FCR 10

Office of the President
June 17, 2008

Members, Board of Trustees:

<u>LEASE/PURCHASE OF EQUIPMENT AND</u>
<u>INFORMATION TECHNOLOGY ITEMS</u>

<u>Recommendation</u>: that the Board of Trustees approve the acquisition of the following major equipment and information technology items using a lease/purchase method of procurement:

1. IT Disk Storage
    Agency Funds - $530,000

2. Replacement of IT Servers for Administrative Applications
    Agency Funds - $648,500

3. Air Conditioner and Uninterruptable Power Supply (UPS)
    Agency Funds - $533,000

4. Upgrade of Communication Switches and Routers
    Agency Funds - $465,000

5. Genome Sequencer FLX
    Federal Funds - $600,000

<u>Background</u>: At its September 11, 2007 meeting, the Board delegated to the Executive Vice President for Finance and Administration the responsibility for managing university debt related to the lease/purchase of equipment and information technology items costing less than $200,000. Acquisitions of major equipment and information technology items costing $200,000 or more where the method of procurement involves debt in the form of capitalized lease obligations are to be submitted to the Board for approval. The university's Debt Committee has reviewed these acquisitions to assess the impact on the university's debt capacity. The Debt Committee has determined that acquisition of these items is consistent with the university's Debt Policy. A brief description of each item is attached.

Action taken: ☑ Approved ❑ Disapproved ❑ Other _____

1. **IT Disk Storage**
   Agency Funds - $530,000

   This electronic storage equipment is necessary to support the increased data needs of the IRIS/SAP system for the financial, human resources, campus management, plant maintenance, and materials management modules.

2. **Replacement of IT Servers for Administrative Applications**

   Agency Funds - $648,500

   Four-year old IT servers will be replaced. These servers run the IRIS/SAP administrative systems for the financial, human resources, campus management, plant maintenance, and materials management modules.

3. **Air Conditioner and Uninterruptable Power Supply (UPS)**

   Agency Funds - $533,000

   Installation of air conditioning and a UPS system is needed for the Parking Structure #2 Frame Room to improve cooling and power reliability for campus communications equipment.

   All campus telephone and data equipment are required to function 24 hours a day, seven days a week. Uninterruptible power to operate the equipment and devices is essential to the overall operation of the University as power fluctuations could cause systems to malfunction and negatively impact the entire network.

4. **Upgrade of Communication Switches and Routers**

   Agency Funds - $465,000

   The upgrade of distribution switches and routers will provide needed improvement in campus communication services.

5. **Genome Sequencer FLX**

   Federal Funds - $600,000

   This research equipment reads the DNA gene sequence, or "code of construction", of various biological, animal, and human organisms to determine their makeup and life patterns. This new sequencer will facilitate research in plant, animal, and human diseases by greatly reducing the time and cost of gene sequencing. Acquisition of this equipment item is contingent upon receipt of a federal grant that will fund the purchase.