

GLENBROOK HIGH SCHOOLS District Technology Department

TO: Dr. Mike Riggle

FROM: Marcus Thimm

DATE: June 11th, 2012

RE: DISCUSSION/ACTION: 2012/2013 Computer Purchase

Recommendation

It is recommended that the Board of Education approve the purchase of PC and Apple desktop and notebook computers as outlined in the long-range financial technology plan Fiscal Year 2012/13. This plan ensures all computer systems are placed on a sustainable refresh cycle to ensure operational stability and adequate performance of systems throughout the district.

This year the following systems need to be purchased. Please note the different lease durations based on equipment type.

| <i>Equipment Type</i> | <i>GBN</i> | <i>GBS</i> | <i>Total</i> | <i>Unit cost</i> | <i>cost</i> | <i>Life</i> | <i>Lease</i> | <i>Cost/Yr.</i> |
|-------------------------------------|------------|------------|--------------|------------------|------------------|-------------|---------------|---------------------|
| iMAC all-in-one | 62 | 4 | 66 | \$1,149 | \$75,834 | 5 | \$1 buy/5 yr. | \$15,167 |
| Apple MacBook | 62 | 0 | 62 | \$1,100 | \$68,200 | 3 | \$1 buy/3 yr. | \$22,733 |
| PC all-in-one | 205 | 446 | 651 | \$780 | \$507,780 | 4 | \$1 buy/4 yr. | \$126,945 |
| PC Notebooks | 118 | 97 | 215 | \$900 | \$193,500 | 3 | \$1 buy/3 yr. | \$64,500 |
| AutoCAD Special | 30 | 30 | 60 | \$1,500 | \$90,000 | 4 | \$1 buy/4 yr. | \$22,500 |
| Total | 477 | 577 | 1054 | | \$935,314 | | | \$251,845.13 |
| Annual Budget Allocation FY 2012-13 | | | | | | | | \$ 244,000.00 |

Estimated lease payment schedule without lease cost:

| <i>Equipment</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> | <i>2016</i> | |
|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------|
| iMAC all-in-one - | \$15,167 | \$15,167 | \$15,167 | \$15,167 | \$15,167 | Year 1 |
| Apple MacBook - | \$22,733 | \$22,733 | \$22,733 | Year 1 | Year 2 | Year 3 |
| PC all-in-one - | \$126,945 | \$126,945 | \$126,945 | \$126,945 | Year 1 | Year 2 |
| PC Notebooks - | \$64,500 | \$64,500 | \$64,500 | Year 1 | Year 2 | Year 3 |
| Special AutoCAD | \$22,500 | \$22,500 | \$22,500 | \$22,500 | Year 1 | Year 2 |
| Annual lease | \$251,845.13 | \$251,845.13 | \$251,845.13 | \$164,611.80 | \$15,166.80 | \$935,314 |

Computer equipment manufacturers are currently releasing new computer systems for 2012/13. Demo equipment of these new systems will be available to us later in June. Existing 2011/12 models are available now through October 2012. Depending on the new features, system availability, delivery dates and cost differences between the current and new models we will select the products that meet our needs and provide the best value to the district. The cost difference between manufacturers is small and we will stay within our projected annual budget with either of these choices.

We will finalize our purchase recommendation and bring it forward to the board later in the summer.

Background

This year's equipment refresh follows the 5-year financial technology plan as previously approved by the board. This plan includes a tiered life cycle for different equipment types as indicated in the table above. Mobile devices have a three-year useful life. Desktop PC will be used for four years and iMac systems will be used for five years. This approach equalizes the annual cost per device and reflects their durability and useful life.

Computer Additions and Replacements

One mobile cart with PC notebooks and five All-in-one systems for Guidance are added to the inventory at GBS for Special Education. GBN Yearbook is switching from PC notebooks to Apple MacBook notebooks for their publishing and editing work. All other purchases are replacing old equipment of the same type.

We have narrowed our selection to four premier PC manufacturers whose products we already have experience with. We are considering HP, Lenovo, Dell, and Apple computers. We are pursuing All-in-One PC computer systems for all desktop replacements, due to their greatly reduced electrical and thermal requirements and space efficiency.

Apple iMac desktops/All-in-One

Apple iMac systems to be refreshed will be replaced with the most current version of iMac systems as available by Apple when the order is placed.

Apple Notebooks

The Apple MacBook line has changed last year and the white MacBook models are no longer available. We will be replacing the white MacBook with the silver MacBook Pro 13" model.

PC desktop/All-in-One

We are evaluating business-class **All-in-One** computers from HP, Lenovo and Dell to replace the current desktop systems. The basic features of these systems include ~21" display, 4 GB of RAM, 500 GB hard drives, wired and wireless networking and DVD drives. We expect unit cost to be around \$750 ~\$800.

- *Lenovo All-in-One systems have been in use at District 31 for over two years and are viewed as very robust/reliable.*
- *HP 8200 system includes an advanced system management feature called Intel vPro providing very granular control over all system features and functions.*
- *Dell OptiPlex 9010 model has received positive reviews online and includes the newest processors and chipsets.*

PC Notebooks

The 200 PC notebook computers will be replaced with Lenovo ThinkPad L430 notebooks. The L430 systems are part of the same product family of PC notebooks provided to the teachers last year at a lower cost than the teacher notebook models. Basic features include i5 CPU, 4 GB RAM and 500 hard drive, DVD, new USB 3.0 ports.

Special Requirement PC Systems

Both AutoCAD labs at GBN and GBS will receive new AutoCAD certified computers. We are evaluating HP z400 and Lenovo E30 workstations with special AutoCAD-certified graphics cards. GBS needs five mobile computers due to lab-space constraints. We are evaluating HP EliteBook and Lenovo W530 notebook systems. These systems will have upgraded graphics and CPU and memory capacity driving up the cost per unit. We expect ~\$1500 per unit. These systems are included in the desktop and notebook counts above.

Old Computer Donations

The district will donate non-leased old equipment to organizations like "Computers for Schools" which will refurbish these systems and donate to other organizations. They have partnerships with Microsoft and are able to provide proper licensed operating systems and office software with their donations, which we cannot provide. They also have the staffing to perform the necessary work to refurbish those systems.

Rationale for \$1 buy-out lease option

Fair market value costs are controlled by the leasing company and are usually higher than the used market values at that time, engaging in the buy-out at the end of such a lease is usually not cost effective. Fair market value leases often provide a 'negative interest' - that is the accumulated lease payments are less than the purchase of the lease asset. Leasing companies use the residual- or fair-market value to generate profit at the end of the lease term. Fair-Market value leases therefore require equipment to be returned in good condition. Wear-and-tear during years of lab and classroom use may cause substantial repair costs at the end of the equipment life.

With the \$1 buy-out lease we are able to spread the acquisition costs over the life of the equipment while retaining the option to own the equipment at the end of the lease for a predictable/low cost or return of the equipment to leasing company, whatever is most cost effective at that time.