

UNC-GA Response to Legislature

Information Resources Efforts for Compliance with State of NC
Budget Provision 6.11

ABSTRACT

The document describes the efforts of UNC-GA Information Resources, in cooperation with the State Office of Information Technology Services, to prepare and introduce a method to consolidate the procurement of information technology infrastructure purchases to provide lower prices and a consistent application of these lower prices to all UNC institutions.

TABLE OF CONTENTS

BACKGROUND	3
FOCUS ON CONSISTENT PRICING FOR ALL UNC INSTITUTIONS	3
TOTAL COST OF OWNERSHIP (TCO) VS. PURCHASE PRICE	3
THE UNIVERSITY'S FOCUS ON THE STUDENT	4
COOPERATION WITH STATE ITS	4
UNC-GA REQUIREMENT TO PURCHASE STANDARD CONFIGURATIONS	5
REPORTING RESULTS TO LEGISLATIVE IT OVERSIGHT COMMITTEE	5
CENTRAL VENDOR CONTRACT REPOSITORY	5
SCIQUEST E-PROCUREMENT INITIATIVE	6
PRE-SCIQUEST PROCUREMENT EFFORTS	6
SUMMARY OF ACTIVITIES OF THE COMBINED PRICING INITIATIVE TEAM	6
ATTACHMENT "A"-MEMORANDUM OF UNDERSTANDING	8
ATTACHMENT "B"- DESKTOP RECOMMENDATIONS	13
ATTACHMENT "C"-SERVICE RECOMMENDATIONS	16
ATTACHMENT "D"- REPORT TO THE LEGISLATURE – CPI SAVINGS	18

University of North Carolina – General Administration
Information Resources (UNC-GA IR) Division
Report to State Legislature – Response to Budget Provision 6.11
Current Efforts for Combined Pricing Initiatives (Bulk Purchasing)
Information Technology Infrastructure

BACKGROUND

In our current economic climate, the State of North Carolina has experienced significant revenue reductions that have required the University of North Carolina to reduce expenses. For many years, UNC has initiated cooperative and collaborative efforts to maximize the impact of the critical mass of the combined spending at our institutions. In these difficult economic times, the urgent need to reduce cost and/or duplication of efforts has prompted our UNC institutions to focus on improving existing collaborations and to seek new cooperative efforts to achieve even greater cost efficiencies. The following is a discussion of the most productive efforts to share costs and reduce expenses. One such cost saving initiative is the UNC Combined Pricing Initiative (CPI).

Under the auspices of the UNC CIO Council and in cooperation with the State of North Carolina Information Technology Service (State ITS), a Combined Pricing Task Group has been inaugurated to investigate and define a process to combine the purchasing power of the entire UNC system with the State of NC Executive Branch and to negotiate better prices and services for procurement of Personal Computers (PC) both the desktop and the laptop variety.

FOCUS ON CONSISTENT PRICING FOR ALL UNC INSTITUTIONS

The one overriding goal of the UNC Combined Pricing Initiative (CPI) is to utilize the aggregate purchasing power of the UNC system schools to obtain the best possible prices for IT infrastructure and provide these same prices for all UNC institutions regardless of size or location. In recent months, UNC-GA has monitored the Personal Computer (PC) Bulk Purchasing process employed by State ITS for the procurement of all desktop and laptop computers for the NC Executive Branch. The larger UNC campuses such as UNC Chapel Hill and North Carolina State University have demonstrated the ability to purchase PCs at the same or better prices than the those offered by the ITS Bulk Purchasing process. Unfortunately, these same PC prices are not available to our smaller or geographically remote UNC institutions such as UNC Asheville (UNCA). Hence, our primary focus for the UNC combined pricing effort is to ensure that all UNC schools experience the same low cost for PC purchases. In addition, another major objective of the CPI is to link its efforts with the State ITS bulk purchase to offer our PC vendors an even greater incentive to provide the maximum price discounts.

TOTAL COST OF OWNERSHIP (TCO) VS. PURCHASE PRICE

The initial purchase price of a PC is important as a cost savings measure but, for the efficient fiscal operation of our UNC institutions, a more important financial measure is the total cost of ownership. The Bulk Purchasing process employed by State ITS results in excellent initial purchase prices but it would be very difficult and less effective a procurement process if employed by the UNC system institutions. Rather than concentrate only on the initial purchase price, it is more efficient to view the TCO of the equipment over a four year period (four years is the typical replacement cycle for PC equipment). Included in the TCO would be the cost of service and support for the typical four year life of PC hardware.

UNC has a wide disparity in the size and complexity of its institutions and the “one-size-fits-all” approach to the purchase and support of PC hardware should not be applied at UNC. The procurement and support process employed by UNC Chapel Hill (CH) should be markedly different than the process employed by UNC Asheville. Some of the variables in how each institution would choose to procure and service PC hardware include: Length of Warrantee, Insurance (theft and damage), Pre-loaded Images, Spare Parts Inventory, Loaner Machines, etc. In our example, UNC-CH may require a minimum warrantee period of one year as it can afford to employ IT staff to service the PC hardware but a smaller school such as UNCA might choose to purchase the maximum warrantee period as it will always be reliant upon the vendor to service damaged and malfunctioning equipment.

To meet the needs of the large as well as the small UNC institutions, the CPI procurement process is designed to meet the primary objective of providing an identical base purchase price for all institutions. In addition, the process will provide a list of optional services that each institution may choose to elect at an additional cost. Hence, each campus will determine its own TCO for PC hardware and choose the preferred vendor that offers the most effective and efficient initial price combined with the four year cost of service and support.

THE UNIVERSITY’S FOCUS ON THE STUDENT

The primary factor differentiating University environments, from the homogenous administrative computing environments of other state agencies, is a student population that vastly outnumbers faculty and staff. When selecting computer models, 24 x 7 support for students must be considered while considering support costs for all University populations.

University students are a fairly unique user population with relatively high computing requirements for performance, durability and longevity. They tend to use their computers in a wide range of settings and for a number of vastly different tasks (writing papers, collecting data in labs, designing presentations, critiquing works of art, watching videos, listening to lectures and music, etc.). Students are four times more likely to require hardware repair than any other computer user population, yet they expect their computers to last longer than most other user populations. Computer models intended for student use tend toward more rugged, well engineered computers that are built to withstand the drops, spills and rough handling they receive from students.

While student computing requirements for performance, durability and longevity may be higher than the same requirements for faculty and staff, administrators can realize larger discount rates and achieve efficiencies in direct ITS support costs by offering the same computer models and support to all three user groups. Costs savings where they have the most impact, in the cost of IT support and reduced downtime for faculty, staff and students would not otherwise be achievable had the needs of faculty, staff and students been considered separately.

COOPERATION WITH STATE ITS

The State of NC has many opportunities for collaboration among its various entities and UNC has an excellent working relationship with the Office of Information Technology Service (ITS). In addition to the combined pricing initiative associated with the purchase of Personal Computers, there are efforts to consolidate purchasing arrangements for the archiving of e-Mail and other electronic documents, the effective use of floor space and environmental services at the State ITS Western Data Center, and the consolidation of Interactive Video Conference (IVC) services provided by State ITS with those offered by MCNC.

UNC-GA REQUIREMENT TO PURCHASE STANDARD CONFIGURATIONS

The UNC CIO Council has agreed to the following requirements for participation in the UNC-GA Combined Pricing Initiative (CPI):

- For State appropriated funds, UNC institutions must procure MS/Window compliant PCs only from the approved “Preferred Vendors” (Apple products will be purchased elsewhere)
- UNC constituents have the flexibility to select and purchase from any of the vendors on the Preferred Vendor list but are required to use the PC Marketplace website
- PC hardware must be purchased from the inventory of standard hardware configurations with the following exception:
 - If non-standard hardware configurations are required for use in special research, teaching, or administrative needs, the campus may allow exceptions for up to 20% of the total state appropriated funds expended on PC hardware within a given fiscal year (the allowable maximum of 20% will be reduced in future years)
 - To procure non-standard hardware, a special exception must be requested. All UNC institutions must initiate an approved process for requesting the procurement of non-standard PC hardware.
 - This exception approval process may differ for each institution but must be reviewed and agreed to by the UNC-GA CIO.

REPORTING RESULTS TO LEGISLATIVE IT OVERSIGHT COMMITTEE

Currently, State ITS produces a report which summarizes the cost savings achieved by its Bulk Purchasing process. The report is in the form of a spreadsheet (see Attachment “D”) which compares the actual prices paid for the items included in the bulk purchase versus the amount that would have been paid had the individual purchases been completed using the State of NC’s most recent competitive bid purchase contracts (STC 204A).

UNC-GA will produce a report, on the same frequency as the State ITS report, to demonstrate the actual purchase price for all PC items purchased through the CPI initiative. The UNC CPI report to the Legislature will mirror the State ITS report and demonstrate the actual cost versus the cost if each individual used the current State procurement contract (STC 204A or whatever is the most current).

CENTRAL VENDOR CONTRACT REPOSITORY

For several years, UNC-GA IR has served as a central contracting service for all major IT vendors (Oracle, Apple, Microsoft, Dell, Cisco, Red Hat, IBM, etc). These efforts have created an inventory of convenience contracts that allow our UNC institutions to negotiate individual procurements with vendors while working from the terms and conditions of central contract, which saves the time and effort of assuring compliance with the laws of North Carolina. UNC-GA IR manages a secure central website that details all of the system-wide vendor contracts. This is a valuable resource for our institutions and has saved a significant amount of staff work time through the availability of convenience contracts.

Currently, we are expanding and renewing these central contracts to offer more vendor services, particularly those for open source software and free outsourced functions. Recently, UNC has completed a contract with Google Corp. for their suite of free Google Applications for e-mail, calendaring and central document repository. In addition, UNC-GA IR is pursuing the similar contract with Microsoft for their suite of free application called MS/Live@edu. Upon completion of the Microsoft contract we will pursue additional open source and other free vendor software and services as needed.

SCIQUEST E-PROCUREMENT INITIATIVE

To employ the maximum use of the combined procurement cost efficiencies, a cooperative effort among UNC institutions was completed to define the requirements and investigate the most suitable e-Procurement vendor. The fourteen UNC institutions that use the Banner ERP system have entered into a joint contract with SciQuest Corporation for e-Procurement services. This cooperative effort to complete a vendor selection and contract negotiation has provided a significant reduction in both the initial implementation and annual operating costs of the SciQuest hosted e-Procurement services.

In addition, the combined annual spending of the fourteen institutions will provide UNC with significant leverage to negotiate the most favorable prices, terms, and conditions with all major vendors. This combined spending will be rolled up on a continuing basis so that our vendors will respond with lower prices to the advantage of the smaller institutions that have little or no negotiating leverage on their own.

PRE-SCIQUEST PROCUREMENT EFFORTS

It will require some amount of time before all of the UNC institutions have implemented and an additional period to collect and consolidate procurement data to assist in negotiating better pricing resulting. In this interim period, the UNC-GA IR contracts team will be pursuing new central contracts with vendors such as CDW-G. Rather than wait for added discounts, it is the plan to pursue all of our vendors that have a significant volume of business with UNC to get the maximum amount of pricing discounts that can be negotiated.

SUMMARY OF ACTIVITIES OF THE COMBINED PRICING INITIATIVE TEAM

Combined Pricing Initiative (CPI) Task Group

- a. In a joint initiative with State Information Technology Services (ITS), the UNC CIOs formed a combined pricing task group to define a standard set of configurations for all personal computing (PC) hardware. The definition of these standard PC configurations is a critical element in negotiating prices and services (with the same PC vendors used by the State ITS) for the lowest possible costs to all UNC institutions.
- b. The combined pricing task group agreed on the standard configurations (including the necessary support services and equipment warranties), and initiated negotiations with the State ITS qualified PC hardware vendors (Dell, Lenovo, and HP). These negotiations are expected to conclude by the end of March with memorandums of understanding for participating vendors signed in April 2010.
- c. A meeting was held with the State ITS Chief Information Officer (CIO), Jerry Fralick and an agreement was reached that the CPI process being prepared by UNC is compatible and synergistic with State ITS Bulk Purchasing. The major points of contact between the two separate procurement processes are:
 - i. Only PC vendors that are qualified by the State ITS competitive bid will be eligible as a preferred vendor for the UNC PCI procurement.
 - ii. The UNC preferred vendors must agree to a set of conditions described in a Memorandum of Understanding (see Attachment "A") which requires comparable PC prices for all UNC institutions.
 - iii. The base PC standard hardware configurations are to be defined by State ITS and enhanced by the UNC CPI definitions (see Attachment "B").
 - iv. A unique set of optional vendor support and services (see Attachment "C") differentiates the UNC CPI procurement process from State ITS bulk purchasing.

- v. The annual awarding of the ITS bulk procurement vendor will coincide with the approval and continuation of the preferred vendors identified in the UNC CPI procurement process.
- d. In conjunction with the SciQuest cooperative mentioned above, the UNC CPI will be coordinate to take advantage of the significant purchasing power of our largest institutions in order to provide cost advantages to our smaller institutions, which could otherwise be required to spend significantly greater amounts.
- e. Immediately upon the conclusion of the initial effort involving only MS/PC machines, State ITS and UNC will work together to expand its Bulk Purchasing and CPI efforts to include other IT infrastructure items such as Apple computers, Printers, and Networking electronics.

Memorandum of Understanding

An Agreement between the

University of North Carolina-General Administration and the *Vendor*

UNC Combined Pricing Initiative – Preferred Vendor Agreement

This agreement entered into the ____ day of April, 2010 by and between the University of North Carolina, General Administration (UNC-GA) and Vendor Name (vendor).

Whereas, UNC-GA has designated *vendor name* as a “preferred vendor” for the sale of Personal Computers (PCs), both the desktop and laptops, for the purpose of providing consistent and low cost prices to the constituent institution of the UNC system.

Whereas, the vendor has agreed to all of the terms and conditions defined herein with the understanding that the designation of “preferred vendor” allows the vendor to participate in the UNC-GA Combined Pricing Initiative (CPI) and, in addition, the vendor agrees to provide an online PC Marketplace offering a system-wide price list to all UNC institutions for the standard configurations of PC Desktop and Laptop computers.

Now, therefore, inconsideration of the mutual promises contained herein and other good and valuable considerations, the parties agree to the following:

Pre-qualification

Under the auspices of the UNC-GA CIO Council and in cooperation with the State of North Carolina Information Technology Service (State ITS), a Combined Pricing Initiative has been inaugurated to investigate and define a process to combine the purchasing power of the entire UNC system and to provide better prices and services for procurement of Personal Computers (PC) both the desktop and the laptop variety. To participate in the CPI a vendor must first be qualified as an approved PC vendor by the Chief Information Officer of the State ITS. This CPI agreement is dependent upon the vendor having first responded with a proposal approved by State ITS as a qualified PC vendor for equipment purchases.

One overarching goal of the UNC Combined Pricing Initiative (CPI) is to utilize the aggregated purchasing power of the UNC system schools to obtain the best possible prices for IT infrastructure purchases and provide these same prices for all UNC institutions regardless of size or location. As a signatory to this agreement vendor agrees, with an exception mentioned in the paragraph labeled as “Exception to Preferred Pricing Method”, to offer the same prices and discounts to all UNC institutions and UNC accepted or enrolled students regardless of the number or value of the equipment ordered.

PC Marketplace

Vendor agrees to develop and initiate an online PC Marketplace which must be unique and configurable for each individual UNC institution. The PC Marketplace will allow for authorized UNC procurement agents to order PC equipment from an inventory of standard hardware

configurations. In addition to the standard hardware configurations (see Attachment “A”) for desktop and laptop computers, vendor will also offer a list of hardware and software options that can be added to the standard configurations (see Attachment “B”).

In addition to the standard hardware PC Marketplace, the vendor will offer the availability of non-standard machines for specialty use in teaching, learning, and research with comparable discounts. Also, at the discretion of the individual campus, the PC Marketplace could offer hardware not covered by this CPI agreement, such as peripherals, server and networking equipment. This on-line purchasing service (PC Marketplace) and settlement procedures for payments to the vendor must be compatible and interactive with campus e-Procurement business processes (PeopleSoft and SciQuest compatible).

Campus Specific Service and Support

UNC has a wide disparity in the size and complexity of its institutions and the “one-size-fits-all” approach to the purchase and support of PC hardware should not be applied at UNC. The procurement and support process employed by UNC Chapel Hill (CH) could be markedly different than the process employed by UNC Asheville (UNCA). Some of the variables in how each institution will choose to procure and service PC hardware include but are not limited to: Length of Warrantee, Insurance (theft and damage), Pre-loaded Images, Spare Parts Inventory, Loaner Machines, etc. In our example, UNC-CH may require a minimum warrantee period of one year as it may find it more cost effective to employ IT staff to service the PC hardware but a smaller school such as UNCA might choose to purchase the maximum warrantee period as it determines it more cost effective for the vendor to service damaged and malfunctioning equipment.

As identified in the Optional Services List (Attachment “C”), the vendor must agree to provide free training and certification services for those UNC institutions that choose to do provide PC hardware maintenance services. In return, to assure that all vendors have equal access to the UNC PC sales, all UNC campuses must allow a vendor to train the hardware maintenance technicians and allow for vendor certification of staff. With the approval of the UNC-GA CIO, a campus may be exempted from this requirement if the labor reimbursement rates of vendor are not competitive with other preferred vendors.

To meet the needs of the large as well as the small UNC institutions, the CPI procurement process is designed to meet the primary objective of providing an identical base purchase price for all institutions. In addition, the process will provide a list of optional services (see Attachment “C”) that each institution may choose to include at the provided additional cost. Hence, each campus will determine its own TCO for PC hardware and choose the preferred vendor that offers the most effective and efficient initial price combined with the four year cost of service and support.

Vendor Return Policy

The vendor agrees to provide UNC institutions with a very flexible equipment return policy. The vendor may offer a more generous arrangement but, at a minimum, UNC institutions must be allowed to return any and all PCs within a 30 day period following delivery for any reason. UNC institutions will be responsible for return shipping charges but will not be charged any form of “restocking fee”.

Price Schedule and Discounts

Once yearly, State ITS releases a bulk purchase bid for a set of standard PC hardware configurations and UNC will establish its annual CPI vendor review to coincide with the State ITS competitive bid for PC hardware. The UNC price schedule must be consistent (competitive) with the “winning bid” State ITS prices for similar standard configurations. Due to possible differences in the standard hardware configuration or support services, the UNC price schedule may vary from the State ITS prices. If the UNC price schedule is greater, the vendor must provide an explanation of the reasons for the higher prices and seek the approval of the UNC CIO Council.

Should the vendor’s prices not be competitive with the State ITS pricing, the vendor will not automatically be disqualified nor disallowed from participating in the UNC CPI. At the discretion of the UNC-GA CIO, a vendor will be allowed some period of time (grace period) to offer one or more of the standard hardware configurations at a price which is greater than the State ITS competitive bid prices but the vendor will be notified that it is out of compliance with the intent of this MOU and the vendor may be disqualified following the grace period.

Same Year Price Reviews

As stated above, vendors will only be required to submit a price schedule once each year but, to maintain a competitive UNC market, vendors will be encouraged to offer reduced prices based on market conditions which result in lower costs. The UNC CIO Council will meet quarterly with its preferred vendors to discuss current market conditions and seek price and configuration adjustments when appropriate.

Future Pricing By Vendor

In certain circumstances the vendor will be allowed to quote two prices for any standard configuration. If the vendor is aware that any of the components of a PC (such as an upgraded processor) will become available midway during the current agreement year, the vendor may quote two prices for each standard configuration. The first price would reflect the price quote for the hardware that is currently being sold and, also, corresponds to the State ITS standard configurations. The second price will reflect the known hardware upgrades (such as a more powerful chip set) that will be marketed some months in the future. It should be noted that any actual price or configuration adjustment must be reviewed and approved by the UNC CIO Council.

Allowable Pricing Methods

As stated above, the annual target price for each standard hardware configuration is the corresponding winning bid price for the State ITS configurations. The actual price for each UNC standard configuration may be quoted either as an absolute dollar amount or a percentage discount off the published list price for the standard hardware configurations. All mid-year adjustments must be approved by the CIO Council and there is a commitment by UNC that it will view all vendor requests in a fair manner and not withhold a price adjustment without good cause.

For a mid-year upward adjustment to the price of a PC, if quoted as a percentage off list, the vendor will be required to demonstrate to UNC that the standard list price for the hardware or service item has increased for all. For an upward adjustment to a price quoted as an absolute dollar amount, the vendor will be required to demonstrate that the average market price published by the IDC market analysis for sales to higher education has increased by an equal or greater dollar value.

Exception to Allowable Pricing Methods

As stated above, one allowable method for pricing is a quoted percent discount off list price and this method will apply both to the standard configuration models and the list of equipment options. In addition, the vendor must offer a set of optional services and support items, such as a 3 year or 4 year equipment warranty. The price quote for optional services (see Appendix B, UNC Combined Pricing Services List) should be quoted as an absolute dollar amount.

Student Pricing

UNC will be able to offer the same base prices to students for whatever configuration the campuses may decide to offer students. The primary factor differentiating University environments from relatively homogenous, administrative computing environments is a student population that vastly outnumbers faculty and staff. When pricing computer models, after-business day hours of support for students must be considered when calculating costs.

While student computing requirements for performance, durability and longevity may be higher than the same requirements for faculty and staff, administrators can realize larger discount rates and achieve efficiencies in direct support costs by offering the same computer models and support to all three user groups. Costs savings where they have the most impact, in the cost of IT support and reduced downtime for faculty, staff and students would not otherwise be achievable had the needs of faculty, staff and students been considered separately.

Price Guarantee for Personal Sales to Students, Faculty and Staff

The vendor will offer the same standard configurations and base prices for private sales to individuals (faculty, staff and student). The vendor, with approval of the CIO Council, may charge a small fee for PC sales to individuals to cover the cost of credit card charges and added processing fees related to the sale.

Prices for Standard Hardware Configurations at One-time Special Promotion

The vendor will be allowed the flexibility to offer lower prices for purchases of standard PC hardware to a specific campus, if the PC purchase is bundled with the acquisition of other equipment such as application servers, storage arrays, processor blades, etc. Any special promotions must be reviewed and approved by the UNC-GA CIO who will be allowed to survey the other UNC institutions that may also be interested in participating in the bundled purchase of equipment and or services. Otherwise, the vendor will not be required to offer this lower one time price to other UNC institutions.

Any time-limited promotional price offers that are not bundled with other purchases must be made equally available to all UNC system campuses, and the reduce pricing must appear in the PC Marketplace. The UNC-GA CIO will also notify all preferred vendors participating in the PC Marketplace that one-time special pricing has been offered by another vendor.

Reporting Requirements

Vendor must provide a monthly summary of all PC purchases by campus and the average price paid for the machine in every standard configuration category. UNC-GA and vendor will design both the format and means of delivery for this monthly sales report.

- i. The report must also contain the purchases of PC not included in the Standard Hardware Configurations list as exceptions.
- ii. Attached is an example of a spreadsheet prepared by State ITS to report actual purchasing results which is similar to that which is required by UNC-GA.

- iii. UNC-GA requests that the vendor provide this report by the fifteenth day following the close of the reporting month and the report should be submitted as an MS/Excel spreadsheet.

Vendors must also work with each campus to ensure they receive in a timely manner reports adequate to meet their operational and other internal reporting needs.

Other Terms

This MOU will be in effect for one year from the date listed in the first paragraph. UNC-GA can, at its own discretion, negate the terms of this understanding if it is determined that the vendor is not in compliance with the terms and conditions. The vendor must renew its qualification each year or any period deemed appropriate by State ITS procurement policies.

Authority

Each party hereby represents and warrants to the other that it has the requisite authority to enter into and be bound by this Agreement, that entry into this Agreement and any Attachments has been duly authorized and executed by all necessary action, and that entry into this Agreement does not violate any laws, rules or regulations which govern it or any agreements by which it is bound.

University of North Carolina
General Administration

Name: _____

Title: _____

Date: _____

Vendor

Name: _____

Title: _____

Date: _____

ATTACHMENT "B" - DESKTOP RECOMMENDATIONS

UNC Task Group: Desktop Recommendations (Updated 3-22-10)

Note: These are the minimum specifications that will be accepted.

	Basic Desktop	Mid-level Desktop	High-end Desktop	Comment
Type	Business class desktop. EPEAT Gold. Energy Star compliant. Guaranteed model availability 12 months from the time of award ; replacement components for 4 yrs (no alternates).	Business class or higher desktop. EPEAT Gold and Energy Star compliant (preferred). Guaranteed model availability 12 months from the time of award ; replacement components for 4 yrs (no alternates).	Business class desktop. EPEAT Gold and Energy Star compliant (preferred). Guaranteed model availability 12 months from the time of award ; replacement components for 4 yrs (no alternates).	The "eco" friendly model (EPEAT Gold, Energy Star compliant) is estimated to save ~\$20/yr per computer in energy costs. *See end of table for intended user base for each model.
Processor	Minimum Intel Core 2 Duo E8xxx (3.06 GHz, 1333 MHz FSB, 6 MB L2 Cache); OR Intel Core i3 (preferred)	Minimum Intel Core 2 Quad E8xxx (2.66 GHz, 1333 MHz FSB, 4 MB L2 Cache); OR Intel Core i5 520 (preferred)	Minimum Intel Core 2 Quad Q9xxx (3.0 GHz, 1333 MHz FSB, 12 MB L2 Cache); or Intel Core i7 (preferred)	These are minimum specifications.
Video	Integrated or 128 MB. Supports Dual Monitors. Required Connection Types: DVI and VGA. Additional Connection Types (if available): Display Port and TV Out	256 MB (non-shared). Supports Dual Monitors. Required Connection Types: DVI and VGA. Additional Connection Types (if available): Display Port and TV Out	512 MB (non-shared). Supports Dual Monitors. Required Connection Types: DVI and VGA. Additional Connection Types (if available): Display Port and TV Out	Options available These are minimum specifications.
Cables / Connectors	Includes Y-adapters and/or other connectors as necessary to support dual monitor configuration DVI and VGA	Includes Y-adapters and/or other connectors as necessary to support dual monitor configuration DVI and VGA	Includes Y-adapters and/or other connectors as necessary to support dual monitor configuration DVI and VGA	Need connectors for dual DVI if that option is selected (see options list).
Hard Drive	160 GB SATA 3 GB/s 7200 RPM	250 GB SATA 3 GB/s 7200 RPM	500 GB SATA 3 GB/s 7200 RPM	Options available
Floppy Drive	None	None	None	Options available
Optical Drive	16X DVD +/- RW	16X DVD +/- RW	16X DVD +/- RW	Options available
PCI Slots	One open PCIe slot	Two open PCIe slots	Two open PCIe slots	

	Basic Desktop	Mid-level Desktop	High-end Desktop	Comment
USB Ports	Minimum Five (5) Total: Two (2) in Front, Three (3) in Back USB v2.0; at least 1 USB/eSATA combo port preferred	Minimum Five (5) Total: Two (2) in Front, Three (3) in Back USB v2.0; at least 1 USB/eSATA combo port preferred	Minimum Five (5) Total: Two (2) in Front, Three (3) in Back USB v2.0; at least 1 USB/eSATA combo port preferred	
Operating System Software	Lowest Cost Windows OEM license - no media	Lowest Cost Windows OEM license - no media	Lowest Cost Windows OEM license - no media	Options available. For some campuses, Microsoft Campus Agreement covers upgrade to campus-selected Windows OS (XP, Vista, Windows 7).
Integrated NIC	Integrated Gigabit Ethernet (10,100,1000), Wake on LAN	Integrated Gigabit Ethernet (10,100,1000), Wake on LAN	Integrated Gigabit Ethernet (10,100,1000), Wake on LAN	
Keyboard	Full-sized USB keyboard	Full-sized USB keyboard	Full-sized USB keyboard	
Mouse	USB, 2-button, Optical mouse with scroll	USB, 2-button, Optical mouse with scroll	USB, 2-button, Optical mouse with scroll	Options available
Audio	Internal 16-Bit Stereo	Internal 16-Bit Stereo	Internal 16-Bit Stereo	
Resource CD	None	None	None	
Modem	None	None	None	Note: Purchase external modem separately if needed.
Expansion Bay(s)	None Required	One (1) available - for minitower form factor	One (1) available - for minitower form factor	
Form Factor	Small Desktop	Multiple form factors should be offered	Multiple form factors should be offered	Campuses may choose to standardize on a form factor (e.g., small desktop, mini-tower).
Hardware Warranty	3 Year with 4th Year Option; OR 4 Year Standard (see comments)	3 Year with 4th Year Option; OR 4 Year Standard (see comments)	3 Year with 4th Year Option; OR 4 Year Standard (see comments)	Vendors should price both ways. See service list for more information.
Keep Hard Drive	Optional - 3 or 4 years	Optional - 3 or 4 years	Optional - 3 or 4 years	See Service List

	Basic Desktop	Mid-level Desktop	High-end Desktop	Comment
Service and Support	Optional	Optional	Optional	See service list - vendors should list available choices and price
Integrated Bluetooth	None	None	None	Options available - external adapter
Estimated Pricing:				TBD pending vendor discussions

***Intended User Base:**

Basic Desktop - intended to meet basic needs such as those of administrative users who primarily rely on Office, web-based applications/on-line processing, and other basic computing requirements. Mid-level - intended to meet the needs of administrative users whose requirements exceed those of the basic desktop, and of non-technical faculty (i.e., those not in engineering and scientific fields and those that do not require intensive graphics/multi-media processing or calculation power). High-end - intended to meet the highest level computing needs that can be addressed within the standard recommendations. Some users with highly specialized needs will need to follow their campus exception process for non-standard purchases.

ATTACHMENT "C"-SERVICE RECOMMENDATIONS

UNC Combined Pricing Task Group: Services List (Updated 3-22-10)

Service Recommendations:

Service	Recommendation	Notes
Warranty	Vendors to provide pricing (1) if all institutions have a 4 year standard warranty, and (2) if campuses are given a choice in which some select 4 year standard and other select 3 year standard with a 4th year option.	
Rebate	Need terms that allow institutions to determine whether they receive a rebate (e.g., for a campus service fee) and set the amount of the rebate (within reasonable limits). Cost should not be included in the vendor bid prices.	
Pre-load Campus-specific Image (prior to delivery to campus)	Option must be available from the vendor. Vendors to provide pricing (1) if all institutions use vendor image pre-load and (2) if this is an optional service that institutions may select to purchase. Each campus would have its own software load and some may have multiple images (e.g., student vs. faculty/staff, school/dept specific). Institutions with Windows upgrade rights under the Microsoft Campus Agreement should be charged for the lowest cost version of the Windows OEM license (e.g., Vista Home Basic) even if the image provided for vendor pre-load includes an upgraded version of Windows.	
Authorized Warranty Service Provider	Option for the institution to become a warranty service provider for its constituents must be available from the vendor. For institutions that provide warranty repair work on-site, terms should include free training and certifications for a specified number of staff based on campus size. Agreement must allow for multiple reimbursements on the same machine within a 30 day period.	
Spare Parts Inventory	Agreement should offer a spare parts solution for Universities providing on-site warranty repairs.	
Loaner Machines	Receipt of loaner machines should be an option to be selected by the institution. Vendors must address supplying x loaner machines per 100 units sold as part of the contract negotiations, and must report impact on pricing.	
Cross Ship Arrangement	Must be included in contract.	
Service & Support	Should be an option to be selected by the institution. Vendors should provide details and pricing of available options (e.g., depot, enhanced 24x7, next day onsite, end-user technical support, enhanced/express support for IT staff). Options for student support should be presented.	

Service	Recommendation	Notes
Accidental Damage	Should be an option to be selected by the institution. Campuses should be allowed to require if desired (e.g., some may require for students only).	
Insurance Protection Against Theft	This may be a third-party option. Vendors should describe any of their offerings.	
Anti-theft Services	This may be a third-party option. Vendors should describe any of their offerings (e.g., Computrace or similar offering).	
Intel Vpro Technology	Vendors should provide pricing for including Intel Vpro with each machine, if available.	
Asset Reports	Provide pricing for vendor-provided Asset Report (e.g., machine model, serial # and PO #) provided electronically when the machine leaves the factory.	
Tag and Label Service	Provide pricing for vendor to pre-tag equipment prior to shipment with campus-specified tag content (e.g., PO #, date of purchase, MAC address, barcode).	
Delivery Service Options	Vendor to provide for delivery service options (e.g., inside delivery, advance delivery notice, inner office distribution).	
Vendor Managed Installation Services	Vendors to provide costing on options for installation services.	
Encryption Solutions	Vendors should describe their offerings for encryption solutions.	
Guaranteed Discounts for Non-Standard Models	Should be specified in the contract. This would be for the purchase of models that go through the campus exception process.	
Guaranteed Discounts for Options & Peripherals	Should be specified in the contract.	

ATTACHMENT "D" - REPORT TO THE LEGISLATURE – CPI SAVINGS

DESKTOPS & LAPTOPS													
STS 204A Pricing													
Date	Manufacturer	Basic Desktop 1	Basic Desktop Plus	Flat Panel, 19" Monitor	Flat Panel, 24" Monitor	Flat Panel, 17" Monitor	Basic Laptop 1	High End Laptop 1	Ultra Portable Laptop 1	Port Replicator f/ Basic & High End Laptop	Monitor Stand	Keyboard	
3/6/2009	Dell	\$941.16	\$1,091.12	\$164.68	\$551.08	\$146.28	\$1,241.72	\$1,402.47	\$2,057.08	\$118.68	\$72.68	\$17.00	
3/6/2009	Hewlett-Packard	\$943.00	\$1,081.00	\$169.00	\$399.00	\$220.00	\$1,442.00	\$1,737.00	\$1,863.00	\$167.00	\$66.00	\$25.00	
3/6/2009	Lenovo	\$1,035.95	\$1,079.90	\$239.99	\$749.99	\$139.99	\$1,396.95	\$1,806.00	\$2,493.95	\$179.00	\$79.00	\$39.00	
Average		\$973.37	\$1,084.01	\$191.22	\$566.69	\$143.14	\$1,360.22	\$1,648.49	\$2,138.01	\$154.89	\$72.56	\$27.00	
STS 204A Pricing													
Bid Pricing ITS-004434													
				Unit Price	Qty	Ext. Amount					Unit Price	Qty	Ext. Amount
Basic Desktop 1			\$973.37	355	\$345,546.35	Basic Desktop 1			\$403.00	355	\$143,065.00		
Basic Desktop Plus			\$1,084.01	46	\$49,864.31	Basic Desktop Plus			\$434.00	46	\$19,964.00		
Basic Laptop 1			\$1,360.22	615	\$836,537.35	Basic Laptop 1			\$685.00	615	\$421,275.00		
High End Laptop 1			\$1,648.49	271	\$446,740.79	High End Laptop 1			\$945.00	271	\$256,095.00		
Ultra Portable Laptop 1			\$2,138.01	14	\$29,932.14	Ultra Portable Laptop 1			\$957.00	14	\$13,398.00		
Port Replicator w/ Basic & High End Laptops			\$154.89	449	\$69,547.11	Port Replicator to work the Basic & High End Laptops			\$86.00	449	\$38,614.00		
Port Replicator w/ Ultra Portable Laptop			\$161.56	8	\$1,292.48	Port Replicator w/ Ultra Portable Laptop			\$61.00	8	\$488.00		
Monitor Stand for Laptops			\$72.56	6	\$435.36	Monitor Stand for Laptops			\$60.00	6	\$360.00		
Keyboard			\$27.00	388	\$10,476.00	Keyboard			\$10.00	388	\$3,880.00		
Extra Battery for Basic Laptop 1			\$156.69	256	\$40,113.49	Extra Battery for Basic Laptop 1			\$61.00	256	\$15,616.00		
Mouse			\$13.96	391	\$5,458.36	Mouse			\$6.00	391	\$2,346.00		
Cable Lock			\$40.85	34	\$1,388.90	Cable Lock			\$23.00	34	\$782.00		
Nylon Carrying Case			\$38.23	493	\$18,845.75	Nylon Carrying Case for Basic Laptops			\$9.00	297	\$2,673.00		
						Nylon Carrying Case for High End Laptops			\$9.00	150	\$1,350.00		
						Nylon Carrying Case for Ultra Portable Laptops			\$13.00	46	\$598.00		
Flat Panel LCD Monitor, 19 inch for Desktops			\$191.22	308	\$58,896.79	Flat Panel LCD Monitor, 19 inch for Desktops			\$135.00	308	\$41,580.00		
Flat Panel LCD Monitor, 19 inch for Laptops			\$191.22	63	\$12,047.07	Flat Panel LCD Monitor, 19 inch for Laptops			\$135.00	63	\$8,505.00		
Flat Panel LCD Monitor, 24 inch for Desktops			\$566.69	21	\$11,900.49	Flat Panel LCD Monitor, 24 inch for Desktops			\$260.00	21	\$5,460.00		
Flat Panel LCD Monitor, 24 inch for Laptops			\$566.69	48	\$27,201.12	Flat Panel LCD Monitor, 24 inch for Laptops			\$260.00	49	\$12,740.00		
Flat Panel LCD Monitor, 17 inch for Laptops			\$143.14	50	\$7,156.75	Flat Panel LCD Monitor, 17 inch for Desktops			\$99.00	50	\$4,950.00		
				Difference: STC 204A vs. Bid Items				ITS-004434 Bid Items Total					
STC 204A Total				\$1,973,380.60				\$979,641.60				\$993,739.00	
												Hewlett-Packard	
Low Bid Total				\$993,739.00									
PRINTERS													
Manufacturer		204D Total		Low Bid Total									
5/14/2009 Hewlett-Packard		\$138,253.62		\$121,476.33						ITS-004435 Southern Computer Warehouse		\$121,476.33	
5/14/2009 Lexmark		\$23,156.15		\$19,913.00						ITS-004436 Virtucom, Inc.		\$19,913.00	
				Difference: STC 204D vs. Bid Items									
STC 204D Total		\$161,409.77		\$20,020.44									
Bid Grand Total		\$141,389.33											