

# FCR 10

Office of the President  
September 9, 2008

Members, Board of Trustees:

## LEASE/PURCHASE OF MEDICAL EQUIPMENT

Recommendation: that the Board of Trustees approve the acquisition of the following major medical equipment items using a lease/purchase method of procurement:

1. Siemens 1.5T MRI MAGNETOM Espree  
Agency Funds - \$1,623,621
2. Siemens 3T MRI MAGNETOM Trio MRI  
Agency Funds - \$1,969,976
3. Siemens SOMATOM Definition CT  
Agency Funds - \$1,971,853
4. UK HealthCare Enterprise Equipment Lease Pool  
Agency Funds - \$10,000,000

Background: At the 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. However, 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 will 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.

The first three medical equipment items will provide patients with state-of-the-art diagnostic imaging and are planned for installation within the new Gill Imaging Center currently under construction on the ground floor of the Gill Building. These equipment items will be funded from the UK HealthCare Enterprise.

The equipment pool will allow funding flexibility with regard to various capital equipment purchases initiated by the HealthCare Enterprise through the remainder of this fiscal year. This pool is required for cash-flow management purposes as UK HealthCare proceeds with several cash-intensive projects such as the construction and eventual build-out of the Patient Care Facility, various ambulatory care initiatives, and other major projects/initiatives.

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Action taken:  Approved     Disapproved     Other \_\_\_\_\_