

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

**AGENDA ITEM: 7 – G
DATE: March 30-31, 2021**

SUBJECT

DSU & SDSMT Laptop Leases RFP

CONTROLLING STATUTE, RULE, OR POLICY

None

BACKGROUND / DISCUSSION

Dakota State University (DSU) and South Dakota School of Mines and Technology (SDSMT) require students to participate in one-to-one computing programs where a university device is assigned to individual students. The institutions acquire new devices each year to support the program and have done so through a lease. The lease payments will be made from student fees collected for the purpose of leasing such computers.

An RFP for financing computer purchases was last issued in 2016. To ensure the most competitive rates, an RFP was issued this spring, with 10 responses received. Although the institutions have a nonexclusive master lease with University Lease, US Bank, and Bank of America, the Board is being asked to qualify JP Morgan as an addition vendor. All four of these vendors could be used in the future for financing.

IMPACT AND RECOMMENDATIONS

DSU and SDSMT plan to do a capital lease with Bank of America based on the interest costs if there are no other contractual hurdles. The actual rates may change based on when the campuses finalize their purchases, which may also change the company they would work with.

(Continued)

DRAFT MOTION 20210330_7-G:

I move to qualify the use of US Bank, University Lease, Bank of America, and JP Morgan for capital lease financing through FY24, and authorize DSU and SDSMT to execute financing leases with any of these vendors.

The information below is the cost of financing 450 devices at DSU for three years.

Lender	Property Cost	Total payments	Total Interest Paid
Bank of America	\$864,450.00	\$873,958.26	\$9,508.26
JP Morgan	\$864,450.00	\$879,503.76	\$15,053.76
Sterling National Bank	\$864,450.00	\$883,764.00	\$19,314.00
First American Equipment Finance	\$864,450.00	\$889,104.12	\$24,654.12
HPE Financial Services	\$864,450.00	\$891,812.40	\$27,362.40
US Bank	\$864,450.00	\$898,595.76	\$34,145.76
Lenovo Financial Services	\$864,450.00	\$898,803.24	\$34,353.24
University Lease	\$864,450.00	\$908,891.40	\$44,441.40
Vantage Financial	\$864,450.00	\$912,340.56	\$47,890.56
Insight Financial Services	\$864,450.00	\$918,486.00	\$54,036.00

The cost of financing 800 devices at SDSMT for four years is as follows:

Lender	Property Cost	Total payments	Total Interest Paid
Bank of America	\$1,544,000.00	\$1,567,112.40	\$23,112.40
JP Morgan	\$1,544,000.00	\$1,579,568.00	\$35,568.00
Sterling National Bank	\$1,544,000.00	\$1,598,454.96	\$54,454.96
First American Equipment Finance	\$1,544,000.00	\$1,605,265.92	\$61,265.92
HPE Financial Services	\$1,544,000.00	\$1,610,577.28	\$66,577.28
US Bank	\$1,544,000.00	\$1,618,245.36	\$74,245.36
Lenovo Financial Services	\$1,544,000.00	\$1,624,958.88	\$80,958.88
University Lease	\$1,544,000.00	\$1,658,206.56	\$114,206.56
Vantage Financial	\$1,544,000.00	\$1,665,144.00	\$121,144.00
Insight Financial Services	\$1,544,000.00	\$1,690,988.80	\$146,988.80

ATTACHMENTS

None