

**STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION**

August 7, 2024

**TOPIC:** Arapahoe Community College (ACC) Additional Spending Authority for Lease of IT Equipment

**PRESENTED BY:** Dr. Cheryl Calhoun, Provost, Vice President Instruction, ACC and Jason Schrock, Vice President of Finance and Administrative Services, ACC

**RELATIONSHIP TO THE STRATEGIC PLAN:**

Value proposition through accessibility, affordability, quality, accountability, resource development and operational excellence.

**EXPLANATION:**

Arapahoe Community College (ACC) is seeking spending authority to lease additional IT equipment through Insight Financial Services (IFS). ACC began leasing from IFS earlier this year after receiving spending authority approval from the Board in November of 2023 for \$525,000. ACC's lease of IT equipment includes laptop devices, desktop devices, servers, and peripherals. ACC sees continued value with expanding the lease model rather than purchasing equipment.

ACC's initial lease through IFS is for a three-year period totaling approximately \$484,000 for approximately 500 devices. ACC is requesting additional spending authority of \$1.05 million to further meet its IT needs and better ensure that its technology is consistently up to date. The additional spending authority would enable the two more leases of an additional 500 devices for three-year periods, starting both in FY 2024-25 and FY 2025-26. Thus, with the current lease, and this request, ACC will lease approximately 500 devices per year on three-year cycles, culminating in a total fleet of approximately 1500 devices in FY 2025-26. ACC will then evaluate the leasing model to determine whether it would like to continue it in future years. The table below shows the approved and requested costs under the lease schedule.

Approved by CCCS (November 2023)							
	FY24	FY25	FY26	FY27	FY28		
Lease 1 - Year 1	\$161,389						
Lease 1 - Year 2		\$161,389					
Lease 1 - Year 3			\$161,389				
						<b>Total Leased</b>	<b>\$484,168</b>
Request							
	FY24	FY25	FY26	FY27	FY28		
Lease 2 - Year 1		\$165,000					
Lease 2 - Year 2			\$165,000				
Lease 2 - Year 3				\$165,000			
Lease 3 - Year 1			\$170,000				
Lease 3 - Year 2				\$170,000			
Lease 3 - Year 3					\$170,000		
						<b>Total Additional Requested</b>	<b>\$1,005,000</b>

In addition to better ensuring ACC’s IT equipment is more consistently up to date, the IFS leasing model also reduces costs and creates operational efficiencies. IFS offers comprehensive services such as device configuration, departmental ordering, SaaS management with 24/7 support, onboarding, cloud-based asset management, distribution dashboards, repair and replacement, service integration, data-wiping, and end-of-lease disposal. These services are included in the lease pricing, creating cost savings for ACC as the cost of devices under the purchase model lacks many of these services. Further, by expanding the IFS leasing model, substantial staff time is saved as IFS facilitates ordering, device management, repairs, leased inventory tracking, and disposal, which are managed internally under the purchasing model.

The lease agreement is being accomplished under a cooperative purchase agreement with IFS approved by the State.

**RECOMMENDATION:**

ACC recommends that the Board approve additional spending authority of \$1.05 million (for a total of \$1,530,000) so that it can proceed with entering into additional leases for IT equipment. ACC further recommends that the Board delegate to the System Vice Chancellor of Finance and Administration the authority to sign the contract and associated documents on the condition that all Board and State processes are followed.