



OFFICE OF THE BOARD OF TRUSTEES

## Public Meeting Notice

June 26, 2022

TO: Southern Oregon University Board of Trustees  
FROM: Sabrina Prud'homme, University Board Secretary  
RE: Notice of Special Meeting of the Board of Trustees

The Southern Oregon University Board of Trustees will hold a special meeting on the date and at the online location set forth below.

Topics on the agenda include action the Core Information Systems Replacement Project consisting of a Workday product contract award; a Workday implementation contract award; and financing authorization for the project.

The meeting will occur as follows:

Thursday, June 30, 2022

8:00 a.m. to 10:00 a.m. (or until business concludes)

Materials for the meeting will be available at [governance.sou.edu](https://governance.sou.edu).

To view the proceedings, visit <https://sou.zoom.us/j/89567561563> at the time of the meeting.

## Public Comment

Members of the public who wish to provide public comments to the board are invited to sign up to speak or submit their comments in writing at least 24 hours in advance of the meeting to the Board of Trustees email address: [trustees@sou.edu](mailto:trustees@sou.edu). The public comment period is limited to three minutes per speaker. Public comments also may be delivered by hand or mailed to SOU Board of Trustees, 1250 Siskiyou Boulevard, Churchill Hall, Room 107, Ashland, OR 97520.

**If special accommodations are required, please contact (541) 552-6060 at least 48 hours in advance.**



**Board of Trustees Special Meeting**  
**June 30, 2022**





**Board of Trustees Special Meeting**

**Thursday, June 30, 2022**  
**8:00– 10:00 a.m. (or until business concludes)**  
<https://sou.zoom.us/j/89567561563>

**AGENDA**

Persons wishing to provide public comment shall sign up in advance or do so in writing via [trustees@sou.edu](mailto:trustees@sou.edu).

- |         |          |   |   |
|---------|----------|---|---|
|         | <b>1</b> | <b>Call to Order/Roll/Declaration of a Quorum</b>     |   |
|         | 1.1      | Welcome and Opening Remarks                           | Chair Daniel Santos   |
|         | 1.2      | Land Acknowledgement                                  |   |
|         | 1.3      | Roll and Declaration of a Quorum                      | Sabrina Prud'homme,<br>SOU, Board Secretary   |
| 5 min.  | 1.4      | Agenda Review   | Chair Santos  |
| 15 min. | <b>2</b> | <b>Public Comment</b>                                 |   |
| 95 min. | <b>3</b> | <b>Action, Information and Discussion Items</b>       |   |
|         | 3.1      | Core Information Systems Replacement Project (Action) | Greg Perkinson, SOU,<br>Vice President for Finance<br>and Administration; Tom<br>Battaglia, SOU, Chief<br>Information Officer |
|         | 3.1.1    | Workday Product Contract Award                        |   |
|         | 3.1.2    | Workday Implementation Contract Award                 |   |
|         | 3.1.3    | Workday Project Financing Authorization               |   |
| 5 min.  | 3.2      | Future Meetings                                       |   |
|         | <b>6</b> | <b>Adjournment</b>                                    | Chair Santos  |

# Call to Order / Roll / Declaration of a Quorum

# Land Acknowledgement

# Public Comment

# Core Information System Replacement (Action)

- Workday Product Contract Award
- Workday Implementation Contract Award
- Workday Project Financing Authorization

# Roadmap

- Core Information System Replacement Project (Action)
- Workday Product Contract and Implementation Awards
- Financing Proposal
  - Summary
  - Technical Evaluation Results
  - Recommendation
- Resolution awarding all project components

## APPENDIX

# Outcomes

### Student Experience

Consolidated, streamlined and modern academic experience using real-time/live data for students and those who serve them by combining multiple systems that handle:

- ◆ Academic planning
- ◆ Registration
- ◆ Degree Audit
- ◆ Adviser assignments and interactions
- ◆ Financial Aid
- ◆ Student Accounts
- ◆ Employees will be able to assist students more quickly and effectively using a modern system that has real-time information available in one comprehensive application.

### Cost Effectiveness

- ◆ SOU currently spends ~**\$1.5-Million per year** on the systems required to provide the services listed above.
  - ◆ Workday will cut the operational expense roughly in half **down to ~\$820-Thousand per year.**
- ◆ SOU maintains ~150 interfaces/integrations between systems. This number will reduce by roughly one third, saving SOU I.T. staff valuable labor hours and improving focus.

### Increased Efficiency

- ◆ SOU will be **transforming** its business practices in both the administrative and academic areas.
  - These changes will reduce the amount of human time spent doing many tasks.
  - These changes will streamline SOU's ability to serve students, process payables, receivables, etc.
  - These changes will reduce the effort required during the audit cycle.

### Accountability

- ◆ SOU will measure success by tracking the annual operating savings. SOU expects to **save more than \$8-Million over ten years.**
- ◆ This transformation will reduce the number of hours required to support and maintain SOU's existing Banner ecosystem.
  - SOU will not need to increase the number of staff necessary for supporting this system.
  - Through attrition, the number of required staff will reduce.
- ◆ SOU will measure the improvement/shift in both its staffing ratio and student success.

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### BANNER REPLACEMENT ANTICIPATED COSTS & RETURN (\$M)

	Jul-22	Jul-23	Jul-24	Jul-25	Jul-26	Jul-27	Jul-28	Jul-29	Jul-30	Jul-31	Jul-32	Jul-33	Jul-34	Jul-35	Jul-36
Banner Ecosystem	\$1.40	\$1.42	\$1.44	\$1.51	\$1.56	\$1.60	\$1.65	\$1.70	\$1.75	\$1.81	\$1.86	\$1.92	\$1.97	\$2.03	\$2.09
Workday	\$0.54	\$0.82	\$0.83	\$0.85	\$0.86	\$0.88	\$0.90	\$0.92	\$0.93	\$0.95	\$0.97	\$0.99	\$1.01	\$1.03	\$1.05
Implementation	\$2.66	\$2.68	\$1.75	\$0.36											
Annual Total	\$4.60	\$4.92	\$4.02	\$1.21	\$0.86	\$0.88	\$0.90	\$0.92	\$0.93	\$0.95	\$0.97	\$0.99	\$1.01	\$1.03	\$1.05
Delta (vs. Current)	\$3.20	\$3.50	\$2.58	-\$0.31	-\$0.69	-\$0.72	-\$0.75	-\$0.79	-\$0.82	-\$0.85	-\$0.89	-\$0.92	-\$0.96	-\$1.00	-\$1.04
Project Balance	\$3.20	\$6.70	\$9.28	\$9.64	\$8.95	\$8.22	\$7.47	\$6.68	\$5.86	\$5.01	\$4.12	\$3.20	\$2.24	\$1.24	\$0.19

-  Gray cells indicate the annual cost for the Banner Ecosystem if SOU were to not replace it.
-  Rose cells indicate the overall annual costs for Banner, Workday and implementation during the implementation period of the project.
-  July 2025 is highlighted in red to indicate that early 2025 is where SOU could begin to eliminate portions of Banner.

- This table illustrates the comparison between costs of maintaining the Banner Ecosystem versus replacing it with Workday.
- The numbers used in this table are based on the most recent quotes from Workday, Inc. and one of the four implementers being evaluated (Alchemy.us).
- The Project Balance is inclusive of costs for Workday and implementer through the point where SOU can discontinue its use of the Banner Ecosystem.
- SOU begins to realize savings vs. the Banner Ecosystem after the third year!
- SOU can cover the cost of the project in 10 to 12 years (depending on chosen implementer and other factors).

A full report with supporting detail is available at: <https://sou.box.com/s/cqdfzp0shb2wrw8rhyup2rxag8qy0ocw>

# Bottom Line Up Front

Seeking approvals as follows:

1. Award the Workday contract as proposed (~ \$800k/year) and proceed with the timely implementation of the project plan
  - This contract is between SOU and Workday.
  - The annual rate for the estimated ten-year contract is expected to be approximately \$832K/year with an annual uplift of 2% per year.
  - The conservative annual savings (after implementation) are over \$700k/year
  
2. Award the Implementation Contract (~ \$7.4m)
  - The Workday implementation proposals were scored by the steering committee comprising representatives from: Academic Affairs, Raider Student Services, Financial Aid, Admissions, HR, Finance and IT
  - The team unanimously chose Alchemy
  - Alchemy's bid came in at \$7.4M, and the phased work will take three years.
  
3. Authority to enter into Master Lease Agreement as recommend by Technical Evaluation Team (obtain \$10m financing over ten years)

## Workday Summary

The following Workday order form lays out the details of the 10-year subscription contract for which SOU is seeking approval to sign. The Workday subscription will provide SOU with the information system for the following areas:

1. Human Capital Management (Human Resources, recruitment, performance management, benefits, etc.)
2. Payroll
3. Employee Time Tracking
4. Workforce Scheduling
5. Labor Optimization
6. Absence Management
7. Core Financials
8. Revenue Management
9. Grants Management
10. Financial Planning (budgeting)
11. Prism Analytics- allows blending of Workday data with data from external sources for full analytical analysis and reporting.
12. Expense and travel tracking
13. Procurement
14. People Analytics (pay equity, DEI analytics)
15. Sourcing
16. Workday Student Platform\*
17. Workday Extend that allows for customizations to be added by SOU

\*Workday Student supports academic institutions in student recruiting, student application processing and admissions, managing courses, programs, enrollment and student records, academic advising, tracking financial aid, and managing student financial accounts. Workday Student includes dashboards and reports to support institutional effectiveness.

## ORDER FORM 00333576.0

<b>Customer Name</b>	Southern Oregon University
<b>Workday Entity</b>	Workday, Inc. 6110 Stoneridge Mall Road Pleasanton, CA 94588
<b>MSA Effective Date</b>	See MSA executed herewith
<b>Order Effective Date</b>	The later of the dates of the parties' signatures on the Signature Document
<b>Order Term</b>	July 1, 2022 through June 30, 2032
<b>Order Term in Months</b>	120
<b>Currency</b>	USD
<b>Total Subscription Fee</b>	8,622,001
<b>Tenant Base Name</b>	sou

### Payment Schedule Table

Payment #	Payment Due Date	Payment Amount
1	Due net 45, invoiced upon Order Term start Date	862,200
2	Due on first anniversary of the Order Term start date, Net 30	788,603
3	Due on second anniversary of the Order Term start date, Net 30	805,144
4	Due on third anniversary of the Order Term start date, Net 30	822,012
5	Due on fourth anniversary of the Order Term start date, Net 30	839,219
6	Due on fifth anniversary of the Order Term start date, Net 30	856,770
7	Due on sixth anniversary of the Order Term start date, Net 30	874,673
8	Due on seventh anniversary of the Order Term start date, Net 30	892,934
9	Due on eighth anniversary of the Order Term start date, Net 30	911,558
10	Due on ninth anniversary of the Order Term start date, Net 30	968,888
	<b>Total Payment Amount</b>	<b>8,622,001</b>

For the avoidance of doubt, the Payment Schedule Table will be used for invoicing purposes.

### Subscription Fees Table

Subscription Period	Date Range	Subscription Fee
1	July 1, 2022 through June 30, 2023	555,560
2	July 1, 2023 through June 30, 2024	826,933
3	July 1, 2024 through June 30, 2025	843,474
4	July 1, 2025 through June 30, 2026	860,342
5	July 1, 2026 through June 30, 2027	877,549
6	July 1, 2027 through June 30, 2028	895,100
7	July 1, 2028 through June 30, 2029	913,003
8	July 1, 2029 through June 30, 2030	931,264
9	July 1, 2030 through June 30, 2031	949,888
10	July 1, 2031 through June 30, 2032	968,888
	<b>Total Subscription Fee</b>	<b>8,622,001</b>

The Subscription Fees Table provides the Subscription Fees for each applicable Subscription Period. The Subscription Fee for Subscription Period 2 onwards includes a capped Innovation Index of 2.0% (as defined in the Additional Definitions Section below). During the initial Term, any increases due to CPI (also defined below) are waived. Customer understands that the Subscription Fees above reflects Customer's planned phased deployment, and any adjustment to the deployment timeline will not result in changes to the Payment Schedule or Subscription Fees.

## Schedule 1: Summary Cost Presentation

Below is Alchemy’s time and materials estimate for services to deploy the Workday Enterprise (HCM, Payroll, Financials, and Student). Alchemy is assuming that the project will be deployed 100% remotely, therefore reimbursable travel & expenses are NOT included in the estimated fees. Upon further discussion, Alchemy would be willing to provide a fixed fee estimate.

Deployment Estimate - HCM, Financials, Student	
Function	Estimated Cost
Alchemy Catalyst	\$100,000
HCM, Payroll, Financials - Functional Total	\$1,285,000
HCM, Payroll, Financials - Technical Total	\$625,000
HCM, Payroll, Financials - Project Governance Total	\$512,000
HCM, Payroll, Financials - Change Management Total	\$86,000
HCM, Payroll, Financials - Deployment Total	\$2,508,000
Student - Functional Total	\$2,997,000
Student - Technical Total	\$773,000
Student - Project Governance Total	\$904,000
Student - Change Management Total	\$168,000
Student - Deployment Total	\$4,842,000
Delivery Assurance - HCM, Payroll, Financials	<i>Included in Total Fees</i>
Delivery Assurance - Student	<i>Contracted with Workday</i>
Training	<i>Contracted with Workday</i>
<b>Enterprise Deployment Total</b>	<b>\$7,450,000</b>

\*Technical estimate is based on 60 Platform and 93 Student in-scope integrations, of which Alchemy would build 45 Platform and 56 Student Integrations. This number is subject to change upon completion of a detailed integrations discovery with Southern Oregon University.

### Cost by fiscal year:

	FY 2023	FY 2024	FY2025	FY 2026
Total Enterprise Cost	\$2,660,000	\$2,680,000	\$1,750,000	\$360,000

# Summary of Request for Proposals

- Proposals opened at 3:00pm on 6/28/22
- Two proposals were submitted
- Technical evaluation team [controller, deputy controller, budget and planning director, and contracting officer recommend award to *First American Equipment and Finance (FAEF)*]
- Basis of Award:
  - ✓ Responsive: submitted on time with requisite information
  - ✓ Responsible:
    - ✓ Provided three options for award and a creative “Master Lease Agreement” (MLA) structure (not a loan...they submitted a sample MLA, similar to hardware and software procurement in industry)
    - ✓ Equity statement and Sustainability statement provided
    - ✓ Viable pathway for approval after legal review

# Why is this a Lease/MLA, not a Loan?

- We expected Loan terms and conditions, and the banks we had spoken with did not bid
- The RFP allowed “other flexible options”
- The Technical evaluation team was pleasantly surprised to see the offer presented as a master lease agreement; we currently have MLAs in multiple portfolios. Examples include:
  - Computer Leasing campus-wide
  - Vehicles
  - JPR radio sites
  - Copy machines
- At the end of the day, the MLA will function as a loan (from an accounting perspective); and
- FAEF specializes in financing higher ed projects

# Summary of Terms



## OPTION 2

<b>Lessor</b>	First American Equipment Finance, 211 High Point Drive, Victor, NY 14564
<b>Lessee</b>	Southern Oregon University, 1250 Siskiyou Blvd, Ashland, OR 97520-5000
<b>Project</b>	Workday Implementation
<b>Equipment Cost</b>	\$10,039,101.00
<b>Lease Option</b>	

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Lease Term	120 Months
Interest Rate	3.49%
Lease Rate Factor	0.01339
Months 1-36	\$29,197.05
Months 37-120	\$134,444.04
Lease Type	Tax Exempt
Payment Frequency	Monthly

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**Additional Fees** None

# Updated Business Case

- Competitive Interest rate at 3.49%
- Minimizes impact to Operational budget, using interest-only payment plan for years 1-3
- Operational savings start on year one (as legacy HR platforms are ‘sunset’)
- Significant operational savings start in year 4 (FY26)
- Break even in FY33

## Proposed Amortization Schedule from First American Equipment and Finance (FAEF)

The following amortization schedule outlines the annual structure for the proposed lease. It illustrates monthly payments, the portion applied to principal and to interest and the remaining balance after each payment. In addition, it rolls up each year's payments to show how much SOU can expect to pay each year and how the payments will be applied.

At the bottom of the schedule are listed the:

- annual percentage rate;
- the total cost of financing the project (total interest paid);
- the total amount financed;
- the total of all payments paid.

**It is important to point out that these payments owed to the lender (FAEF) will cover all charges incurred from both Workday and Alchemy. SOU will be named as the "Bill To" contact, but FAEF will disburse funds from escrow to both Workday and Alchemy as the project proceeds at the time SOU is invoiced. All payments from FAEF to either Workday or Alchemy will require approval by SOU before payments are made.**

Compounding Period: Monthly

Nominal Annual Rate: 3.490%

**Cash Flow Data - Loans and Payments**

	Event	Date	Amount	Number	Period	End Date
1	Loan	08/01/2022	10,039,101.00	1		
2	Payment	08/01/2022	29,197.05	36	Monthly	07/01/2025
3	Payment	08/01/2025	134,444.04	84	Monthly	07/01/2032

**TValue Amortization Schedule - Normal, 365 Day Year**

	Date	Payment	Interest	Principal	Balance
Loan	08/01/2022				10,039,101.00
1	08/01/2022	29,197.05	0.00	29,197.05	10,009,903.95
2	09/01/2022	29,197.05	29,112.12	84.93	10,009,819.02
3	10/01/2022	29,197.05	29,111.88	85.17	10,009,733.85
4	11/01/2022	29,197.05	29,111.63	85.42	10,009,648.43
5	12/01/2022	29,197.05	29,111.38	85.67	10,009,562.76
<b>2022 Totals</b>		<b>145,985.25</b>	<b>116,447.01</b>	<b>29,538.24</b>	
6	01/01/2023	29,197.05	29,111.13	85.92	10,009,476.84
7	02/01/2023	29,197.05	29,110.88	86.17	10,009,390.67
8	03/01/2023	29,197.05	29,110.63	86.42	10,009,304.25
9	04/01/2023	29,197.05	29,110.38	86.67	10,009,217.58
10	05/01/2023	29,197.05	29,110.13	86.92	10,009,130.66
11	06/01/2023	29,197.05	29,109.87	87.18	10,009,043.48
12	07/01/2023	29,197.05	29,109.62	87.43	10,008,956.05
13	08/01/2023	29,197.05	29,109.37	87.68	10,008,868.37
14	09/01/2023	29,197.05	29,109.11	87.94	10,008,780.43
15	10/01/2023	29,197.05	29,108.86	88.19	10,008,692.24
16	11/01/2023	29,197.05	29,108.60	88.45	10,008,603.79
17	12/01/2023	29,197.05	29,108.34	88.71	10,008,515.08
<b>2023 Totals</b>		<b>350,364.60</b>	<b>349,316.92</b>	<b>1,047.68</b>	
18	01/01/2024	29,197.05	29,108.08	88.97	10,008,426.11
19	02/01/2024	29,197.05	29,107.82	89.23	10,008,336.88
20	03/01/2024	29,197.05	29,107.57	89.48	10,008,247.40
21	04/01/2024	29,197.05	29,107.31	89.74	10,008,157.66
22	05/01/2024	29,197.05	29,107.04	90.01	10,008,067.65
23	06/01/2024	29,197.05	29,106.78	90.27	10,007,977.38
24	07/01/2024	29,197.05	29,106.52	90.53	10,007,886.85
25	08/01/2024	29,197.05	29,106.26	90.79	10,007,796.06

	Date	Payment	Interest	Principal	Balance
26	09/01/2024	29,197.05	29,105.99	91.06	10,007,705.00
27	10/01/2024	29,197.05	29,105.73	91.32	10,007,613.68
28	11/01/2024	29,197.05	29,105.46	91.59	10,007,522.09
29	12/01/2024	29,197.05	29,105.20	91.85	10,007,430.24
<b>2024 Totals</b>		<b>350,364.60</b>	<b>349,279.76</b>	<b>1,084.84</b>	
30	01/01/2025	29,197.05	29,104.93	92.12	10,007,338.12
31	02/01/2025	29,197.05	29,104.66	92.39	10,007,245.73
32	03/01/2025	29,197.05	29,104.39	92.66	10,007,153.07
33	04/01/2025	29,197.05	29,104.12	92.93	10,007,060.14
34	05/01/2025	29,197.05	29,103.85	93.20	10,006,966.94
35	06/01/2025	29,197.05	29,103.58	93.47	10,006,873.47
36	07/01/2025	29,197.05	29,103.31	93.74	10,006,779.73
37	08/01/2025	134,444.04	29,103.04	105,341.00	9,901,438.73
38	09/01/2025	134,444.04	28,796.67	105,647.37	9,795,791.36
39	10/01/2025	134,444.04	28,489.41	105,954.63	9,689,836.73
40	11/01/2025	134,444.04	28,181.26	106,262.78	9,583,573.95
41	12/01/2025	134,444.04	27,872.21	106,571.83	9,477,002.12
<b>2025 Totals</b>		<b>876,599.55</b>	<b>346,171.43</b>	<b>530,428.12</b>	
42	01/01/2026	134,444.04	27,562.27	106,881.77	9,370,120.35
43	02/01/2026	134,444.04	27,251.42	107,192.62	9,262,927.73
44	03/01/2026	134,444.04	26,939.67	107,504.37	9,155,423.36
45	04/01/2026	134,444.04	26,627.01	107,817.03	9,047,606.33
46	05/01/2026	134,444.04	26,313.44	108,130.60	8,939,475.73
47	06/01/2026	134,444.04	25,998.96	108,445.08	8,831,030.65
48	07/01/2026	134,444.04	25,683.57	108,760.47	8,722,270.18
49	08/01/2026	134,444.04	25,367.26	109,076.78	8,613,193.40
50	09/01/2026	134,444.04	25,050.03	109,394.01	8,503,799.39
51	10/01/2026	134,444.04	24,731.87	109,712.17	8,394,087.22
52	11/01/2026	134,444.04	24,412.79	110,031.25	8,284,055.97
53	12/01/2026	134,444.04	24,092.78	110,351.26	8,173,704.71
<b>2026 Totals</b>		<b>1,613,328.48</b>	<b>310,031.07</b>	<b>1,303,297.41</b>	
54	01/01/2027	134,444.04	23,771.85	110,672.19	8,063,032.52
55	02/01/2027	134,444.04	23,449.97	110,994.07	7,952,038.45
56	03/01/2027	134,444.04	23,127.17	111,316.87	7,840,721.58
57	04/01/2027	134,444.04	22,803.42	111,640.62	7,729,080.96
58	05/01/2027	134,444.04	22,478.73	111,965.31	7,617,115.65
59	06/01/2027	134,444.04	22,153.10	112,290.94	7,504,824.71
60	07/01/2027	134,444.04	21,826.52	112,617.52	7,392,207.19
61	08/01/2027	134,444.04	21,498.99	112,945.05	7,279,262.14
62	09/01/2027	134,444.04	21,170.51	113,273.53	7,165,988.61
63	10/01/2027	134,444.04	20,841.07	113,602.97	7,052,385.64
64	11/01/2027	134,444.04	20,510.68	113,933.36	6,938,452.28
65	12/01/2027	134,444.04	20,179.32	114,264.72	6,824,187.56

	Date	Payment	Interest	Principal	Balance
<b>2027 Totals</b>		<b>1,613,328.48</b>	<b>263,811.33</b>	<b>1,349,517.15</b>	
66	01/01/2028	134,444.04	19,847.00	114,597.04	6,709,590.52
67	02/01/2028	134,444.04	19,513.72	114,930.32	6,594,660.20
68	03/01/2028	134,444.04	19,179.46	115,264.58	6,479,395.62
69	04/01/2028	134,444.04	18,844.23	115,599.81	6,363,795.81
70	05/01/2028	134,444.04	18,508.03	115,936.01	6,247,859.80
71	06/01/2028	134,444.04	18,170.85	116,273.19	6,131,586.61
72	07/01/2028	134,444.04	17,832.69	116,611.35	6,014,975.26
73	08/01/2028	134,444.04	17,493.54	116,950.50	5,898,024.76
74	09/01/2028	134,444.04	17,153.41	117,290.63	5,780,734.13
75	10/01/2028	134,444.04	16,812.29	117,631.75	5,663,102.38
76	11/01/2028	134,444.04	16,470.18	117,973.86	5,545,128.52
77	12/01/2028	134,444.04	16,127.07	118,316.97	5,426,811.55
<b>2028 Totals</b>		<b>1,613,328.48</b>	<b>215,952.47</b>	<b>1,397,376.01</b>	
78	01/01/2029	134,444.04	15,782.97	118,661.07	5,308,150.48
79	02/01/2029	134,444.04	15,437.86	119,006.18	5,189,144.30
80	03/01/2029	134,444.04	15,091.75	119,352.29	5,069,792.01
81	04/01/2029	134,444.04	14,744.64	119,699.40	4,950,092.61
82	05/01/2029	134,444.04	14,396.51	120,047.53	4,830,045.08
83	06/01/2029	134,444.04	14,047.37	120,396.67	4,709,648.41
84	07/01/2029	134,444.04	13,697.22	120,746.82	4,588,901.59
85	08/01/2029	134,444.04	13,346.05	121,097.99	4,467,803.60
86	09/01/2029	134,444.04	12,993.86	121,450.18	4,346,353.42
87	10/01/2029	134,444.04	12,640.64	121,803.40	4,224,550.02
88	11/01/2029	134,444.04	12,286.39	122,157.65	4,102,392.37
89	12/01/2029	134,444.04	11,931.12	122,512.92	3,979,879.45
<b>2029 Totals</b>		<b>1,613,328.48</b>	<b>166,396.38</b>	<b>1,446,932.10</b>	
90	01/01/2030	134,444.04	11,574.81	122,869.23	3,857,010.22
91	02/01/2030	134,444.04	11,217.47	123,226.57	3,733,783.65
92	03/01/2030	134,444.04	10,859.08	123,584.96	3,610,198.69
93	04/01/2030	134,444.04	10,499.66	123,944.38	3,486,254.31
94	05/01/2030	134,444.04	10,139.18	124,304.86	3,361,949.45
95	06/01/2030	134,444.04	9,777.66	124,666.38	3,237,283.07
96	07/01/2030	134,444.04	9,415.09	125,028.95	3,112,254.12
97	08/01/2030	134,444.04	9,051.47	125,392.57	2,986,861.55
98	09/01/2030	134,444.04	8,686.78	125,757.26	2,861,104.29
99	10/01/2030	134,444.04	8,321.04	126,123.00	2,734,981.29
100	11/01/2030	134,444.04	7,954.23	126,489.81	2,608,491.48
101	12/01/2030	134,444.04	7,586.36	126,857.68	2,481,633.80
<b>2030 Totals</b>		<b>1,613,328.48</b>	<b>115,082.83</b>	<b>1,498,245.65</b>	
102	01/01/2031	134,444.04	7,217.41	127,226.63	2,354,407.17
103	02/01/2031	134,444.04	6,847.40	127,596.64	2,226,810.53

	Date	Payment	Interest	Principal	Balance
104	03/01/2031	134,444.04	6,476.30	127,967.74	2,098,842.79
105	04/01/2031	134,444.04	6,104.13	128,339.91	1,970,502.88
106	05/01/2031	134,444.04	5,730.88	128,713.16	1,841,789.72
107	06/01/2031	134,444.04	5,356.54	129,087.50	1,712,702.22
108	07/01/2031	134,444.04	4,981.11	129,462.93	1,583,239.29
109	08/01/2031	134,444.04	4,604.59	129,839.45	1,453,399.84
110	09/01/2031	134,444.04	4,226.97	130,217.07	1,323,182.77
111	10/01/2031	134,444.04	3,848.25	130,595.79	1,192,586.98
112	11/01/2031	134,444.04	3,468.44	130,975.60	1,061,611.38
113	12/01/2031	134,444.04	3,087.52	131,356.52	930,254.86
<b>2031 Totals</b>		<b>1,613,328.48</b>	<b>61,949.54</b>	<b>1,551,378.94</b>	
114	01/01/2032	134,444.04	2,705.49	131,738.55	798,516.31
115	02/01/2032	134,444.04	2,322.35	132,121.69	666,394.62
116	03/01/2032	134,444.04	1,938.10	132,505.94	533,888.68
117	04/01/2032	134,444.04	1,552.73	132,891.31	400,997.37
118	05/01/2032	134,444.04	1,166.23	133,277.81	267,719.56
119	06/01/2032	134,444.04	778.62	133,665.42	134,054.14
120	07/01/2032	134,444.04	389.90	134,054.14	0.00
<b>2032 Totals</b>		<b>941,108.28</b>	<b>10,853.42</b>	<b>930,254.86</b>	
<b>Grand Totals</b>		<b>12,344,393.16</b>	<b>2,305,292.16</b>	<b>10,039,101.00</b>	

Last interest amount increased by 0.03 due to rounding.

<b>ANNUAL PERCENTAGE RATE</b>	<b>FINANCE CHARGE</b>	<b>Amount Financed</b>	<b>Total of Payments</b>
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
<b>3.490%</b>	<b>\$2,305,292.16</b>	<b>\$10,039,101.00</b>	<b>\$12,344,393.16</b>

# Reference Checks

## Cal State Vendor Program Manager

“...they have continued to make positive impression upon me and my team in previous 3 lease-financings involving IT equipment, electronic stadium scoreboard, and tenant improvements.

FAEF is vying for a spot under our MEA (Master Enabling Agreement) and we will strongly consider them for inclusion in the program, based on their demonstrated ability to provide quality customer service, competitively low financing rates, and complete the financial closing and funding of asset purchases – major criteria we value in participating lenders. Todd Benson, the primary business relationship manager, has been a great financing partner with the CSU, and I hope to soon have him and FAEF as a participating member of the MEA and the vendor equipment financing program...”

# Reference Checks

University of NC System, IT Business Officer



“...We have had a system-wide master lease agreement with FAEF for several years and I do not have any concerns with them. We at the System Office have not individually utilized the agreement, but several of our campuses have and I’ve heard no complaints on quality or service...”

# Frequently Asked Questions

1. Where is the board's authority derived to make this decision?
  - ORS 352.087 (1)(b)
2. Are there any SOU policies that drive, influence this?
  - SOU FAD .051 (Debt) and FAD .026 (Equity and Sustainability)
3. What impact does this have on our debt burden ratio?
  - Required to be less than 7%
  - Currently, ratio is ~ 2%; high point after the lease ~ 3.2%
4. Have you conducted a legal review?
  - Yes, using outside counsel
5. Can we trust FAEF?
  - Yes. They have solid references and specialize in this market.
6. What is the impact to the annual operating budget?
  - Interest only in years 1-3 means minimal impact to budget at \$30k/month (until we start achieving operational savings in year 4)

**Southern Oregon University  
Board of Trustees**

**RESOLUTION  
Core Information System Replacement Project**

Whereas, the Board Statement on Delegation of Authority states, the Board retains sole authority for the approval of the execution of instruments, including but not limited to instruments related to the acquisition, disposal or provision of goods and services, where the anticipated cost or value to the University exceeds \$500,000; and

Whereas, ORS 352.087 provides the Board of Trustees of Southern Oregon University may authorize the institution to borrow money for the needs of the university in such amounts and for such time and upon such terms as may be determined by the university or the governing board; and

Whereas, ORS 352.087 provides that the Board of Trustees may, subject to limitations set forth in subsection (1)(i), spend all available moneys without appropriation or expenditure limitation approval from the Legislative Assembly; and

Whereas, ORS 352.087(1)(t) allows the Board to delegate and provide for the further delegation of any and all powers and duties, subject to the limitations expressly set forth in law; now, therefore,

Be it resolved, the Board approves the award of the Core Information System Replacement project to Workday, Inc., and authorizes SOU to enter into a Master Service Agreement with Workday for software and service for the period July 1, 2022 through June 30, 2032 for a total subscription fee of \$8,622,001, as proposed;

Be it further resolved, the Board approves the award of the Core Information System Replacement project to Alchemy, and authorizes SOU to enter into a Master Service Agreement with Alchemy for the Workday implementation for fiscal years 2023 through 2026 for an estimated total cost of \$7,450,000, as proposed; and

Be it further resolved that the Board of Trustees of Southern Oregon University approves the award of the Core Information System Replacement project [financing] lease to First American Equipment and Finance, and authorizes SOU to enter into a Master Lease Agreement with First American Equipment and Finance, specifically, the proposed "Option 2," which carries an interest rate of 3.49%, using an interest-only payment plan for months one through 36, and has total payments of \$12,344,393.16.

VOTE:

DATE: June 30, 2022

# Future Meetings

# Adjournment