Minutes of a
Special Teleconference Meeting
of the
BOARD OF TRUSTEES
OF NORTHERN ILLINOIS UNIVERSITY
November 10, 2005

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Barbara Giorgi Vella at 2:05 p.m. in the Board of Trustees Room, Altgeld Hall Room 315. Recording Secretary Mimms conducted a roll call of Trustees. Present was Student Trustee Andrew Nelms. Present via teleconference were Trustees Robert Boey, George Moser, Myron Siegel, Marc Strauss and Chair Vella. Not present were Trustees Cherilyn Murer and Manuel Sanchez. Also present was President John Peters. Board General Counsel and Parliamentarian Kenneth Davidson was also present via teleconference. With a quorum present, the meeting proceeded.

VERIFICATION OF APPROPRIATE NOTICE OF PUBLIC MEETING

Confirmation of Open Meetings Act public notice compliance was provided by Board Parliamentarian Ken Davidson.

MEETING AGENDA APPROVAL

Chair Vella asked for a motion to approve the proposed meeting agenda. Trustee Moser made a motion to approve the meeting agenda. Trustee Siegel seconded the motion. The motion was approved.

CHAIR'S COMMENTS/ANNOUNCEMENTS

Every once in a while a situation arises wherein the Board must meet via teleconference between our regularly scheduled meetings to conduct its business, Chair Vella said, and today is such an occasion. President Peters and Dr. Williams will be bringing forward two time-sensitive issues for Board approval. The first item offers an opportunity to refinance the university's lighting upgrade performance contract to save approximately $60,000. The second item, the NIU Student Information System Replacement Project, is an issue that has been on this Board's agenda for over three years. The university administration now has a recommendation to present to the Board for approval and action.

I want to welcome University Advisory Committee (UAC) representatives who may be present: Dr. Paul Stoddard, Dr. Xueshu Song, Dr. Ferald Bryan, Dr. Joseph "Buck" Stephen, Ms. Shey Lowman and Ms. Rachel Turner. We have been apprised of the agenda items, Dr. Stoddard said, and I just wanted to say that there was a lot of consideration that went into the student information system replacement project. I was glad to see that one of the issues everyone has been concerned with was end-user satisfaction because that is a very important issue for the people who use the software.

Since, sadly, Provost Legg has announced his retirement, Ms. Lowman, President of the Supportive Professional Staff Council said, one of our shared governance tasks at the moment is selecting representatives to serve on the search committee for a new provost. On behalf of the SPS Council, I wanted to thank Dr. Legg for his support and guidance during the years that he has been here. Also, she said, I would like to welcome Ms. Rachel Turner, as the new President of the Operating Staff Council.

Ms. Turner, who was recently elected President of the Operating Staff Council, introduced herself. I have been on campus now for about six years, and I am looking forward to meeting all of you and getting more involved with the shared governance system.

PUBLIC COMMENT

The Chair asked Board Parliamentarian Kenneth Davidson if any members of the public had registered a written request to address the Board in accordance with state law and Board of Trustees Bylaws. Mr. Davidson noted that no timely requests had been received for public comment at this Board meeting.

PRESIDENT'S REPORT NO. 48

Agenda Item 6.a. – Refinance Lighting Upgrade Phase II Project – Performance Contract

This is a refinancing of Phase II of a lighting performance project approved in July of 2003, President Peters said. At that time, the project covered approximately 40 university facilities at a cost of about $2.4 million. We have the opportunity to refinance that contract at a much lower rate, from 5.05 percent to 3.9 percent, at a savings of $60,000.

Dr. Williams stated that this approval would cover the balance of the ten-year period for which the contract was originally negotiated. In reply to a question from Trustee Strauss, Dr. Williams explained that the vendor guarantees payment of the loan. Under a performance contract program, the university is obligated to have monies available, through the savings generated by improvements made, to pay for the amortization of the capital improvements that the vendor undertakes. If those savings do not realize the level necessary for the amortization, the vendor must pay the difference.

Chair Vella asked for a motion to approve the refinancing of Phase II of the Lighting Upgrade Performance Contract. Trustee Boey so moved, seconded by Trustee Strauss. Parliamentarian Ken Davidson recommended that a roll call vote be taken. The vote was as follows:

Trustee Boey	Yes	Trustee Strauss	Yes
Trustee Moser	Yes	Student Trustee Nelms	Yes
Trustee Siegel	Yes	Chair Vella	Yes

The motion was approved.

Agenda Item 6.b. – NIU Student Information System Replacement Project

The NIU Student Information System Replacement Project is the culmination of over four years of evaluation to make this purchase, President Peters said. It completes the third leg of our Enterprise System replacement, the first of which was our financial system, and the second was our human resource system. Now, we are moving on to the replacement of our student system. Due to changes that occurred in the ownership of the PeopleSoft Corporation, we were able to do a more thorough evaluation of our needs. In September, the Board gave us the authority to develop a Request for Proposals. We are in a very competitive situation with other universities that have these systems, which provide more functionality for almost all aspects of our student system. One of the things that is extremely important to students is the need for a system that is more secure in terms of identity theft, particularly through the use of Social Security numbers. We have exercised a lot of due diligence on these systems through task force groups within the university that evaluated our needs, and we now have a recommendation on the acquisition of a system and its maintenance for a period of ten years. We are requesting Board of Trustees approval of the acquisition and implementation of a new student information system, along with a ten-year maintenance agreement proposed by Oracle/PeopleSoft at a price of $10,890,736. This includes an 18 percent contingency. The university also requests approval, subject to our legal counsel review, to enter into the required contracts and agreements for this acquisition and to obtain financing where and if necessary to complete the transaction. The President asked Dr. Williams to explain the decision-making processes leading to this project agreement.

We were positioned to make a decision on the student system replacement three years ago, Dr. Williams said, but given the circumstances at the time, we were not prepared to make a recommendation. As our Chair has indicated, it has taken four to five years to make what has been a very difficult decision for the campus. Based on Board approval, we initiated an RFP process and had two very good companies respond. The steering committee was comprised of people who primarily represented the user groups: Gip Seaver, Kim Hensley, Steve Cunningham and Steve Pace. We also extended that analysis by involving individual user groups, giving each an opportunity to see the products the companies were

recommending and to have hands-on experience with those products so that they could provide input for the decision-making process. Many things went into making that decision, including functionality and product quality. We tried to protect the university for the future to the extent possible by having caps on prices. The ten-year maintenance component was added to this recommendation because we did not want to have open-ended maintenance costs. We also were concerned about successor products or products that would be required in future. So, our analysis, the RFP and the proposals that we received provided a guarantee regarding future products, successor products and functionality.

In answer to questions from Trustee Strauss, Dr. Williams said that the costs identified in the Board Report item are vendor costs. With respect to direct implementation costs to the institution, whether for providing additional materials, additional staff, a staffing room or a production room, or other related costs, the dollar impact is the same and perhaps a little less with the Oracle/PeopleSoft product. Though the maintenance contract term is for ten years, it can be canceled by the university on an annual basis. If for some reason we wish to eliminate or change vendors or do something different, we are not locked into a contract that requires us to stay with any product.

And, if the university's need expanded either in the number of geographic locations served or in the number of students, that would be covered by the current agreement. For example, Dr. Williams said, if we were to extend this system to a satellite location, there might be an impact on the maintenance costs.

Four years ago, the Board initiated a computer surcharge to generate the necessary resources to support this and other student-related computing activities. Through that mechanism, we have the wherewithal to support the vendor contract as well as any related costs that might be incurred outside that contract in support of the implementation of the system.

In response to a query from Chair Vella, Dr. Williams stated that the estimated cost was approximately a million dollars less than the other product that was offered. He indicated that if PeopleSoft/Oracle were to develop a successor product, we would obtain it without additional cost. The agreement will say that if a change affects current functionality, the company would be responsible for the cost and implementation of necessary crosswalks or modifications that would preserve our functionality.

This is a big ticket item, Chair Vella said, about which we have had a lot of discussion. These systems are a very important component of university life. I know students, faculty and staff are all anxious for these changes.

I have implemented three student systems at different institutions, President Peters said. Two of those failed. This will be my fourth student system implementation. We carefully reviewed the bids, and I insisted on a few things based upon my experiences at other institutions. Also, I feel very good about this because we have already experienced the successful implementation of both a financial system and a human resource system.

The idea of using a social security number as an I.D. today is strictly out of the question, Trustee Boey commented, and it invites all sorts of difficulties legal and otherwise. So, that alone demands that we do something very quickly. There is no question in my mind that we have to move forward and that this is the best way to do it.

I also appreciate the need for this system from a security standpoint, Student Trustee Nelms said. When I was in the Student Senate in 2002, I sponsored a resolution urging the university to reform its use of social security numbers. So, this is a long-awaited improvement, and the expanded web-based services this system will provide will certainly make NIU that much more attractive.

Chair Vella asked for a motion to approve the NIU Student Information System Replacement Project. Student Trustee Nelms so moved, seconded by Trustee Boey. A roll call vote was a follows:

Trustee Boey	Yes	Trustee Strauss	Yes
Trustee Moser	Yes	Student Trustee Nelms	Yes
Trustee Siegel	Yes	Chair Vella	Yes

The motion was approved.

I would like to thank the Chair and all of the Board members for their leadership and patience in this matter, Dr. Williams said. I want to thank President Peters for his confidence in us. Also, thank you to all of the user departments and to those who faithfully served on the steering committee. Finally, I want to thank Steve Pace, my point person, who negotiated for countless hours with the vendors and was able to bring to the Board an agreement which I think is very unique in the country. I believe there are components of this agreement that you will not find at other universities that protect this institution and provide, to the extent possible, caps and opportunities for us to maintain our functionality and not lose anything or run into hidden costs.

NEXT MEETING DATE

Chair Vella noted that the next full Board meeting is scheduled for Thursday, December 1, at 9:00 a.m. on the main campus in DeKalb.

ADJOURNMENT

There being no Other Matters, Chair Vella asked for a motion to adjourn. Trustee Strauss so moved, seconded by Trustee Moser. The motion was approved. The meeting was adjourned at 2:38 p.m.

Respectfully submitted,

Sharon M. Mimms
Recording Secretary