EXECUTIVE SUMMARY

ACTION ITEM:

Pursuant to ABOR Policy 3-607, Arizona State University seeks approval to acquire an 800 MHz Varian NMR System by means of a lease-purchase.

ISSUE:

ABOR Policy 3-607 requires approval by ABOR for lease purchase acquisitions in the amount of $1 million or greater.

PROJECT DESCRIPTION:

- The College of Liberal Arts and Sciences at Arizona State University desires to acquire an 800 MHz Varian NMR System.
- The goal of assembling the proposed 800 MHz nuclear magnetic resonance (NMR) and micro-imaging instrumentation is to put together a world class, state-of-the-art magnetic resonance research center at Arizona State University. Magnetic resonance techniques are critical to medical imaging, structural biology, materials characterization, chemical and biomolecular identification. This instrumentation will be part of the College of Liberal Arts and Sciences' magnetic resonance research center (MRRC), which is currently being developed.
- The instrumentation in this new facility will support research groups in the Department of Chemistry and Biochemistry, the Department of Physics, the School of Life Sciences, the Biodesign Institute, the Department of Chemical and Materials Engineering, the Department of Bioengineering, the proposed School of Materials and several other science and engineering groups. Specifically, the Varian Inc. 800/400 MHz NMR system is designed to allow structural and dynamic elucidation of both liquid and solid-state materials with emphasis on proteins and other biomolecular materials. This is accomplished through a very high field homogeneous superconducting magnetic with a low drift rate (<10 Hz/hr) and a 4-channel rf console that allows multidimensional data collection and processing.
- The proposed instrumentation comes complete with all accessories needed for both solids and liquid-state NMR measurements and the cost estimate includes installation and field-testing. Varian Inc. NMR instrumentation has for years produced consistently the highest quality NMR instrumentation for biomolecular solids and liquid NMR. This instrument will propel ASU to the forefront of NMR-based structural elucidation of biomolecular materials and will benefit many ongoing scientific initiatives (biodesign, cancer research, biophysics, material science, etc.)

Contact: Milton D. Glick, Executive Vice President and Provost, (480) 965-4495, glick@asu.edu
Carol N. Campbell, Executive Vice President and CFO, (480) 727-9920, carol.n.campbell@asu.edu

EXECUTIVE SUMMARY

- The NMR system is estimated to cost $2,499,900 and will be financed through a lease purchase using the Master Lease Agreement between University of Arizona and its Affiliated Universities and GE Capital Public Finance Inc. The interest rate is estimated at 4.70% annually for 5 years. The annual estimated payment is $575,000. Funding for this payment will come from fees charged for the use of the NMR and the College of Liberal Arts and Sciences' indirect cost recovery funds.

- The $575,000 annual debt payment for this lease purchase will increase ASU's ABOR debt ratio by .05% (5/100th of 1%) . This payment will have no impact on the state ratio since it is not a bond or certificate of participation financing.

RECOMMENDATION:

RESOLVED: That the Executive Vice Presidential and Chief Financial Officer, the Associate Vice President for Finance and Treasurer or the Associate Vice President for University Business Services are hereby each authorized to take all actions that any of them determines to be necessary or desirable and appropriate and proper (including, among other actions, to negotiate, sign and deliver and enter into all documents) associated with the lease purchase of the 800 MHz Varian NMR System.