of taking, assuming that there were no buildings thereon; and (c) finally, the balance to Tenant.

11.2 Continuation of Ground Lease. If a lesser portion of the Leased Premises or the building thereon shall be taken, or if the use or occupancy of the Leased Premises or the building thereon or any part thereof shall be temporarily requisitioned by any governmental authority, civil or military, at Tenant's option, this Ground Lease may (a) be terminated in the manner set forth in Section 11.1, or (b) continue in full force and effect, and Tenant shall promptly either repair any damage caused by any such taking or requisition to the improvements on the Leased Premises, including such repairs to such improvements as may be necessitated by the partial taking thereof or clear the Leased Premises of the remainder of any damaged improvements. In the event of such condemnation or temporary requisition under this Section 11.2 for which Tenant elects to continue this Ground Lease, Tenant shall

receive the entire award or payment resulting from such condemnation or temporary requisition from the condemning or requisition authority.

12. Assignment and Subletting. Tenant may not assign this Ground Lease or sublet (other than subletting to individual students enrolled, intending to enroll in the next enrollment period, or planning to continue a course of study beginning as of the next enrollment period at the University of Idaho and which are active members or alumni of the Delta Zeta Sorority) the whole or any part of the Leased Premises or any improvements thereon without the prior written approval of Landlord, which approval Landlord may grant or withhold in Landlord's sole and absolute discretion, provided that Landlord shall not unreasonably withhold, condition or delay it consent to any assignment or sublease to another sorority or fraternity recognized by Landlord. If Tenant assigns this Ground Lease, Tenant shall be released from the full performance of its obligations hereunder upon the assignee's assumption in writing of the obligations under this Ground Lease and Landlord's approval thereof. Immediately upon any assignment or subletting of any portion of the Leased Premises, Tenant shall provide Landlord with a complete and accurate copy of the assignment or sublease document. No approval of any assignment or subletting by Landlord shall waive Landlord's right to approve any subsequent assignment or subletting. Should Tenant sublet the Leased Premises for a rent amount in excess of the Rent provide in this Ground Lease (other than subletting to individual University of Idaho students as permitted herein), Tenant shall pay the excess rent amount to Landlord when received.

13. Compliance With All Laws and Landlord Rules. During the term of this Ground Lease, Tenant's obligations and performance under this Ground Lease shall be consistent with all Landlord regulations and policies provided to Tenant and comply with all applicable codes, laws, orders, statutes and regulations of any federal, state, county and

municipal authorities that have jurisdiction over the Leased Premises. Notwithstanding the foregoing, Tenant shall have the right, after prior written notice to Landlord, to contest the validity of any codes, laws, orders, statutes and regulations by appropriate legal proceedings, provided Landlord shall not be subject to any criminal or civil liability as a result of any legal contest.

14. Default.

14.1 Default Defined. A party shall be deemed to be in default of this Ground Lease only upon the expiration of thirty (30) days (ten [10] days in the event of failure to pay money) from receipt of written notice from the other party specifying the particulars if such party has failed to perform the obligations of this Ground Lease unless such party, prior to the expiration of said thirty (30) days (ten [10] days in the event of failure to pay money), has rectified the particulars specified in said notice of default. However, such party shall not be deemed to be in default if such failure (except a failure to pay money) cannot be rectified within said thirty (30) day period and such party is using good faith and its best efforts to rectify the particulars specified in the notice of default and is diligently pursuing the remedy.

14.2 Landlord's Remedies. In the event of a default by Tenant, Landlord may (i) terminate this Ground Lease and re-enter the Leased Premises, or (ii) perform or cure any obligation or duty of Tenant under this Ground Lease and any expense incurred by Landlord shall be due and payable by Tenant within fifteen (15) days after receipt of an invoice for the expenses, or (iii) re-enter the Leased Premises and any improvements thereon without terminating this Ground Lease and sublet the whole or any part thereof for the account of Tenant upon terms and conditions as Landlord, in Landlord's reasonable discretion, deems desirable. In the event of sub-item (iii), (a) Landlord shall have the right to collect any rent

which may thereafter become due and payable under such sublease and to apply the same first, to the payment of any expenses incurred by Landlord in dispossessing Tenant and in subletting the Leased Premises, and second, to the payment of the Rent herein reserved and to the fulfillment of Tenant's other covenants hereunder, and (b) Tenant shall be liable for amounts equal to the several installments of Rent as they would under the terms of this Ground Lease become due, less any amounts actually received by Landlord and applied on account of rent as aforesaid.

14.3 Non-Waiver. The failure of a party to insist upon strict performance of any of the terms, covenants, conditions or agreements contained herein shall not be deemed a waiver of any rights or remedies that said party may have, and shall not be deemed a waiver of any subsequent breach or default in the performance of any of the terms, covenants, conditions or agreements contained herein.

14.4 Remedies Cumulative. In addition to the remedies set forth in this Ground Lease, Landlord and Tenant shall have all other remedies provided by law or statute to the same extent as if fully set forth herein word for word. No remedy herein conferred upon, or reserved to Landlord or Tenant shall exclude any other remedy herein or by law provided, but each shall be cumulative.

15. Notices.

15.1 Addresses. All notices given pursuant to this Ground Lease shall be in writing and shall be given by personal delivery, by United States mail or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the person and address

designated below. All notices to Landlord or Tenant shall be sent to the person and address set forth below:

Landlord: Vice President for Finance and Administration
University of Idaho
Moscow, ID 83844-3166

Tenant: Delta Zeta Sorority
202 East Church Street
Oxford, Ohio 45056
Attn.: Controller

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices given pursuant to this Ground Lease shall be deemed given upon receipt.

15.2 Receipt. For the purpose of this Section 15 of this Ground Lease, the term “**receipt**” shall mean the earlier of any of the following: (i) the date of delivery of the notice or other document to the address specified pursuant to Section 15.1 as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to Section 15.1, or (iii) in the case of refusal to accept delivery, the earlier of (a) the date of the attempted delivery or refusal to accept delivery, (b) the date of the postmark on the return receipt, or (c) the date of receipt of notice of refusal or notice of nondelivery by the sending party.

15.3 Additional Notices. Landlord and Tenant agree that a copy of all notices given hereunder shall also be given to such other persons and addresses as Landlord or Tenant reasonably may designate in writing to the other party.

16. End of Term.

16.1 Surrender. Tenant agrees that upon termination of this Ground Lease, Tenant shall surrender Leased Premises to Landlord as provided by this Section. Prior to the end of

the term Tenant may (i) remove the improvements on the Leased Premises, cap all utilities exclusively serving Tenant's property, grade the Leased Premises in such a manner that drainage from the Leased Premises does not adversely affect the surrounding properties or create hazards at the site, and cover that portion of Leased Premises that is without lawn or adequate landscaping with sod of an equivalent type used by Landlord elsewhere on Landlord's nearby property. This option to undertake such removal shall only be available to Tenant in the event Tenant is not in default and when such action is preceded by written notice to Landlord provided on or before February 1 of the year in which Tenant seeks to surrender Leased Premises. All removal or demolition work described above in this section shall be initiated after June 1 and be completed prior to August 15 of the year in which notice of such surrender is given by Tenant, but in no event after expiration of the term of this Ground Lease, unless another schedule is approved in writing by Landlord, or (ii), if Tenant chooses not to proceed with demolition or removal of improvements as provided above, Tenant shall surrender the Leased Premises, including any and all improvements thereon, to Landlord in good condition, reasonable wear and tear, casualty and condemnation excepted, and broom clean. Tenant shall, prior to the date of termination of the Lease, remove from the Leased Premises Tenant's personal property not affixed to the Leased Premises from the Leased Premises and shall repair any damage to the improvements on the Leased Premises caused by such removal. Tenant's failure to remove any of Tenant's personal property shall be deemed an abandonment thereof, whereby title shall become vested in Landlord without further action taken or notice provided. Except as provided by Section 5.7 and this Section 16.1, Tenant shall not remove from the Leased Premises any improvements, fixtures or

equipment permanently affixed to the Leased Premises, unless removal is requested by Landlord in writing prior to the date of termination, at Landlord's expense.

16.2 Survival. The obligations of Landlord and Tenant as set forth in this Section 16 (End of Term) and in Section 10.1 (Indemnification and Insurance) shall survive termination of this Ground Lease.

17. Estoppel Certificates.

17.1 Certificates. Each party agrees, upon receipt of written request from the other party and provided the requested party do so truthfully, to certify in writing to a prospective assignee, sublessee, purchaser or Lienholder of the requesting party (i) that this Ground Lease is in full force and effect, (ii) that this Ground Lease has not been amended (or, if it has, identifying all such amendments), (iii) that this Ground Lease has not been assigned by the requested party (or, if it has, identifying all such assignments), (iv) that, to the requested party's knowledge, the requesting party is not in default of any of the terms, covenants, conditions or agreements contained in this Ground Lease (or, if the requesting party is in default, specifying the nature of such default), and (v) such additional facts within the requested party's knowledge as may be reasonably required by the requesting party.

17.2 Waiver. Any certificate issued pursuant to Section 17.1 (Certificates) shall act as a waiver of any claim by the party furnishing it against any such prospective purchaser or Lienholder (but not against the requesting party) to the extent such claim is based upon facts contrary to those contained in the certificate and to the extent such claim is asserted against a bona fide purchaser or encumbrancer for value without knowledge of facts to the contrary of those contained in the certificate and who has acted in reasonable reliance upon such certificate.

18. Attorneys' Fees. In the event either party to this Ground Lease initiates or defends any legal action or proceeding against the other party in any way connected with this Ground Lease, the prevailing party in any such legal action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover from the losing party in any such legal action or proceeding its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal). In the event either party to this Ground Lease initiates or defends any legal action or proceeding with a third party because of the violation of any term, covenant, condition or agreement contained in this Ground Lease by the other party to this Ground Lease, then, if the party in alleged violation of this Ground Lease makes an admission or is determined by a court of competent jurisdiction to be in default hereunder, the party so litigating shall be entitled to recover its reasonable costs and attorneys' fees (including its reasonable costs and attorneys' fees on any appeal) incurred in connection with such litigation from the other party to this Ground Lease. All such costs and attorneys' fees shall be deemed to have accrued on commencement of any such legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment.

19. Recordation of Ground Lease. A memorandum of this Ground Lease acceptable to Landlord and Tenant may be recorded in Latah County, Idaho by Tenant and at Tenant's sole cost. Upon the termination of this Ground Lease, Tenant shall execute, acknowledge and deliver to Landlord a Termination of Ground Lease in a form acceptable to Landlord which Landlord may record upon termination of this Ground Lease. A copy of the recorded document or the original document with recording information shall be returned to Landlord at the address given in Section 15 (Notices), but to the attention of the "Real Estate Officer". A memorandum of any subsequent amendment to this Ground Lease (as provided by

Section 23.11 of this Ground Lease) reasonably acceptable to Landlord and Tenant may also be recorded by Tenant in accordance with the provisions in this Section 19.

20. Mortgage.

20.1 Permitted Encumbrances. Tenant or any assignee or subtenant of Tenant may place a mortgage or deed of trust on any improvements constructed on the Leased Premises and on Tenant's interest in the Leased Premises. Such mortgage or deed of trust shall not encumber Landlord's fee title to the Leased Premises.

20.2 Notices to Lienholder. In the event Tenant is in default under this Ground Lease as defined in Article 14 (Default), Landlord agrees to give written notice of such default to the Lienholder under any such mortgage or deed of trust, provided the name and address of such Lienholder has been furnished to Landlord by Tenant. Landlord shall not terminate this Ground Lease, re-enter the Leased Premises, or exercise any other remedy available at law which would dispossess Tenant of the Leased Premises, provided said Lienholder has cured said default within the time allowed Tenant for same hereunder or within sixty (60) days (twenty [20] days in the event of a failure to pay money) after receipt of said notice of default by said Lienholder, whichever is greater, or if such default cannot be rectified within said sixty (30) day period during the time as such Lienholder is using good faith and its best efforts to rectify the particulars specified in the notice of default and is diligently pursuing the remedy.

20.3 Attornment. Landlord further agrees that, should said Lienholder or its designee acquire Tenant's interest in the improvements constructed on the Leased Premises through a foreclosure of such mortgage or deed of trust or any transfer in lieu thereof, said Lienholder or its designee shall have the right to attorn to Landlord, provided said Lienholder or its

designee cures all defaults of Tenant under this Ground Lease existing at the time of such attornment, which are within the power of said Lienholder or its designee to cure, and Landlord will accept such attornment, and said Lienholder or its designee and Landlord shall have the same rights and obligations toward one another which they would have had had this Ground Lease been entered into with Landlord, as Landlord, and said Lienholder or its designee, as Tenant. Landlord agrees to execute any documents reasonably requested by said Lienholder and acceptable to Landlord, in Landlord's sole discretion, in connection with Landlord's obligations under this Article 20.

20.4 Subordination. This Ground Lease, subject to execution of a subordination, non-disturbance and attornment agreement reasonably acceptable to Tenant, shall at all times be subject and subordinate to all and any mortgage, deed of trust or other financing placed on Landlord's fee title interest in the Leased Premises and all extensions, modifications, consolidations, renewals and replacements thereof. Tenant agrees that upon written request by Landlord, Tenant will negotiate with the lender, execute, acknowledge and deliver any and all instruments reasonably requested by Landlord which are necessary to effect the subordination of this Ground Lease to any mortgage, deed of trust or financing placed by Landlord on the Leased Premises. Such subordination, non-disturbance and attornment agreement may specify that fee title to the Leased Premises be acquired by any Lienholder in connection with any proceeding under the terms of any such mortgage, deed of trust or financing arrangement, this Ground Lease will continue in full force and effect, Tenant will attorn to such Lienholder, and such Lienholder will not disturb Tenant's possession and rights under this Ground Lease.

21. Landlord's Right of Entry. After obtaining Tenant's consent, which shall not be unreasonably withheld or delayed, upon 48 hours prior written notice, Landlord and Landlord's agents may enter the Leased Premises and any improvements thereon to (i) inspect the general condition and state of repair of the Leased Premises and any improvements thereon, or (ii) show the Leased Premises and any improvements thereon to such persons as Landlord deems reasonably necessary during the last six (6) months of the term. In the event of an emergency arising within the Leased Premises or any improvements thereon which endangers property or persons, the consent requirement is waived by Tenant.

22. Conveyance by Landlord. Landlord may sell, assign or otherwise transfer the Leased Premises without the consent of Tenant, provided that Tenant's rights hereunder shall not be adversely affected. If Landlord should sell or transfer Landlord's interest in the Leased Premises, then effective with the date of the sale or transfer, Landlord's successor in interest shall be fully responsible for all of the terms and conditions expressed in this Ground Lease. If the successor in interest agrees in writing to be bound by all of the terms and conditions in this Ground Lease, then the Board of Regents of the University of Idaho shall be released and discharged from any and all further obligations and responsibilities under this Ground Lease (except those already accrued).

23. General Provisions.

23.1 Successors and Assigns. All of the provisions contained in this Ground Lease shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

23.2 Partial Invalidity. If any term, covenant, condition or agreement of this Ground Lease or the application of it to any person or circumstance shall to any extent be invalid or

unenforceable, the remainder of this Ground Lease or the application of such term, covenant, condition or agreement to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition or agreement of this Ground Lease shall be valid and shall be enforced to the extent permitted by law.

23.3 Headings. The captions and headings in this Ground Lease are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions or agreements contained herein.

23.4 Entire Agreement. This Ground Lease contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Ground Lease shall be construed as a whole and not strictly for or against any party.

23.5 Gender. In construing the provisions of this Ground Lease and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

23.6 Authority. Each individual executing this Ground Lease on behalf of either party represents and warrants that he or she is duly authorized to execute and deliver this Ground Lease on behalf of said party, in accordance with all agreements of such party and that this Ground Lease is binding upon said party in accordance with the terms hereof.

23.7 Venue. This Ground Lease shall be governed by the laws of the State of Idaho. All legal proceedings under this Ground Lease shall be instituted in the courts of the County of Latah, State of Idaho, and each party agrees to submit to the jurisdiction of such courts.

23.8 Joint and Several Liability. In the event any party hereto is composed of more than one person, the obligations of said party shall be joint and several.

23.9 Relationship. The provisions of this Ground Lease are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership, or any other similar relationship between the parties.

23.10 Third Party Beneficiary. This Ground Lease is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not a party hereto unless otherwise expressly provided herein.

23.11 Amendment. No amendment, modification, release, discharge, or waiver of any provisions hereof shall be of any force, effect, or value unless in writing and signed by Landlord and Tenant.

EXECUTED as of the date first above written.

LANDLORD:

**The Regents of the University of Idaho,
a state educational institution and body
politic and corporate organized and
existing under the constitution and laws of
the state of Idaho**

TENANT:

**Delta Zeta Sorority, an Ohio non-profit
corporation**

By: _____
Ronald E. Smith
Vice President,
Finance and Administration

By: _____
Name: _____
Title: _____

ATTEST:

By: _____

Secretary

EXHIBIT A

See Attached

EXHIBIT A

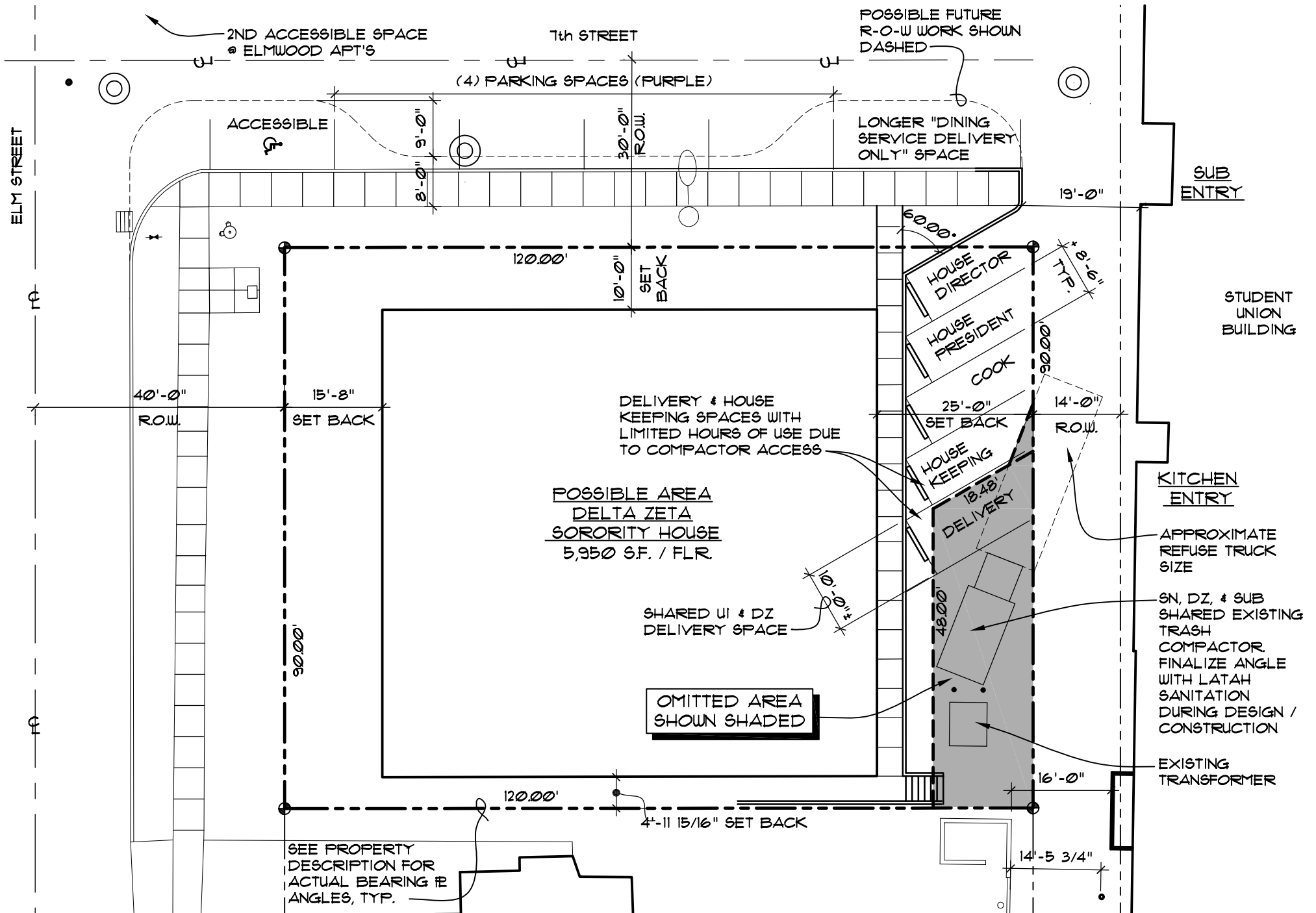


EXHIBIT A

SCALE: 1" = 20'-0"

10-10-11 NORTH



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