

The Education Trust Board of New Mexico

THE HONORABLE SUSANA MARTINEZ
GOVERNOR OF NEW MEXICO

DR. BARBARA DAMRON, CABINET SECRETARY

NEW MEXICO HIGHER EDUCATION DEPARTMENT



BOARD MEMBERS
DR. BARBARA DAMRON, CHAIR
ROBERT J. DESIDERIO, VICE-CHAIR
DR. JOSE Z. GARCIA
DAVID JANSEN
MARK JARMIE

THEODORE MILLER
EXECUTIVE DIRECTOR

Telephone Meeting Minutes of December 28, 2017

1516 Paseo de Peralta
Santa Fe, New Mexico 87501

Board Members in Attendance

Dr. Barbara Damron - Chairman (by telephone)
Robert Desiderio - Vice Chairman (by telephone)
Mark Jarmie – Member (by telephone)

Other Individuals in Attendance

Theodore Miller - Executive Director ETB
Vera Lyons, Board Secretary
Helen Atkeson - Partner, Hogan Lovells US LLP (by telephone)
Kurt Sommer – Partner, Sommer Udall (by telephone)

APPROVED

Vera Lyons
Board Secretary
1/26/18

AGENDA

1) CALL TO ORDER

Chairwoman Damron called the meeting to order at 3:05 PM. The role was called and three Board members were present. A quorum existed.

2) PUBLIC COMMENT

Chairman Damron called for public comment. There was no public comment.

3) APPROVAL OF AGENDA

Chairman Damron turned to the agenda and asked if there was any discussion. There being no discussion, she called for a motion to approve the agenda. Mr. Desiderio so moved. Mr. Jarmie seconded the motion. All present voted to approve the agenda as presented to the meeting.

4) WEB HOSTING CONTRACT

Dr. Damron then asked Mr. Miller to address the proposed web hosting contract between the Board and SilverTech.

Mr. Miller began by noting that he was requesting approval of a small contract (\$60,000 plus GRT) for web hosting services with Silver Tech. This was considered a contract for non-professional services by the state. The head of the contract bureau at the General Services Department (GSD) had informed him that such a contract could be negotiated and signed by the ETB without GSD approval as long as three bids had been sought and written responses received. He noted that there were four bids sought and that three of the bidders had declined in writing to offer a bid based on system differences and/or the degree of security required. The GSD representative had informed him that these responses were sufficient to meet the three quote requirement.

He then observed that the current website is maintained in its entirety by the program manager. There had been ongoing dissatisfaction with the current design of the TEP website, in particular the “marketing front end” of the website. The contract was designed to give the Board greater ability to control this “marketing front end”. The “transactional back end” of the website would continue to be maintained by the program manager. Thus the opening and closing of accounts, transactions and account records would remain the responsibility of the program manager.

SilverTech had been identified as a reputable and experienced provider of website design services for firms such as banks and healthcare providers. In this regard it already had been retained through a contract with Esparza to assist in the redesign of the TEP website generally. SilverTech also provides a web hosting service for clients.

Under the proposed contract the redesigned “marketing front end” of the website would be hosted through SilverTech on Amazon AWS servers, with disaster recovery through Microsoft Azure. This new arrangement would permit the use of more sophisticated content management software and analytical tools than was possible under the current arrangement. It would also speed up the process of implementing changes to the marketing front end.

He noted that content changes to the front end would continue to receive review and approval by OppenheimerFunds legal and compliance as well as by FINRA. He further noted that OppenheimerFunds IT had met with the Board staff as well as with SilverTech to go over the service level requirements necessary to make the overall website function smoothly for users.

Finally he noted that the Board would take ownership of all domain names associated with the NM 529 program. The registrations for these domain names would be maintained on behalf of the Board by SilverTech.

He noted that the contract provided for service levels and security appropriate for tier 1 financial service products. The service levels and the security requirements had been attached to the contract as exhibits. OppenheimerFunds IT had created the service levels for its own partners, and had reviewed and commented to the Board staff on SilverTech’s proposed security standards. These comments had been incorporated into the draft contract exhibits.

Ms. Atkeson observed that SilverTech had contracted with Esparza to redesign the website generally. Esparza undertook this activity as a subcontractor to the program manager. She also noted that the program manager did not wish to contract with SilverTech for the marketing front end web hosting services. She further noted that SilverTech itself, and not the Board, would be contracting with Amazon and Microsoft for server and disaster recovery services. The Board and SilverTech would be the contracting parties for this contract. This would be a change from the relationships and responsibilities described in the current program management agreement, and it would have to be amended accordingly.

Dr. Damron called for a motion to approve the SilverTech small contract substantially in the form presented to the meeting with such changes as may be negotiated by the executive director acting with the advice of counsel. Mr. Desiderio so moved. Mr. Jarmie seconded the motion. The contract was approved by unanimous vote of the members present.

5) ADJOURNMENT

Dr. Damron called for a motion to adjourn. Mr. Desiderio so moved. The motion was seconded by Mr. Jarmie. The vote to adjourn was unanimous. The meeting adjourned at 3:35 PM.