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University of South Carolina

BOARD OF TRUSTEES

Executive Committee

September 18, 2009

The Executive Committee of the University of South Carolina Board of Trustees met on Friday, September 18, 2009, at 1:05 p.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. Herbert C. Adams; Mr. Michael J. Mungo; and Mr. Eugene P. Warr, Jr. Dr. C. Edward Floyd was absent.

Other Trustees present were: Mr. J. Egerton Burroughs; Mr. Mark W. Buyck, Jr.; Mr. Greg Gregory; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney Lister; Ms. Leah B. Moody; Mrs. Amy E. Stone; Mr. John C. von Lehe, Jr.; Mr. Mack I. Whittle, Jr.; and Mr. Othniel H. Wienges.

The faculty representative, Dr. Robert G. Best, and the student representative, Ms. Meredith Ross, were also present.

Others present were: President Harris Pastides; Secretary Thomas L. Steppi; Vice President for Academic Affairs and Provost Michael D. Amiridis; Vice President for Finance and Planning William T. Moore; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Human Resources Jane M. Jameson; Vice President for Information Technology and Chief Information Officer William F. Hogue; Associate Vice President for Development and Interim Vice President for Advancement Michelle D. Dodenhoff; General Counsel Walter (Terry) H. Parham; Special Assistant to the President J. Cantey Heath; Chancellor of USC Beaufort Jane Upshaw; Chancellor of USC Upstate John Stockwell; Vice Provost for Academic Affairs and the Dean of Undergraduate Studies Helen I. Doerpinghaus; Vice Provost for Faculty Development Christine W. Curtis; Associate Vice Provost for Academic Resources Edward L. Walton; Director of Athletics Eric C. Hyman; Director of the Department of Internal Audit Alton McCoy; Chair of the Faculty Welfare Committee Charley Adams; Senior Associate Dean for Liberal Arts, College of Arts and Sciences, Steve W. Lynn; Carolina Distinguished Professor in the Department of Psychology, College of Arts and Sciences, Ronald J. Prinz; Director of Media Relations, Division of University Advancement, Margaret Lamb; University Technology Services Production Manager, Justin Johnson; and Board staff members Terri Saxon, Vera Stone, and Karen Tweedy.

Chairman Loadholt called the meeting to order and asked Ms. Lamb to introduce members of the media who were in attendance. Chairman Loadholt 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.

I. Contracts in Excess of \$250,000:

Chairman Loadholt called on Mr. Parham to report on the first two contracts.

A. AT&T Wi-Fi Services Agreement: Mr. Parham explained the proposed agreement, on behalf of Dr. Hogue, by which AT&T would create a Wi-Fi network to provide wireless access throughout the USC Columbia campus.

Once the network was fully installed, all University faculty, staff and students, including faculty, staff and students from other USC campuses, would have free wireless internet access anywhere on the Columbia campus via their laptop computers and mobile devices that had internet access capability.

An added benefit of this contract was that USC faculty, staff and students would be able to use their USC campus wireless accounts to access the internet free of charge at any AT&T wireless hot spots in the State of South Carolina, including sites such as Starbucks and McDonald's.

The University would piggy-back on a contract for internet services the State of South Carolina solicited through the State Procurement Code and entered into with AT&T. Pursuant to the State Procurement Code, the University was authorized to make use of a state contract and then negotiate specific terms with the State-selected vendor. This was what the Office of Information Technology did in this case.

The term of the contract was 5 years and would automatically renew for two additional years, unless the State notified AT&T 30 days before the end of the initial term that the State would not renew the contract. If the State renewed its Internet Services contract with AT&T, the University would have the option of negotiating with AT&T to continue their management responsibilities of the University's system or to opt for the next best solution at that time. If at any time the State terminated its contract with AT&T for internet services, the University's contract with AT&T would terminate.

Under the contract, AT&T would install 2400 indoor wireless access points and approximately 40 outdoor access points to provide complete Wi-Fi coverage for the Columbia campus. AT&T was currently conducting a survey of our campus to determine the exact location and number of access points required to provide the desired coverage. Wireless installation would be completed according to a priority list, with those areas most frequented by students such as academic buildings, Russell House, and the library, being done first.

USC Technology Services (UTS) was pursuing with AT&T the possibility of allowing visitors to the campus to access the internet through the wireless system for a nominal fee, such as \$5.00. USC and AT&T would negotiate an appropriate split of these revenues.

Once the system was fully installed, the University would pay \$79,950 per month (\$959,400 annually) for the service. Until the service was fully installed, the University would pay a pro-rata share of the total fee based on the number of access points installed and active. If more than 2400 indoor access points were necessary, the University would be charged \$9.80 per month for each additional access point installed. The monthly fee included installation of all equipment and on-going maintenance of the system.

The University would also pay two one-time fees: \$28,750 for an outdoor survey; and \$10,000 to install a network management device. At the end of the initial 5 year term, all equipment except the network management device, would become the property of the University.

The source of funds to pay these costs was the Student Technology Fee, which generate approximately \$4 million a year and would, according to Dr. Hogue, be within the current Budget.

Mr. Mungo moved to approve the contract as described in the meeting materials. Mr. Warr seconded the motion.

Mr. Whittle asked who paid for maintenance of the equipment, since it would be outdated in five years. Mr. Parham responded that during the five year contract AT&T would be responsible for the maintenance. Dr. Hogue clarified that the Columbia Campus currently had limited wireless services, that UTS established in 2002 with available funds, and that the contract with AT&T would be a substantial upgrade to the current system. The obsolescence cycle was very quick, and one of the features with the AT&T contract would be that the University's capacity and throughput would increase approximately fifty fold. This was good news to USC Law Enforcement, since it would allow them to use wireless cameras in appropriate places on campus to improve campus safety.

In direct response to Mr. Whittle's question, Dr. Hogue stated that at the end of the five-year contract the value of the equipment would be reduced and UTS planned to evaluate its options in year four of the contract.

Mr. Adams asked what the balance of the revenue generated from the contract would be used for, once the initial expenses were covered. Dr. Hogue responded that it would be used to support the University's Blackboard Learning Management System, the help desk resources dedicated to students, and various other programs that he said he would be happy to report on in detail at the Committee's pleasure.

Mr. Jones asked if there were appropriate safeguard provisions against hacking in the system. Dr. Hogue responded that the system would be encrypted.

Ms. Ross noted that student campaigns, for approximately the last five elections, included the issue of the need for increased wireless service on campus; and approval of this contract would address this concern.

Mr. Whittle asked the completion date of the project and Mr. Parham replied

within six months.

Mr. Burroughs asked for clarification of the contract approval process. He said that he understood that presentation, consideration and approval of contracts were only made in Executive Committee meetings. Chairman Loadholt confirmed his understanding.

Mr. Adams asked if every student would have equal access to the wireless system and Dr. Hogue responded yes. Dr. Hogue clarified that the wireless access points were not one-to-one, but that one site might serve fifty students.

Mr. Warr asked if there were any competitors to this contract. Mr. Hogue stated that there were competitors, and that UTS worked through the State procurement process and looked at all vendors able to provide a similar service. USC was able to obtain an advantageous price from AT&T since they were presenting this as a new service and wanted USC as a "signature campus." He noted that Pennsylvania State University was approximately one month behind USC in this process.

The vote was taken and the motion carried.

B. Campus TeleVideo/Lamont Digital System, Inc.: Since 2002, UTS had contracted with Lamont Digital Systems, Inc., to provide cable television programming to all University Housing units, Greek Housing units, the National Advocacy Center housing units, and other select locations on the Columbia campus, such as Williams-Brice Stadium, Colonial Life Arena and the new Carolina Baseball Stadium.

The programming was commonly known by the students as Gamecock Cable and included almost 80 television stations, such as news stations, sports channels, movie channels, music channels, and other stations.

The current contract expired September 31, 2009. Mr. Parham presented, on behalf of UTS, an extension of the contract for a new term beginning October 1, 2009 and ending June 30, 2012. Under the new contract, USC would pay \$339,147.44 annually. This represented a slight increase over the amount paid last year of \$321,612.32. The increase was the result of additional housing units.

The annual fee USC would pay was locked in through December 31, 2010. At that time, Lamont Digital would pass along to USC any increases in programming costs charged by ESPN or other networks, in the same manner that personal cable bills through Time Warner Cable had probably increased during the past year. So, the annual fee could increase slightly during the final 18 months of the contract.

USC also had the option of paying the full annual amount in advance, in which case it would receive a three percent discount (\$328,973.02).

UTS would pay Lamont Digital quarterly and recoup the cost of the contract through charge backs to University Housing, Greek Housing and the National Advocacy Center, and other USC departmental cable subscriptions. University Housing generated its funds through residence hall fees.

There were currently approximately 3,521 cable-ready units during the nine-month academic year and about 600 units during the summer months, which equated to approximately \$7.97 per month.

Mr. Mungo moved to approve the contract as described in the meeting materials. Mr. Adams seconded the motion.

The vote was taken and the motion carried.

C. Gift Naming Opportunity:

- G.B. Hodge Center Renovation Fund, USC Upstate:

Chairman Loadholt called on Secretary Stepp. He reported as Chairman of the Gift Naming Opportunity Committee, that there was a timely gift naming opportunity. He thanked Mr. Lister, Chairman of the Buildings and Grounds Committee, for graciously allowing the naming opportunity to be considered by the Executive Committee. The agreement was to receive \$4 million from Delores (Dodie) Anderson to renovate the USC Upstate G. B. Hodge Center basketball arena, locker rooms and training facilities in return for naming the basketball arena the Eddie G. Payne Arena and a hospitality room as the Olin Sansbury Hospitality Room.

Secretary Stepp explained that staff had been dealing with this request for some time, but there was a sudden urgency on the part of Mrs. Anderson's financial advisors that this be completed and that they begin making the payments.

Mr. Adams moved to approve the gift naming opportunity as described in the meeting materials. Mr. Warr seconded the motion. The vote was taken, and the motion carried.

Mr. Lister stated that it was a wonderful opportunity not only for USC Upstate, but for the entire University System and the Board should certainly thank Mrs. Anderson for her generosity.

Chairman Loadholt called for any other matters to come before the Committee.

Mr. Adams stated that following up on Mr. Burroughs' comments about the contract approval process, and on the related issues Mr. Jones had raised in the past, he recommended that any item or contract that comes before the Executive Committee that had not been vetted by a Board standing committee of the Board, be sent to all members of the Board so that any member of the Board who had a question or comment would be able to have prior knowledge so that they could attend the Executive Committee meeting and be able to express an educated and informed opinion. All Board members should have full information on items presented only to the Executive Committee.

Secretary Stepp expressed that this was certainly workable, and Mr. von Lehe and Mr. Hubbard asked the documentation be emailed instead.

Mr. Jones suggested that the Board be provided a copy of the Contract Approval Process Policy and revisit it. Chairman Loadholt responded that he would appoint a committee to look into revisiting the Contract Approval Process Policy.

There being no other matters, Chairman Loadholt declared the meeting adjourned at 1:20 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary