

## **Legal Affairs Committee**

2:30 p.m.

Thursday, March 21, 2013

Board of Supervisors' Meeting Room  
2<sup>nd</sup> Floor, J.S. Clark Administration Building  
Southern University and A & M College  
Baton Rouge, LA

### **Agenda**

1. Call to Order
2. Roll Call
3. Adoption of the Agenda
4. Public Comments
5. Action Item
  - A. Contract between SU System and EO Serve (Dumas)
6. Other Business
7. Adjournment

### **Members**

Dr. Eamon M. Kelly – Chair; Atty. Tony M. Clayton - Vice Chair; Atty. Murphy F. Bell, Jr.; Atty. Walter C. Dumas,  
Mr. Darren G. Mire, Mr. Willie E. Hendricks, Dr. Leon R. Tarver II, Atty. Bridget A. Dinvaot - Ex Officio

# BACKGROUND AND CHRONOLOGY

for the

## SOUTHERN UNIVERSITY – EDUCATION ONLINE SERVICE, CORP. ONLINE PARTNERSHIP

# EOS – BACKGROUND

- 2010-Interim President Dr. Kassie Freeman initiated discussion with EOServe.
- 2010 – President Mason meets with Bisk and EOServe about on-line course offerings.
- 2011 – Bisk declines to participate after due diligence.
- 2011- EOServe submits a proposal.
  - An extensive review was done by
    - Chancellors
    - Academic Affairs
    - Information Technology
    - Finance
    - In-house Counsel
    - Outside Counsel

# EOS – DOA/OCR CHRONOLOGY

- EOServe Agreement approved by SUBOS.
  - 10/28/2011
- SUBR Purchasing submits Sole Source Justification to DOA
  - 11/30/11
  - OCR contacted VP-IT about terms of EOServe agreement.
  - OCR referred EOServe agreement to OIT (Office of Information Technology) for review.
    - 12/27/11
  - OCR contacted SUS General Counsel about EOServe Agreement
    - 2/10/12

# EOS - OCR CHRONOLOGY

- OCR sends request for information about tuition
  - 2/22/2012
- SUS response provided to OCR on the following topics:
  - Revenue, Tuition and Financial Aid
  - 2/27/2012
- OCR sends request for additional information about sole source.
  - 03/12/12

# EOS - OCR CHRONOLOGY

- SUS General Counsel provided additional documentation to support Sole Source justification.
  - 04/3/12
- Information submitted to OCR.
  - EOServe only provider of bundled services (marketing, software, delivery, etc.) for distance learning.
  - OCR stated they found two additional companies offering similar services.
    - SUS explained Bisk declined to work.
    - Others did not bundle all services.

# EOS - OCR CHRONOLOGY

- OCR and SUS General Counsel met-05/7/12
  - SUS raised the Central Purchasing Exemption for Colleges and Universities
- DOA disagreed with SUS position.
  - Requested additional information on
    - Revenue Sharing
    - Contingent Payment
  - 05/16/2012

# EOS - OCR CHRONOLOGY

- SUS General Counsel met with DeCuir Clark & Adams and Taylor Porter -5/21/12
- Taylor Porter submitted opinion to DOA stating that EOServe Agreement was exempt for DOA-5/29/12
  - Not state funds
  - Central Purchasing Exemption
  - Not a contingency fee arrangement



# EOS - OCR CHRONOLOGY

- OCR
  - Disagreed with non-state funds argument
  - Suggested alternative approach if EOServe agreement could be viewed as a revenue sharing agreement. OCR provided an Attorney General opinion for guidance
    - 06/7/12

# EOS - OCR CHRONOLOGY

- AG's opinion provided by OCR was reviewed and determined inapplicable.
- Taylor Porter issued an opinion letter supporting the contention that the funds collected by SUS for EOServe are not public funds-7/25/12