

**FINANCE AND CAPITAL STRATEGIES COMMITTEE**

November 16, 2017

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **CONSENT AGENDA**

A. **APPROVAL OF PRELIMINARY PLANS FUNDING, EMERSON HALL HOUSING REPLACEMENT, DAVIS CAMPUS**

The Committee recommends that the 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Emerson Hall Housing Replacement – preliminary plans – \$3,396,000 to be funded from housing reserves.

B. **APPROVAL OF PRELIMINARY PLANS FUNDING, TEACHING AND LEARNING COMPLEX, DAVIS CAMPUS**

The Committee recommends that the 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Davis: Teaching and Learning Complex – preliminary plans – \$3.4 million to be funded from campus funds.

C. **APPROVAL OF PRELIMINARY PLANS FUNDING, KRESGE COLLEGE NON-ACADEMIC, SANTA CRUZ CAMPUS**

The Committee recommends that the 2017-18 Budget for Capital Improvements be amended to include the following project:

Santa Cruz: Kresge College Non-Academic – preliminary plans – \$9,661,000 to be funded from housing auxiliary reserves (\$8,127,000), student fee reserves (\$1.2 million), parking auxiliary reserves (\$100,000), and campus funds (\$234,000).

D. **APPROVAL OF PRELIMINARY PLANS FUNDING, KRESGE COLLEGE ACADEMIC, SANTA CRUZ CAMPUS**

The Committee recommends that the 2017-18 Budget for Capital Improvements be amended to include the following project:

Santa Cruz: Kresge College Academic – preliminary plans – \$3 million to be funded from campus funds.

**E. APPROVAL OF PRELIMINARY PLANS FUNDING, PARNASSUS HEIGHTS HEALTH SCIENCES INSTRUCTION AND RESEARCH BUILDINGS SEISMIC IMPROVEMENTS, SAN FRANCISCO CAMPUS**

The Committee recommends that the 2017-18 Budget for Capital Improvements be amended to include the following project:

San Francisco: Parnassus Heights Health Sciences Instruction and Research Buildings Seismic Improvements – preliminary plans – \$5.5 million funded from campus funds.

**F. ACCEPTANCE OF THE UNIVERSITY OF CALIFORNIA 2018-19 BUDGET FOR STATE CAPITAL IMPROVEMENTS**

The Committee recommends that the 2018-19 Budget for State Capital Improvements be accepted as shown below:

		State General Funds Financed (\$000s)	Phase
Berkeley	Giannini Hall Seismic Safety Corrections	\$35,950	Construction
Davis	Teaching and Learning Complex	\$50,000	Construction
Riverside	Student Success Center	\$50,000	Preliminary Plans Working Drawings Construction Equipment
San Diego	Ridge Walk Academic Complex	\$50,000	Construction
San Francisco	Health Sciences Instructional & Research Life Safety Improvements	\$10,000	Construction
San Francisco	Health Sciences Instructional & Research Buildings Seismic Improvements	\$37,000	Construction
Santa Cruz	Kresge College Academic	\$2,800	Working Drawings
Systemwide	Northern Regional Library Facility Phase 4 Expansion	\$30,000	Construction Equipment
<b>Capital Projects Total</b>		<b>\$265,750</b>	

2018-19 Systemwide State Deferred Maintenance Program	\$35,000
<b>TOTAL STATE FUNDS FINANCED</b>	<b>\$300,750</b>

Committee vote: Regents Anguiano, Lemus, Makarechian, Park, and Sherman voting “aye.”

Board vote: Regents Anguiano, De La Peña, Guber, Kieffer, Lansing, Lemus, Lozano, Makarechian, Mancía, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Tauscher voting “aye.”

**2. ADOPTION OF REGENTS POLICY ON REPORTING STANDARDS FOR UNIVERSITY OF CALIFORNIA SIGNIFICANT INFORMATION TECHNOLOGY PROJECTS**

The Committee recommends that the Regents: (1) adopt Regents Policy on Reporting Standards for University of California Significant Information Technology Projects, as shown in Attachment 1; and (2) delegate to the President of the University the authority to establish, implement, and modify specific project development and reporting guidelines to support compliance with the policy.

Committee vote: Regents Anguiano, Lemus, Makarechian, Park, and Sherman voting “aye.”

Board vote: Regents Anguiano, De La Peña, Guber, Kieffer, Lansing, Lemus, Lozano, Makarechian, Mancía, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Tauscher voting “aye.”

**3. APPROVAL OF BUDGET, SCOPE, AND EXTERNAL FINANCING, RIDGE WALK ACADEMIC COMPLEX, SAN DIEGO CAMPUS**

The Committee recommends that:

- A. The 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: San Diego: Ridge Walk Academic Complex – preliminary plans and working drawings – \$12 million to be funded from campus funds.

To: San Diego: Ridge Walk Academic Complex – preliminary plans, working drawings, construction, and equipment – \$118,138,000 to be funded with external financing (\$68,138,000) and external financing supported by State appropriations under the process

described in Sections 92493 through 92496 of the California Education code (\$50 million).

- B. The scope of the Ridge Walk Academic Complex project shall provide approximately 128,000 assignable square feet, including academic and administrative offices, instructional and seminar spaces, areas to support scholarly activity, as well as conference and collaborative spaces.
- C. The President of the University be authorized to obtain external financing in an amount not to exceed \$68,138,000 plus additional related financing costs. The President shall require that:
  - (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - (2) As long as the debt is outstanding, general revenues from the San Diego campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - (3) The general credit of the Regents shall not be pledged.
- D. The President be authorized, in consultation with the General Counsel, to execute all documents necessary in connection with the above.

Committee vote: Regents Anguiano, Lemus, Makarechian, Park, and Sherman voting “aye.”

Board vote: Regents Anguiano, De La Peña, Guber, Kieffer, Lansing, Lemus, Lozano, Makarechian, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Tauscher voting “aye.”

**4. APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, NUEVO WEST GRADUATE STUDENT HOUSING, SAN DIEGO CAMPUS**

Following review and consideration of the environmental consequences of the proposed Nuevo West Graduate Student Housing Project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Committee reports its:

- A. Certification of the Environmental Impact Report for the project.
- B. Adoption of the Mitigation Monitoring and Reporting Program and CEQA Findings based on the analysis of environmental impacts presented in

the Environmental Impact Report for the Mesa Housing Nuevo West and East Student Housing Projects.

- C. Approval of the design of the Nuevo West Graduate Student Housing Project, San Diego Campus.

Committee vote: Regents Anguiano, Lemus, Makarechian, Park, and Sherman voting “aye.”

Board vote: Regents Anguiano, De La Peña, Guber, Kieffer, Lansing, Lemus, Lozano, Makarechian, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Tauscher voting “aye.”

5. **APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, NUEVO EAST STUDENT HOUSING, SAN DIEGO CAMPUS**

Following review and consideration of the environmental consequences of the proposed Nuevo East Student Housing Project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 24 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Committee reports its:

- A. Certification of the Environmental Impact Report for the project.
- B. Adoption of the Mitigation Monitoring and Reporting Program and CEQA Findings based on the analysis of environmental impacts presented in the Environmental Impact Report for the Mesa Housing, Nuevo West and East Student Housing Projects.
- C. Approval of the design of the Nuevo East Student Housing Project, San Diego campus.

Committee vote: Regents Anguiano, Lemus, Makarechian, Park, and Sherman voting “aye.”

Board vote: Regents Anguiano, De La Peña, Guber, Kieffer, Lansing, Lemus, Lozano, Makarechian, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Tauscher voting “aye.”

6. **AUTHORITY TO INDEMNIFY PIONEER HI-BRED INTERNATIONAL, INC. FOR POTENTIAL THIRD-PARTY CLAIMS ARISING FROM AGREEMENT IN WHICH PIONEER IS TO PROVIDE CORN AND SORGHUM MOLECULAR TRANSFORMATION SERVICE FOR PLANT PATHOGEN RESEARCH PROJECTS, DAVIS CAMPUS**

The Committee recommends that the President of the University be authorized to approve and execute a Service Agreement with Pioneer Hi-Bred International, Inc. which contains an indemnification provision by which the University would have to defend, indemnify, and hold Pioneer harmless for claims and expenses brought against Pioneer as a result of the University's provision of input material to Pioneer and University's use of the transformed material provided to it by Pioneer, except in the case of gross negligence or misconduct by Pioneer.

Due to the time involved in generation and analysis of transgenic plants, and the anticipation that the Michelmores Laboratory's research in this area will last at least through June 30, 2022, UC Davis respectfully requests that the permission granted in this item include permission to enter into future Service Agreements with Pioneer, with identical or substantially similar indemnification provisions, through June 30, 2027.

Committee vote: Regents Anguiano, Lemus, Makarechian, Park, and Sherman voting "aye."

Board vote: Regents Anguiano, De La Peña, Guber, Kieffer, Lansing, Lemus, Lozano, Makarechian, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Tauscher voting "aye."

#### 7. **ACCEPTANCE OF THE 2017-27 CAPITAL FINANCIAL PLAN**

The Committee recommends that the *University of California 2017-27 Capital Financial Plan* be accepted.

Committee vote: Regents Anguiano, Lemus, Makarechian, Park, and Sherman voting "aye."

Board vote: Regents Anguiano, De La Peña, Guber, Kieffer, Lansing, Lemus, Lozano, Makarechian, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Tauscher voting "aye."

#### 8. **UNIVERSITY OF CALIFORNIA FINANCIAL REPORTS, 2017**

The Committee recommends that the Regents adopt the 2016-17 Annual Financial Reports for the University of California, the University of California Retirement System, and the five University of California Medical Centers.

Committee vote: Regents Anguiano, Kieffer, Lemus, Makarechian, Park, and Sherman voting "aye."

Board vote: Regents Anguiano, De La Peña, Guber, Kieffer, Lansing, Lemus, Lozano, Makarechian, Mancina, Monge, Napolitano, Newsom, Ortiz Oakley, Park, Pattiz, Pérez, Sherman, and Tauscher voting "aye."

## **Regents Policy on Reporting Standards for University of California Significant Information Technology Projects**

### **POLICY SUMMARY/BACKGROUND**

In response to the August 2017 State audit of UCPath and campus information technology (IT) contracts, the Regents committed to establishing standards that require all University locations to report on significant IT projects with an estimated or actual cumulative cost of \$5 million or more. The University of California Board of Regents provides oversight for significant decisions and initiatives that affect the operations and finances of the University. This policy establishes reporting standards for all University locations for significant IT projects to ensure that the Board of Regents is fully apprised of project performance, major issues, and changes in scope, and is able to provide effective high-level oversight for these projects.

### **POLICY TEXT**

#### **A. Reporting Standards**

1. All University locations – the Office of the President, campuses, medical centers, and Agriculture and Natural Resources – must report regularly to the Regents on any significant IT projects with an estimated or actual cumulative cost of \$5 million or more.
2. A report covering all University locations will be provided to the Regents no less than three times a year, including at least one presented at a regular Regents meeting. The report will itemize all IT projects costing \$5 million or more, and for those IT projects costing \$25 million or more, will provide an overview of project performance and include up-to-date information on changes in project scope, projected costs and schedule, as well as significant project risks and related risk mitigation activities.

### **COMPLIANCE/DELEGATION**

The Regents delegate to the President of the University the authority to establish, implement, and modify specific project development, management, and reporting guidelines to support University locations in complying with this policy. This authority may be redelegated to an Executive Vice President.

### **PROCEDURES AND RELATED DOCUMENTS**

*See University of California Significant IT Project Management and Reporting Guidelines.*

Changes to procedures and related documents do not require Regents' approval, and inclusion or amendment of references to these documents can be implemented administratively by the Office of the Secretary and Chief of Staff upon request by the unit responsible for the linked documents.