



To: Dr. Mike Riggle
Board of Education

From: Dr. R.J. Gravel
Dr. Kimberly Ptak
Mr. Ryan Manly

Date: Monday, February 25, 2019

Re: Class of 2023 Chromebook Purchase

Recommendation

It is recommended that the Board of Education approve the purchase of 1,400 Lenovo 500e Chromebooks with the Google Chrome Management License from Computer Drive at a cost of \$413,000.

Background

For the past five years, the District has selected the Lenovo Chromebook for the 1:1 initiative. The first four years the District selected the most recent iteration of the Lenovo ThinkPad Yoga 11e Chromebook (11e) which performed extremely well with regard to durability and functionality. In June 2018 Lenovo was announced their intent to stop production of the 11e. In its place, they launched a new product, the Lenovo 500e Chromebook. Like the 11e, the 500e has been extremely durable and features spill-proof keyboards and touchpads, mechanically anchored keys, rubber bumpers around the LCD and base, Gorilla Glass, reinforced ports, corners and hinges. From a technical specification perspective, both devices include Intel Apollo Lake processors, 4GB of memory, 32GB of internal storage. The price last year for a 500e was \$268.94 or approximately \$71 less than the 11e.

Three vendors submitted a quote for the purchase of 1,400 chromebooks and associated management licenses. Following is a summary of the results.

	Lenovo 500e Hardware	Google Chrome Management License	Total Unit Price	Total Cost (1,400 units)
CDW	\$285.00	\$23.50	\$308.50	\$431,900
Computer Drive	\$272.00	\$23.00	\$295.00	\$413,000
PCM	\$298.46	\$23.00	\$321.46	\$450,044

Chromebook Fee

The annual Chromebook fee is assessed to all students (up to a maximum of 4 years) for the use of a Chromebook during their high school career. After making the designated amount of payments, the Chromebook becomes property of the student. Given the reduced price of the 500e, the Class of 2022 was the first class to be assessed a three year fee rather than a four year fee.

	Year 1	Year 2	Year 3	Year 4	4-Year Total
Class of 2020 Seniors	\$110	\$100	\$100	\$100	\$410
Class of 2021 Juniors	\$100	\$100	\$100	\$100	\$400
Class of 2022 Sophomores	\$100	\$100	\$100		\$300
Class of 2023 Freshmen	\$100	\$100	\$100		\$300

A breakdown of the the Chromebook fee budget is presented in the following table:

	2016-17 Class of 2020 Seniors	2017-18 Class of 2021 Juniors	2018-19 Class of 2022 Sophomores	2019-20 Class of 2022 Freshman
Device Cost	\$369	\$367	\$268.94	\$272.00
Extended Warranty				
Chrome Mgmt. License				
<i>Subtotal</i>	\$369	\$367	\$268.94	\$272.00
Self-Insurance Fund	\$17.75 Year 1 \$23.25 \$7.75/Year 2, 3 & 4	\$33 \$8.25/Year	\$31.06 \$7.77/Year	\$28.00 \$7.00/year
Total Cost to Student	\$410	\$400	\$300	\$300

In addition to ownership rights after four years of payment, students are provided with a comprehensive insurance program at no additional cost. Information regarding coverage is indicated on the attached *Chromebook Rights and Responsibilities* document. Balance in the self-insurance reserve is \$106,556; of which approximately 60% is a result of the early Samsung devices when the district bought third party insurance coverage and, due to the high number and cost of claims, the insurance company paid the district to fix the devices in-house.

A cost of this program not reflected in the table above is the cost of the loaner and replacement pool. 100 devices are typically purchased each year to serve as a loaner and replacement pool. The total cost for FY 2019-20 is \$27,200 which equates to \$5.33/student per year.

The Lenovo Chromebook product line has performed extremely well with regard to durability and functionality. A summary of the types of claims and repairs is summarized in the tables that follow:

Claim Events*	2016-17	2017-18	2018-19 (through Feb. 22)
Quantity of Devices	5,125	5,106	5,229
# of Warranty Claims (No Financial Impact)	91	108	88
% Inventory Resulting in a Warranty Claim	1.7%	2%	1.6%
# of Insurance Claims (Financial Impact)	210	314	290
% Inventory Resulting in an Insurance Claim	4%	6.1%	5.5%
Deductible Collected	\$13,950	\$14,875	\$18,550
Additional Cost of Claims **	\$9,566	\$9,219	\$13,725

Net Addition / Reduction of Pool Reserve + \$4,384 +\$5,656 +\$4,825

* An individual claim event might include multiple repair tasks (ex. replaced charger port and battery are part of 1 claim, but are counted as 2 repairs below).

** The District's managed service agreement with Beck's Bookstores includes personnel to perform the actual repairs. The only additional claim expense is for repairs performed by a third-party (due to complexity), parts, and shipping expenses.

Repairs	2016-17	2017-18	2018-19 (through Feb. 22)
Quantity of Devices	5,125	5,106	5,229
Charger Port	15	24	26
Keyboard	18	12	14
Screen	56	43	35
Battery	92	75	82
OS or WiFi Damage	15	69	87
Stolen	0	0	2
Water Damage	9	5	11
Other	5	14	33
Total Repairs	210	242	290