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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

November 4, 2005

The Executive Committee of the University of South Carolina Board of Trustees met on Friday, November 4, 2005, at 9:05 a.m. in Osborne Building Room 206B.

Trustees present were: Mr. Herbert C. Adams, Chairman; Mr. James Bradley; Dr. C. Edward Floyd; Mr. Miles Loadholt; and Mr. Michael J. Mungo. Mr. Mack I. Whittle, Jr. was absent.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Vice President for Student Affairs Dennis A. Pruitt; General Counsel Walter (Terry) H. Parham; Director of the Athletics Department Eric C. Hyman; Executive Associate Athletics Director for External Affairs Kevin O'Connell; Athletics Ticket Director Kent Hagenauer; and Director of University Communications, Division of University Advancement, Russ McKinney, Jr.

Chairman Adams called the meeting to order and asked Secretary Stepp to call the roll because of telephone participation. Mr. McKinney indicated that no members of the media were in attendance.

Chairman Adams stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated to members of the Committee; and a quorum was present to conduct business.

There was a contractual matter relative to an Athletics Department contract which was appropriate for discussion in Executive Session. Chairman Adams called for a motion to enter Executive Session. Mr. Bradley so moved and Mr. Loadholt seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: President Sorensen, Secretary Stepp, Dr. Pruitt, Mr. Parham, Mr. Hyman, Mr. O'Connell, Mr. Hagenauer, Mr. McKinney and Ms. Tweedy.

Open Session

I. Contracts Valued In Excess of \$250,000: Paciolan Ticket System Contract:
Paciolan Ticket System Contract: Chairman Adams called on Mr. Hyman who was proposing for Executive Committee consideration a computerized ticket system for the Athletics Department. During the recent internal audit review of the department, it had been recommended that the Athletics Department maintain a more accurate accountability of sold and unsold tickets. The current system, which had been used since the early 1990s, was outdated; the Paciolan Ticket System would eliminate potential problems associated with "hard" tickets. It was used by many schools throughout the country including most of the institutions in the Southeastern Conference (excluding Florida, Kentucky, and Carolina).

Mr. Parham reviewed the various components of the proposed five year contract. The Athletics Department will pay \$187,212.44 per year: an annual Hosting Fee of \$75,000 and an annual Access Management/Subscription Fee for digital ticketing of \$112,212.44.

Costs will be recovered in part through the imposition of convenience ticket fees added to the price of each ticket as follows:

an increase from \$3.00 to \$8.00 for processing and mailing tickets and higher credit card fees

\$3.00 per ticket fee if the customer buys tickets on-line

\$3.00 per ticket fee if the customer chooses to print tickets at home

Additionally, the Paciolan System will allow the Athletics Department to print basketball tickets "in-house" rather than at the Colonial Center which will save approximately \$20,000 per season. "Based on all of these figures we anticipate a break even proposition for us."

At the termination of the contract in five years, Mr. Hyman explained that the University would own the hardware; the software will be continually updated as the contract was renewed.

Mr. Bradley asked whether the contract contained an "escape clause." Mr. Parham responded that although the agreement lacked such a provision, the University could sue the company for breach of contract if Paciolan did not abide by the terms. In addition, he commented that 99 of 119 colleges and universities in Division 1A were currently using the service and were satisfied customers; therefore, while performing due diligence on this company, the Athletics Department had determined that Paciolan had garnered a positive track record.

Mr. Mungo moved approval of the Paciolan Ticket System Contract. Mr. Bradley seconded the motion. Secretary Stepp called the roll, and the motion carried.

Since there were no other matters to come before the Committee, Chairman Adams declared the meeting adjourned at 9:15 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary