



**Florida A&M University Board of Trustees
Direct Support Organization (DSO) Committee Meeting**

Wednesday, February 6, 2013

Time: 2p.m. – 2:30p.m.

Location: Grand Ballroom, Student Union

DSO Committee Members

Trustee Belinda R. Shannon, Chair

Trustee C. William Jennings

Trustee Charles Langston

Trustee Kelvin Lawson, Vice Chair

Trustee Rufus Montgomery

Trustee Marjorie Turnbull

AGENDA

I. Call to Order

Trustee Belinda R. Shannon
Chair

II. Roll Call

ACTION ITEMS

III. Review and Approval of the October 31, 2012, Committee Minutes

IV. Approval of One-Year Extension of DKC's Contract

Trustee Belinda Shannon

V. Approval to hire a Firm to assist with Rebranding

Trustee Belinda Shannon

VI. New Business

VII. Adjournment

Florida A&M University Board of Trustees
Direct Service Organization Committee Meeting

Wednesday, October 31, 2012
Grand Ballroom

The meeting was called to order at 1:36 p.m. by Committee Chair Belinda R. Shannon. Ms. Angie Wiggins called the roll and the following committee members were present: Trustee Kelvin Lawson, Trustee C. William Jennings, Trustee Charles Langston, and Trustee Marjorie Turnbull. A quorum was established.

Review and Approval of the April 4, 2012, Committee Minutes

The Committee reviewed the minutes from the April 4, 2012, Direct Support Organization (DSO) Committee Meeting. Trustee Lawson moved approval of the minutes and the motion was seconded by Trustee Jennings. The motion carried.

Update on the FAMU Foundation's Investment Performance

In response to a request from Trustee Langston to provide an update on the FAMU Foundation, Inc., Investments, Mr. Michael Brown, the FAMU Foundation's Director of Investments, provided a summary to the Committee. The presentation began with a summary of the investment returns by the investment manager as of June 30, 2012 (Total Fund), and concluded with investment returns to benchmark comparisons and other pertinent investments statistics for each investment manager (Account).

Overall, the investment portfolio outperformed its composite benchmark for the fiscal year (-0.505 vs. -1.60%); however, the returns fell far short of the investment goal of 8.5%. Mr. Brown advised that the Foundation's returns are favorable when compared to other schools in the State University System (SUS) and the Southeastern Conference (SEC) according to an unofficial survey by the Controller of the University of Florida Foundation. The survey lists FAMU's returns at number six among the 11 SUS schools, while the University of Florida (UF) is number five with returns of 0.1%. SUS returns ranged from a high of 1.5% for New College of Florida to negative -6.4% for the University of West Florida. In comparison to the 14 SEC Schools, FAMU's returns would come in at number 4, behind only Vanderbilt at 1.3%, the University of Arkansas at 1.0%, and UF at 0.1%. SUS total endowments ranged from a high of \$1.26 billion for UF to a low of \$28 million for New College. SEC endowments ranged from a high of \$3.4 billion for Vanderbilt and a low of \$344 million for Mississippi State University.

Mr. Brown informed the Committee that the "official" endowment study compiled annually by the National Association of College and University Business Officers (NACUBO) and the Commonfund Institute will be released in February 2013. An update of the Foundation's official standing can be provided at that time if the Committee would like. Mr. Brown further advised that although the full endowment study will not be available until February, the New York Times reported preliminary results from NACUBO-Commonfund for 463 colleges and universities surveyed, an average return of negative -0.3%, as compared to an average return of 19.2% for the prior year.

Mr. Brown let the Committee know that asset allocation guidelines, and target allocations remain unchanged from the prior year. Investment returns were adversely affected by the continuing European debt crisis and its impact on international equity markets, and the slow recovery from the global recession.

Update on the New Foundation Headquarters

Vice President Thomas Haynes updated the Committee on the new Foundation headquarters located at 625 East Tennessee Street. Dr. Haynes advised that the FAMU Foundation Real Estate Committee tasked staff with a transitional plan for the new building. An overview of the transition plan was presented to move the FAMU Foundation staff from their current location on Lafayette Street to the new location. In regard to the transition plan, a scope of work was completed for the following services: mold and mildew remediation; roof repairs; fire alarm system update; HVAC system repairs; plumbing; technology installation (telephone, internet, cable); painting and carpeting; building cleaning; and moving expenses. Three estimates were received for each of the services from a list of approved FAMU facilities and construction providers.

Vice President Haynes advised that the general contractor and subcontractors for the project will be selected this week; the mold and mildew vendor was selected and that project is well underway. Mr. Sunday Edukore has been assigned as the Project Manager, and Mr. Avery Harris from the Foundation staff will assist him.

Trustee Langston inquired of Dr. Haynes of the cost for renovations, and Dr. Haynes responded, roughly \$125,000-\$130,000. Trustee Langston also inquired if contracts for services come to the Board of Trustees for approval. Vice President Haynes advised that the IMM (DSO) does not specify/require for contracts to come to the Board as he interpreted it, and further stated that this budgeted item was included in the FAMU Foundation budget that was approved by the Board. Mrs. Shira Thomas of the FAMU General Counsel's office responded that the FAMU Foundation has its own procurement procedures and is not required to follow the University's procurement procedures, but could if they so choose.

The work is expected to be completed by December 15th, and the Foundation staff moved in by December 30th. Dr. Haynes informed the Committee that the Foundation is contractually obligated to return the current facility on Lafayette Street back to the pre-move-in condition. A scope of work is being completed and a vendor will be selected within the next five to ten days.

New Business

Update on Divisional Activities

The Committee also heard from Vice President Haynes about University Advancement activities. These include:

- A fundraising year-to-date dashboard was presented. During the first quarter of this fiscal year, the Division has raised \$1.1M, which is 74% of its quarterly goal of \$1.5M and 20% of its annual goal of \$5.5M. The majority of the donations have been contributed by corporations and foundations.

FY 2012/13 – Year-to-Date giving by Quarter:

Alumni giving is \$147,111, which is a 59% goal attainment. In an effort to increase alumni giving, NetCommunity will be launched, which is a web-based fundraising and communication tool. This tool will be implemented January/February 2013, and will allow the Division to manage several micro fundraising campaigns.

Corporate and Foundation giving is \$802,325 goal attainment. To continue to remain above goal in this area, the Division will begin integrating deans and select professors into its corporate partnership structure to enhance its corporate partnerships and subsequent giving.

- Vice President Haynes introduced to the Committee several new staff members in his Division, including an Associate Vice President, major gift officers, grant writer and a technology staff person.
- The FAMU Industry Cluster and Key Executive Council members will meet here in Tallahassee, November 7-9.
- The FAMU Foundation Board of Directors will meet in Orlando, November 15-17.

Trustee Marjorie Turnbull informed the Committee that she would be participating in the upcoming Foundation Board meeting, and if there are questions the Board of Trustees would like for her to take to that meeting, she welcomes the opportunity to do so.

Board Crisis Management Plan

Trustee Shannon presented an update on the Anti-Hazing Plan. The FAMU Anti-Hazing Committee is working diligently to implement the university's updated anti-hazing plan implemented earlier this year. Many of the proponents have been implemented, and listed below is what has been completed in terms of that plan:

- Developed entertainment strategies for athletic events in the absence of the Marching 100;
- An anti-hazing website was launched on September 7, 2012, containing a module for those visiting the site to report hazing. Six complaints have been received thus far submitted through the website; and
- September 20, 2012, the University had a successful town hall meeting with a panel of national hazing experts; Student Activities planned a series of events during the national hazing prevention week, September 24-28, 2012.

Trustee Shannon further advised that as directed by the Board of Trustees (BOT), the administration presented to the BOT in June a comprehensive strategy on the structure and operation of the band and music department. As part of the anti-hazing plan, the administration presented a comprehensive strategy outlining a process to reinstate intake and membership activities at the university. It included the establishment of minimum academic requirements for student participation in university sanctioned clubs, organizations, and athletics. Since the beginning of the semester, 105 of the 155 student organizations have been recertified in the new process. 22 student organizations (intake) have been initiated for the fall. Last year, five student organizations participated in the fall 2011 intake process.

In addition, Trustee Shannon advised that the university is working to augment staffing in the office of Judicial Affairs to facilitate more effective planning, training, reporting, and a judication of hazing issues and other matters pertaining to the student code of conduct. Two positions should be filled by the spring semester.

The plan provided for enhanced academic progression guidelines for the marching band; these have been developed and are being incorporated into the music department's handbook, per Trustee Shannon.

Other key components of the anti-hazing plan that are in process are as follows for pending hires:

- Hiring of the special assistant to the president on hazing; seven candidates will be interviewed Nov. 2012;
- Four viable candidates for the position of band director will be interviewed the week following Thanksgiving; and
- A search committee is in the process of screening candidates for the Compliance Officer position.

Work is being done to reconstitute the Anti-Hazing Committee; currently there are three individuals who are committed to serving.

Trustee Kelvin Lawson inquired of Trustee Shannon as to how much longer will the university need the services of the PR firm, DKC. Trustee Shannon responded that the university is currently under contract with them until January 17, 2013. She further advised that as a Board, they do need to review the journey with DKC and where they are in terms of the crisis that precipitated the need for a firm like DKC, and determine how much further the university need to go with them.

Trustee Shannon directed staff to compile information for the Board to review to be fully informed as it determines where to go forth with the relationship with DKC.

There being no further business, the meeting adjourned at 2:07 p.m.

Respectfully submitted,
Belinda R. Shannon, Committee Chair



Florida Agricultural and Mechanical University
Board of Trustees Action Item

Meeting Date __ February 6, 2013

Agenda Item _____

Item Origination and Authorization

Policy _____ Award of Bid _____ Budget Amendment _____ Change Order _____
Resolution _____ Contract _____ Grant _____ Other _____

No Action of Board Required

Continued _____ Withdrawn _____

ISSUE FOR ACTION

Approve One-Year Extension of DKC Contract.

BACKGROUND INFORMATION

At the December 6, 2013, Board of Trustees meeting the board agreed to extend the contract of DKC for one month to receive an update on the work conducted over a one-year period. DKC has had dialogue with members to provide and update. The current contract provides for two consecutive one-year extensions.

RECOMMENDED ACTION

Approval of DKC contract from a one-year period at the same rate of pay.

**FLORIDA AGRICULTURAL & MECHANICAL UNIVERSITY
CONSULTING SERVICES AGREEMENT
CONTRACT NO. C-0005-2012**

This Agreement is made between Florida A&M University (FAMU), acting for and on behalf of the FAMU Board of Trustees ("Institution) a public body corporate existing under the laws of the State of Florida and having its principal place of business at Florida A&M University, 400 Lee Hall, Tallahassee, Florida 32307 and Dan Klores Communication, LLC (DKC), a corporation with authority to do business in the State of Florida, with a federal identification no. #61-1568930, with offices located at 261 Fifth Avenue – 2nd Floor, New York, New York 10016.

WHEREAS, UNIVERSITY issued Request for Proposal (RFP) No.#0005-2012 Public Relations, Crisis Management (hereinafter Bid) and contractor's Bid response are incorporated herein by reference and made part of this Agreement, (attached hereto as Exhibit A and Exhibit B respectively). The order of precedence is as follows: (1) Agreement; (2) Bid; and (3) Consultant's Bid Response.

- A. Institution desires to obtain the services of Consultant; and
- B. Consultant claims to have expertise and experience to provide such services for Institution.

TERMS

Consultant agrees to perform such professional services, with the standard of professional care and skill customarily provided in the performance of such services as set forth in this Agreement, and Institution agrees to pay Consultant such amounts as are specified in this Agreement, all upon the following terms and conditions:

1.0 Scope of Service.

1.1 Consultant agrees to provide the services described as following:

Dan Klores Communications, LLC (DKC) will provide a public relation firm with extensive experience in crisis communication and crisis management services for the University Board of Trustees (BOT) and Florida A&M University and provide a range of services in the following areas:

- Plan and develop a crisis management plan.
- Advice and support in dealing with media and other key stakeholders.
- Meet regularly with the FAMU's Board of Trustees and Senior Level Officials on public relations strategies.
- Assist with reputation management, messaging, relation management and media outreach.
- The scheduling of media appearance by university personnel.
- All other requirements set forth in the Bid and the Consultant's Bid Response.

1.2 Consultant agrees to perform the Consulting Services to the satisfaction of Institution from time to time during the term of this Agreement.

1.3 Institution's Contract Manager overseeing the Consulting Services provided under this Agreement is Mrs. Sharon Saunders, who is located at FAMU Office of Communication, 103 Lee Hall, Tallahassee, Florida 32307.

2.0 Fees and Expenses.

2.1 Institution agrees to pay Consultant a fee of \$15,000.00 per month for January 18, 2012 to February 17, 2012 and February 18, 2012 to March 17, 2012, respectively. Effective with the March 18, 2012 to April 17, 2012 service period, the monthly fee shall be reduced to \$7,500.00 and shall remain at this level for the duration of the contractual term period. Should the scope of service or collective account team work hours exceed (50) hours per month, DKC reserves the right to renegotiate the \$7,500.00 fee for Consulting Services.

2.2 The total fee, and incidentals if any, shall be payable **in incremental phases upon completion of each phase of the work, as follows** in accordance with the **University Prompt Payment Compliance Policy** and upon submission of an invoice that is in detail sufficient for a pre audit and post audit thereof.

2.3 Consultant agrees that Consultant is solely responsible for payment of income, social security, and other employment taxes due to the proper taxing authorities, and that Institution will not deduct such taxes from any payments to Consultant hereunder.

2.4 Institution shall reimburse the following incidental out-of-pocket expenses that are checked and initialed in accordance with Section 112.061, Florida Statutes:

(1) local travel;

(2) round trip air (coach) from New York, NY to the project;

(3) *per diem* subsistence.

2.4.1 Consultant shall submit an invoice and adequate receipts and documentation as requested by Institution to support reimbursement of all reimbursable out-of-pocket expenses.

2.5 Institution's obligation to pay beyond the current fiscal year is contingent upon annual appropriation by the Florida Legislature or appropriate funding agency.

3.0 Term.

The Consulting Services to be rendered by Consultant under this Agreement shall commence no later than January 18, 2012 and be completed by January 13, 2013 with FAMU, and the service provider; and the University having the option to renew for an additional two (2) one (1) year periods pending mutual consent. Time is of the essence in this Agreement. This term may be extended beyond such completion date if Institution agrees to the extension in writing.

4.0 Consultant's Capacity and Responsibilities.

4.1 It is expressly understood that Consultant is an independent contractor and not the agent, partner, joint venturer, legal representative, or employee of Institution. Consultant and Consultant's workers are not employees of Institution and are not entitled to tax withholding, Workers' Compensation, unemployment compensation, or any employee benefits, statutory or otherwise. Consultant is responsible for providing all necessary insurance for himself/herself, Consultant's workers, agents, and representatives.

4.2 Consultant shall not have the authority to enter into any contract or agreement to bind Institution and shall not represent to anyone that Consultant has such authority.

4.3 Consultant shall not use the credit, name, logo, trademarks and/or copyrights of Institution in connection with its business or affairs except as specifically authorized in this Agreement or as approved by Institution prior to use by Consultant.

4.4 Consultant represents and warrants to Institution that in performing the Consulting Services Consultant will not be in breach of any agreement with a third party.

4.5 Consultant declares that **he/she** is not a Legislator, elected or appointed officer, or that **his/her** firm is not owned or controlled by any Legislator, elected or appointed officer, compensated or uncompensated, member of a State board of commission, or other employee of the State of Florida; and

4.6 Consultant further declares that has not participated in a State capacity, or that **his/her** firm has not been assisted or re **he/she** presented in this matter by an individual who has been involved in a State capacity, in the subject matter of this Contract and Consultant presently has no interest and shall not acquire any interest which would conflict with the performance of the work authorized hereunder.

4.7 Consultant agrees to comply with the provisions of Sections 11.062 and 216.347, F.S., which prohibit the expenditure for contract funds for the purpose of lobbying the State Legislature or a state agency.

4.8 As provided in Section 287.132-133, Florida Statutes, by entering into this Agreement or performing any work in furtherance hereof, Consultant certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform work hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately proceeding the date hereof. This notice is required by Section 287.133(3)(a), Florida Statutes.

~~5.0~~ Confidentiality of Information.

5.1 Consultant agrees to keep confidential and not to disclose to third parties any information provided by Institution pursuant to this Agreement unless Consultant has received prior written consent of

Institution to make such disclosure. This obligation of confidentiality does not extend to any information that:

5.1.1 Was in the possession of Consultant at the time of disclosure by Institution, directly or indirectly;

5.1.2 Is or shall become, through no fault of Consultant, available to the general public, or

5.1.3 Is independently developed and hereafter supplied to Consultant by a third party without restriction or disclosure.

5.2 This provision shall survive expiration and termination of this Agreement.

6.0 Property Rights and Reports.

6.1 Consultant agrees that any computer programs, software, documentation, copyrightable work, discoveries, inventions, or improvements developed by Consultant solely, or with others, resulting from the performance of Consulting Services pursuant to this Agreement are the property of Institution, and Consultant agrees to assign all rights therein to Institution. Consultant further agrees to provide Institution with any assistance which Institution may require to obtain patents or copyright registrations, including the execution of any documents submitted by Institution.

6.2 Consultant shall provide five copies of a written report within fourteen (14) days after the completion of the Consulting Services required by this Agreement; also the parties agree that the report was specifically ordered and commissioned by Institution, and is a work for hire as such term is used and defined in the Copyright Act. Accordingly, Institution shall be considered the author thereof, and the sole and exclusive owner throughout the world forever of all rights existing therein, including all manuscripts, reports, sketches, drafts, notes, maps, memoranda, etc., relating to the work, and all revisions, editions, and versions thereof in all languages, forms, and in media now or hereafter known and developed.

~~6.3 This provision shall survive expiration and termination of this Agreement.~~

7.0 Suspension or Termination of Contract.

Institution reserves the right to suspend indefinitely or terminate the contract and the Consulting Services to be rendered by Consultant upon oral or written notice to Consultant for any reason upon ten (10) days notice. In the event of termination prior to completion of all work described in Section 1.0, the amount of the total fee to be paid Consultant shall be determined by Institution on the basis of the portion of the total work actually completed up to the time of such termination.

8.0 Insurance. RESERVED

9.0 Dispute Resolution.

Any controversy, claim, or dispute arising out of or relating to this Agreement or the breach thereof, shall be first resolved in an informal manner at the Contract Manager level, then at the Vice President level or by an alternative form of non-binding dispute resolution, such as mediation. If necessary, a neutral third party mediator shall be mutually selected by the parties and such costs shall be shared equally by both parties. If such efforts are unsuccessful, the parties may exercise any remedy available in law or equity.

10.0 Indemnification and Hold Harmless.

10.1 Consultant agrees that any personal injury to Consultant or third parties or any property damage incurred in the course of performance of the Consulting Services shall be the responsibility of Consultant.

10.2 [RESERVED]

11.0 Notice.

Any notice to either party hereunder must be in writing signed by the party giving it, and shall be served either personally or by registered or certified mail addressed as follows:

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

To Institution:

Florida A&M University
Office of Communication
Lee Hall, Room 103
Tallahassee, Florida 32307
Dept. Budget Account Code: _____

To Consultant:

Dan Klores Communications, LLC
Attn: Dave Donovan, Senior VP
261 Fifth Avenue – 2nd Floor
New York, NY 10016

and

Dan Klores Communications, LLC
Attn: Nicole Green
Contracts Administrator
261 Fifth Avenue – 2nd Floor
New York, NY 10016

or to such other addressee as may be hereafter designated by written notice. All such notices shall be effective only when received by the addressee.

12.0 Entire Agreement; Modification.

This Agreement (and its attachments, if any) constitutes the entire understanding between the parties with respect to the subject matter hereof and may be amended except by an agreement signed by Consultant and an authorized representative of Institution. This Agreement may be simultaneously executed in several identical counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

13.0 Severability.

The terms of this Agreement are severable such that if any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

14.0 Governing Law; Forum.

This Agreement shall be governed by and construed under the laws of the State of Florida, in Leon County, which shall be the forum for any lawsuit between the parties arising from or incident to this Agreement.

15.0 Paragraph Headings.

The paragraph headings in this Agreement are inserted for convenience only and shall not be construed to limit or modify the scope of any provision of this Agreement.

16.0 Non-Waiver.

The delay or failure of either party to exercise any of its rights under this Agreement for a breach thereof shall not be deemed to be a waiver of any subsequent breach either of the same provision or otherwise.

17.0 Assignment.

Consultant may not assign the rights or obligations under this Agreement without Institution's prior written consent.

18.0 Unilateral Cancellation:

This Agreement may be unilaterally cancelled by the Institution for the refusal by Consultant to allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, made or received in conjunction with this Agreement.

19. Nondiscrimination:

Consultant agrees not to discriminate on the basis of race, religion, color, age, disability, sex, marital status, national origin, veteran status and sexual harassment in its operation, management and employment ~~practices and with respect to availability and accessibility of products and/or product services to the public.~~

Consultant agrees to comply with the all-applicable laws of Florida and of the United States of America regarding such nondiscrimination and equality of opportunity.

20. Employment of Unauthorized Persons:

The employment of unauthorized aliens by any contractor is considered a violation of Section 274(e) of the Immigration and Nationality Act. If the Vendor knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of this Agreement.

21. Federal Trade Commission (FTC):

All service providers shall implement and maintain adequate safeguards to comply with FTC rules (16 CFR Part 314) and University policies regarding the safeguarding of customer information.

22. Taxes:

Institution is a tax immune sovereign and exempt from the payment of all sales, use or excise taxes. Consultant shall pay all personal property taxes on leased equipment and all taxes based upon net income.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Agreement on the 15th day of February, 2012.

INSTITUTION:

Florida A&M University Board of Trustees

by 

(Signature)

Teresa Hardee

(Printed Name)

Chief Financial Officer

(Title)

CONSULTANT

Dan Klores Communications, LLC (DKC)

by 

(Signature)

John A. Marino

(Printed Name)

Managing Director/Managing Partner

(Title)

Approved as to form.


FAMU Attorney

02/27/12
Date



Florida Agricultural and Mechanical University
Board of Trustees Action Item

Meeting Date __ February 6, 2013

Agenda Item _____

Item Origination and Authorization

Policy ____ Award of Bid ____ Budget Amendment ____ Change Order ____
Resolution ____ Contract ____ Grant ____ Other ____

No Action of Board Required

Continued ____ Withdrawn ____

ISSUE FOR ACTION

Rebranding of FAMU

BACKGROUND INFORMATION

As a result of the recent crisis facing the university, additional assistance is needed to rebrand the university and assist with marketing, advertising and community relations.

RECOMMENDED ACTION

FAMU hire a firm to assist with marketing, advertising and community relations.