

# The Technology Refresh Program: Affording State-of-the-Art Personal Computing

*How does a college or university maintain state-of-the-art personal computer technology in a time of rapid advancements in hardware and software? How does one approach this challenge, determine the solution, implement the solution, afford the outcome, and manage the process? Pensacola Junior College, Florida, has accomplished this task with the assistance of its 27 sister state community colleges through the Technology Refresh Program.*

by **Rand Spiwak**

Four years ago Pensacola Junior College (PJC) attempted to address the challenge of maintaining state-of-the-art PCs in its laboratories and offices. Technology was advancing so rapidly that our equipment was becoming obsolete in two to three years. PC technology was being integrated into all aspects of the college, thus demanding more resources, support services, and technical expertise. Four major PC manufacturers were contacted to attempt to determine a solution to this four-part problem: *affordable acquisition, attractive financing, lifetime maintenance, and equity recovery upon replacement.* The outcome was no takers and the initiative failed. The college then attempted to solve this problem piecemeal, less effectively, with marginal success.

Then, in the summer of 1997, an opportunity arose to address this problem again. PJC contacted interested PC manufacturer/retail companies and determined that this time a real solution could be created. Thus began the Florida

Community College Technology Refresh Program (TRP).

## Process

In February of 1998 a meeting was held in the state capital to discuss the Florida community colleges' interest in jointly implementing a statewide TRP. Atten-

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dance included more than 60 members of Florida community colleges' business officers, information systems staff, pur-

chasing staff, and information technology staff. Attendees agreed to pursue the development of a cooperative request for proposals (RFP), which could result in a master contract to control the terms and conditions of this venture and standard financing documents for those institutions requiring financing (lease purchase) assistance. The intent of this RFP was to establish stable and attractive pricing, trade-in values, and tax-exempt financing options, allowing participating colleges to refresh technology on a cyclical basis.

To acquire the information needed to begin the development of this RFP, a survey instrument was developed and disseminated to collect data on the PC inventories, future PC expansion, PC configurations, maintenance practices, information technology capabilities, and financing needs of the 28 colleges. The data were compiled and incorporated into an RFP which was forwarded in April to more than 30 pre-contacted, interested PC manufacturers, retailers,

and financing organizations. A pre-RFP conference was held the first of May with more than 20 potential proposers and an equal number of college representatives. This conference resulted in three RFP addendums clarifying the intent and certain issues of the RFP.

Proposals (two stacks, each more than four feet tall!) were publicly opened three weeks later and formally evaluated within a week by a team of college personnel from eight of the colleges. The evaluation was conducted in the "sunshine" with more than a dozen of the proposers in attendance, strictly as observers. This resulted in a short list of four proposers and six proposals. Formal presentations were given by the finalists in early June, resulting in one proposer and two proposals being eliminated. The remaining finalists then delivered the proposed equipment (pre-configured, "bundled" computer systems, as specified in the RFP) to each of three colleges for technical testing and evaluation. The TRP evaluation committee then considered RFPs, formal presentations, and technical evaluations. It was evident to the committee that a number of the proposers were very interested and serious in their response to our RFP and were clearly capable of conducting a successful "partnership" with us; in the end, the committee unanimously selected Dell Computer Corporation's proposal and Dell as our TRP partner. We continue to receive inquiries from vendors not selected who are now aggressively pursuing other potential consortia of colleges and universities.

### **Contract Highlights**

The subsequent contract with Dell resulted in the following benefits to our colleges:

- PCs discounted at no less than 22.5 percent *under list price*, this discount applicable to all future PCs and future list price reductions;

- peripherals at 5 percent over Dell's cost;
- three-year onsite maintenance included in the price of purchase, lease, or lease/purchase, with other maintenance options offered;
- very aggressive tax-exempt lease/purchase financing;
- 11-percent trade-in values guaranteed at 36 months and Orion's Blue Book values for older trade-ins;
- dedicated Web site access for pre-configured bundles, ordering, bulletin boards, and so forth;
- same PC/peripheral prices available to faculty, students, and staff;

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- a formula-based process for future determination of PC configurations;
- access to Dell long-range road-mapping plans; and
- numerous other beneficial services and features.

The colleges formed a steering committee and technology committee to govern this venture. Volunteers appointed to these committees are responsible to the Council of Business Affairs (made up of 28 Florida community college chief business officers).

The steering committee, jointly with Dell, has reconfigured our PC bundles five times since September of 1998 when the contract commenced. These new bundles have resulted in lower costs; faster chips; more memory; flat

screen options; the addition of laptops, servers, and workstations; and other improvements. Most of these improvements were initiated by Dell through the quarterly road-mapping meetings we have jointly held. Our community college system is clearly taking advantage of the advances in technology and not spending our limited resources on soon-to-be obsolete equipment.

### **Cost Savings**

There are currently 62,000+ PCs in use among Florida's community colleges. Based on a three-year refresh cycle, the colleges will save an estimated \$33.1 million or \$534 per PC (RFP price vs. state contract price or discounted list price of comparable PCs). With the recent inclusion of the state universities and the 37 public and private colleges and universities in Florida, an estimated 75,000 additional PCs will be purchased for an additional savings of more than \$40 million. Savings will also be realized in purchasing software, printers, and scanners at 5 percent over cost to Dell or 7.5 percent under Dell's list price for other PCs and servers (estimated savings at \$3-5 million over three years).

The community colleges have been expending approximately \$17 million per year for PC technology in each of the last four years. The savings on maintenance, labor/parts, and so forth will be significant. At PJC alone we estimate \$50,000 savings as we now will spend less time maintaining the equipment and more time devoted to training, enhancements, and expansion. The 28 community colleges could generate \$1.4 million annually in savings in maintenance costs. During the first 17 months of operation, Florida's community colleges purchased in excess of \$29 million worth of PCs and other technology through the Technology Refresh Program and have saved an estimated \$10.5 million over previously nego-

tiated pricing with a multitude of PC providers. Additionally students, faculty, and staff have purchased in excess of \$3 million worth of PCs through the TRP.

Dell and the Florida community colleges and universities have entered into a long-term relationship that is held together solely by Dell's providing high-quality equipment, services, and financing at these low costs. This TRP gives our colleges and universities direct access to Dell's decision makers and in turn provides our institutions information to best utilize the limited resources we have available for technology. The Technology Refresh Program and the process that we designed to create it can be replicated by other groups of colleges, universities, and school systems with any number of interested PC man-

ufacturers or retailers.<sup>1</sup> We, as a system, have been thrilled with our relationship

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with Dell and the benefits we have gained from this program. We strongly encourage the implementation of such a

program in any system or consortium of educational institutions—how else can you maintain current technology and save a bundle?

#### Endnote:

1. The complete RFP, survey, contract, financing documents, Dell's proposal, and our Dell Web site can be viewed on a CD prepared by Pensacola Junior College. Contact Dr. Rand Spiwak, vice president for business affairs, Pensacola Junior College, 1000 College Boulevard., Pensacola, Florida 32504 (phone 850-484-1725, fax 850-484-1827, or e-mail [rspiwak@pjc.cc.fl.us](mailto:rspiwak@pjc.cc.fl.us)) for further information.

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*Rand Spiwak ([rspiwak@pjc.cc.fl.us](mailto:rspiwak@pjc.cc.fl.us)) is vice president for business affairs at Pensacola Junior College.*



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