

ILLINOIS CENTURY NETWORK

**ICN VEHICLE PURCHASE**

**Submitted for:** Action

**Summary:** This item presents the Policy Committee with the rationale and cost analysis for the ICN to secure a vehicle to transport equipment and staff.

**Action Requested:** That the ICN Policy Committee approves the staff recommendation to secure a vehicle for the purpose of transporting equipment and staff.

**Recommended Motion:** *The Policy Committee approves the purchase of a passenger van for transporting equipment and staff.*

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**ICN VEHICLE PURCHASE**

This past fiscal year, the Board of Higher Education became the single fiscal agent for the ICN. As a result, staff began the process of transferring employees and equipment from the State Board of Education to the Board of Higher Education. The employee transfer occurred on July 1, 2001. The majority of equipment was transferred on January 1, 2002 and the final equipment transfer will take place on June 30, 2002. Prior to the separation, ICN staff shared access to State Board of Education warehouse space as well as passenger and cargo vans. With the transfer complete, the ICN will lose access to both of these resources due to audit and liability issues.

The lost warehouse space has been replaced with an existing off-site storage space secured through Central Management Services (CMS). The space is adequate to meet the ICN's needs, however, the lost access to the State Board of Education vans requires the ICN to rent a vehicle from the CMS motor pool several times a week. In addition to transporting equipment, the ICN staff requires a vehicle for business travel approximately twice a week. In light of the frequent need for a rented vehicle, staff completed a cost analysis for renting a vehicle from the CMS motor pool versus purchasing a passenger van which can be used for transporting equipment and staff. The analysis indicates a payback period for purchasing a van to be 17 months. Staff estimates the useful life of the van to be a minimum of three years and therefore purchasing a van is a cost saving option. Since the ICN has assigned parking spaces at 120 W. Jefferson, parking expense will not be incurred.

<b>Rentals Per Week</b>	<b>Total Annual Rental Costs</b>	<b>Van Purchase Price</b>	<b>Purchase Payback Period</b>
4	\$13,568	\$18,955	16.76 months

Staff recommends the following resolution:

*The Policy Committee approves the purchase of a passenger van for transporting equipment and staff.*