

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Approval to Refinance UNISYS ContractRECOMMENDATION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents:

- (1) Approve a financing contract with Key Government Finance/UNISYS Leasing Worldwide in the amount of \$5.4 million to finance the extension of an existing software license and the acquisition of data storage equipment.
- (2) Delegate to the President or his designee, the authority to execute documents as required to complete this financing transaction.

BACKGROUND

On March 19, 2009, UW Technology reported the extension of the software license and the replacement of data storage equipment for the University's UNISYS computer system to the Board of Regents as acquisitions executed under general delegated authority.

A sole source purchase order in the amount of \$3,389,999, including sales tax, was executed with UNISYS Corporation for a two-year extension of the 2006 hardware and software agreement for the University's three administrative computers. A second sole source purchase order in the amount of \$1,920,523, including sales tax, was separately executed with UNISYS Corporation for replacement of data storage for administrative computing systems. Both actions were approved by the Director of the Washington State Department of Information Services.

The software license has been extended and the computer equipment has been purchased and delivered. The bulk of the equipment has been tested and placed in service, and testing and installation of the final components is expected in the next two to three months.

A request for proposals for a financing contract in the total amount of \$5.4 million was issued on April 6, 2009. Three proposals were received and evaluated for cost and performance. Key Government Finance/UNISYS Leasing Worldwide was awarded the contract on May 14, 2009, with an effective interest rate offer of

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4.05 percent over a 30-month amortization period for the software portion and a 48-month amortization period for the hardware portion.

PROJECT BUDGET AND FUNDING:

The financing contract is in the total amount of \$5.4 million. Funding for both acquisitions were made from University operating budgets. The proceeds of the financing transaction will be used to reimburse these operating budgets.

PREVIOUS ACTION

March 19, 2009 – Report to Board of Regents regarding extension of software license and replacement of data storage equipment under general delegated authority.

REVIEW AND APPROVALS

This recommendation has been reviewed and approved by the Senior Vice President and the Vice Provost for Planning and Budgeting.