

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

December 11, 2024

TOPIC: Pikes Peak State College (PPSC) Technology Lease Agreement

PRESENTED BY: Dr. Lance Bolton, President

RELATIONSHIP TO THE STRATEGIC PLAN:

- Transform the student experience.
- Redefine our value proposition through accessibility, affordability, quality, and closing equity gaps while remaining agile.

EXPLANATION:

Pikes Peak State College is seeking spending authority approval for three-year lease with a not-to-exceed dollar amount of \$3,600,000 with Insight Financial Services (IFS) for computer devices, including laptop devices, desktop devices, and peripherals. PPSC currently purchases HP laptops and desktop PCs and wishes to shift to a leasing model with Lenovo to reduce operating costs and ensure continued relevant technology for students and staff. Leasing will ensure that our technology is always up to date. Over the three-year contract, \$2,700,000 is funded by the Student Technology fee and \$900,000 by currently budgeted general fund dollars.

PPSC plans to continue cycling the fleet of devices (both instructional and administrative) every three years. PPSC intends to lease approximately 1300 devices annually on three-year cycles (50% in FY25, effective calendar year 2025), culminating in a total ongoing fleet of 3900 devices. The lease agreement will be executed under a cooperative purchase agreement with IFS, already approved by the state.

In addition to the underlying lease model, IFS provides wrap-around services, including device configuration and preparation, institution-level ordering from a catalog, device management models with 24x7 support, device onboarding for staff and faculty, cloud-based asset management and inventory tracking with reporting for all our onsite and offsite devices, device distribution dashboards, direct replacement and repair, direct integration with our service management and ticket system, end-of-life data-wiping, and end-of-lease device replacement, collection and disposal. Additional services are included in the lease pricing of the devices, which per device is competitive with the purchase cost of devices that do not include these services. The leasing model will also save substantial staff time. Under our current purchasing model, we manage the ordering, device management, repair arrangements, inventory tracking, and disposal process with our own staff.

Under PPSC's current purchasing model of buying new devices and refreshing every 3-5

years, we spend approximately \$1,250,000 per year on purchases. We also incur repair costs for the devices. Over a three-year period of purchasing, we currently spend over 3.75 million dollars to maintain, service, and dispose of the devices. Also, disposal of devices under our current purchasing model incurs additional costs due on recycling such as wiping hard drives, removing from mobile device management systems, and coordinating with State Surplus. Under this proposal PPSC will experience cost savings under the IFS lease model and ensure modern, relevant technology for students and staff.

Over the three-year term of the contract, it is anticipated PPSC will generate \$1,200,000 from the Student Technology Fee during each fiscal year with 75% (\$2,700,000) going toward this lease agreement and the additional \$900,000 from budgeted general fund dollars. The Student Technology Fee went into effect in Fall 2024 with a current balance of \$950,000.

Insight Financial Services (IFS)	
Year 1 Initial Term (FY25)	\$550,000
Year 2 (FY26)	\$1,200,000
Year 3 (FY27)	\$1,850,000
Total for contract term	\$3,600,000

RECOMMENDATION:

PPSC recommends approving a 3-year lease for computer devices, with a do-not-exceed amount of \$3,600,000. PPSC also 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.