

Contact: Andrea Anania

**RATIFICATION OF EQUIPMENT PURCHASE – UNIVERSITY OF IOWA**

**Action Requested:** Ratify the Executive Director's February 12, 2015, approval for the University of Iowa to purchase a used, world championship quality, pre-fabricated, portable, indoor banked track at an approximate cost of \$2,600,000.

**Executive Summary:** Equipment purchases at the Regent institutions costing more than \$1 million are required by Board policy to be approved by the Board. The Executive Director may approve emergency purchases exceeding \$1,000,000 to be followed by Board ratification.

The Board's Policy Manual defines emergency purchases as purchases that are critical to sustaining patient care or human life, maintaining critical research equipment, or similar instances. Emergency purchases may also be defined as those purchases that are time sensitive.

**Analysis:**

**Description of the Equipment**

A used, world championship quality, pre-fabricated, portable, indoor banked track. The purchase includes delivery, installation, additional 2 lanes for warm up, custom coloring, resurfacing, and 10-year full warranty. Delivery and installation is anticipated in Spring/Summer of 2016.

**Justification of the Need for the Equipment**

The World Indoor Track and Field Championships will be held in Portland, Oregon, in March 2016. Beynon Sports Surfaces is providing a new indoor banked track for this event; the estimated cost for the original equipment is \$4,000,000. Beynon Sports Surfaces is one of the leading manufacturers of portable banked tracks.

The University of Iowa was given the opportunity to purchase the used track at the discounted price of approximately \$2,600,000 with delivery and installation to occur in Spring/Summer of 2016. The University will save approximately \$1.4 million, but had to commit to purchasing the track by February 13, 2015, or risk losing it.

The University of Iowa reports that this equipment purchase is critical to the University of Iowa Intercollegiate Athletics department.

The purchase of a used indoor banked track will allow for the replacement of the existing track located in the Recreation Building and will be used by the University of Iowa intercollegiate track teams for indoor practice and competitions. The Recreation Building was built in 1969 and the current track was installed in 2002.

The indoor banked track will provide an up-to-date indoor facility as most indoor track championships are run on a banked track and the surface construction minimizes the risk of physical injuries to student athletes from daily training when compared to alternative products. This major investment will positively impact SUI's 100+ men and women track and field athletes.

In addition, the purchase will:

- ▶ Improve the quality of indoor meets by attracting nationally ranked teams to a top 5 facility in America;
- ▶ Reduce travel costs and class days missed during the indoor season due to hosting more meets on campus;
- ▶ Increase revenue by hosting more teams and more meets on campus;
- ▶ Improve recruiting with the attraction of a top 5 indoor track facility;
- ▶ Improve the student athlete experience by hosting more meets on campus, higher quality competition, athletics only facility (no public access unless approved and rented), and better NCAA Qualifying performances on a fast track;
- ▶ Improve student-athlete wellness by keeping athletes healthier throughout the strenuous indoor training months (November – April) on a more forgiving banked track compared to the tight curves of a flat track; and
- ▶ Improve the current facility, which is ranked among the bottom of the Big Ten, to become one of the top 5 facilities in the country

Any Known Alternatives to the Equipment Proposed

There are no known alternatives at this discounted price.

Estimated Cost and Source of Funding

The estimated cost is \$2,600,000. The source of funding is athletic department gifts and earnings. In addition, the University may utilize the master lease agreement with Wells Fargo to finance this equipment purchase. Final determination on use of the master lease agreement will be based on interest rates in effect at the time of the financing.

**Board Policy:** Chapter 7.06B(12) of the Regent Policy Manual requires that:

- ▶ Equipment costing more than \$1,000,000 must be submitted to the Board for approval; and
- ▶ Requests submitted to the Board Office for approval must include the following information:
  - ◆ Description of the equipment;
  - ◆ Justification of the need for the equipment;
  - ◆ Any known alternatives to the equipment proposed; and
  - ◆ Estimated cost and source of funding.

The Executive Director may approve emergency purchases which exceed \$1,000,000 to be followed by Board ratification.