

FCR 10

Office of the President
September 15, 2009

Members, Board of Trustees:

LEASE-PURCHASE OF HEALTH MANAGEMENT SYSTEM

Recommendation: that the Board of Trustees approve the acquisition of a Health Management System for Good Samaritan Hospital using a lease-purchase method of procurement.

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 this acquisition to assess the impact on the University's debt capacity. The Debt Committee has determined that acquisition of this item is consistent with the University's Debt Policy.

The Health Management System is needed to replace Good Samaritan's current information technology systems with the appropriate Chandler Hospital systems. The cost of this purchase is \$7,276,000 and will be funded from the HealthCare Enterprise.

Action taken: Approved Disapproved Other _____