March 23, 2017

COLLEGE DEANS AND DIVISION VICE DEANS

RE: Instructional Equipment Funding Program

As you know, during the 2016-17 budget process, the campus committed to a $1 million investment in instructional equipment, the first of what we intended to be a multi-year investment. Each of your units submitted proposals for the replacement, repair and/or growth of instructional equipment, consistent with the guidelines provided. We appreciate your efforts to identify and prioritize the critical and significant instructional equipment needs of the campus.

The estimated cost for all equipment requested totaled $3.4 million, of which $2.3 million was the proposed campus share and $1.1 million was the proposed unit match. Given the significant needs identified, I am pleased to announce that the campus will provide up to $2 million, allocating two years of funding up-front, to support the replacement, repair, and addition of specialized instructional equipment. This investment is critical to continue to provide an exceptional learning experience for our growing number of students. Together with the $833,000 in match committed by the colleges and divisions (units), we will collectively invest $2.8 million in instructional equipment that will be ready for use in the upcoming academic year.

Funding requests were reviewed by a committee, chaired by Associate Vice Provost Traxler of Undergraduate Education, and consisting of an Associate Dean, Assistant Dean, and a representative from Procurement. The committee recommendations focused on the goal of providing the greatest benefit to the most students and addressing the highest priority needs. The result is that all first priority requests submitted, totaling approximately $1.5 million in campus funds, will be funded. The remaining $500,000 in campus funds will be allocated based on the prioritization level and the number of students served. In total, courses serving over 40,000 enrollments (i.e. total number of students enrolled in each course) will benefit from the use of new equipment, reaching a significant portion of our undergraduate students.

In order to ensure that we fully leverage the purchasing power of this investment and that the equipment is available as soon as possible, we are asking that purchases be coordinated with the Procurement and Strategic Sourcing teams. Attachment 1 provides details on this coordination as well as how campus and units will share differences in the actual vs. estimated cost of equipment. If the actual cost of the purchase is lower than estimated, then the campus and unit will share the savings. If the cost of the equipment is greater than the estimate, the
campus and unit will share this increase up to a 10 percent overage. Any overage greater than 10 percent will be the responsibility of the unit.

Finally, in order to ensure that the campus has sufficient funds to support any cost overruns, the initial allocations provided to units will represent only $1.8 million of the total. To the extent actual costs are less than $2 million or there is additional savings, the remainder of the funds will be allocated based on the same prioritization methodology. Attachment 2 provides the details on the initial equipment approved for purchase for your individual college or division.

Thank you to the committee for their assistance in reviewing these requests. I look forward to seeing the impact of this investment in the classroom next academic year. If you have any questions about the allocation detail or process, please feel free to contact Sarah Grensted, Principal Budget Analyst in Budget and Institutional Analysis at sgrensted@ucdavis.edu or 530-752-2001.

Sincerely,

Kenneth C. Burtis
Interim Provost and Executive Vice Chancellor

c:    Associate Vice Provost Traxler
      Associate Deans
      Assistant Deans
      Interim Leader Ratliff
      Chief Procurement Officer Maguire
      Director Mangum
      Principal Analyst Grensted
      Principal Analyst Willoughby
Procurement and Strategic Sourcing

The campus should take advantage of any potential savings from the utilization of coordinated procurement and strategic sourcing opportunities when making these equipment purchases. The Procurement & Strategic Sourcing teams, headed up by Kelly Gilmore and Michael Morgan and overseen by Tim Maguire, will assist units with these purchases and review opportunities for coordinated procurement or sourcing across the list of approved purchases. In order to facilitate this process, Budget and Institutional Analysis (BIA) has shared the list of approved purchases and any available details on the item with this team. They have begun reviewing this information and assessing campus wide opportunities to leverage some types of purchase. They will reach out to each Assistant Dean to discuss the procurement process and opportunities for the approved equipment. Their teams should be consulted prior to the purchases being made and BIA will not allocate funds for equipment purchases unless this consultation occurs. A majority of the purchases are anticipated to be made and equipment ready for use by Fall 17-18.

Treatment of Funding for Actual Costs vs. Estimates

Due to the approximate nature of the estimated costs of the requested items and in order to maximize the potential savings, the campus share of funding will be distributed as illustrated in Table 1 and stated below:

- If an item’s actual cost is less than the estimate, the savings will be split evenly between the unit and campus. The campus share will be utilized to purchase additional equipment based on the prioritized list of remaining proposals.
- If an item’s actual cost is greater by no more than 10% of the estimate, campus will continue to match consistent with the original match percentage. For any overage above 10%, the unit will be solely responsible for the excess beyond 10%.
- If an item’s actual cost is so much greater than the estimate that the unit no longer wishes to purchase it, a separate discussion will take place to determine how best to reallocate the funding to the next priority item on the list of total campus requests.

| Table 1: Example of Funding Allocation Based on Actual Purchase Price |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                | Original  | 5% Overage| 10% Overage| 15% Overage| Any Amount|
| Total Actual Cost              | $100      | $105      | $110      | $115      | $100       |
| Campus Share                   | $50       | $53       | $55       | $55       | 50%        |
| Unit Match                     | $50       | $53       | $55       | $60       | 50%        |