Members, Board of Trustees:

LEASE/PURCHASE TELEPHONE SYSTEM REPLACEMENT

Recommendation: that the Board of Trustees approve the Lease/Purchase of the Telephone System Replacement.

Background: At the September 2007 Board meeting, the Executive Vice President for Finance and Administration was delegated 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 of Trustees for approval.

This Telephone System Replacement will improve the campus voice infrastructure, provide enhanced licenses to accommodate healthcare requirements, deliver increased call center stability and improve communications across the University enterprise. It will also provide enhanced 911 services and mobile application features. In comparison, the lease payment represents an annual reduction of $30,000 per year over the five-year term.

The University’s debt committee has reviewed the proposed lease/purchase to assess the impact on the University’s debt capacity. The debt committee has determined that the proposed lease/purchase is consistent with the University’s debt policy.

The scope of this project is $853,000, well within the $3,000,000 scope authorized by the 2012 Session of the Kentucky General Assembly. The project will be financed with agency funds.

Action taken: ☑ Approved ☐ Disapproved ☐ Other ______________________