

GLENBROOK HIGH SCHOOLS
Board Meeting April 27, 2015

TO: Dr. Mike Riggle

FROM: Ryan Bretag
Kim Ptak

DATE: April 27, 2015

RE: Chromebook Recommendation for Class of 2019

Recommendation

It is recommended that the Board of Education:

1. Approve the purchase of 1,250 Lenovo 11e Yoga Chromebook devices for the Class of 2019 at a unit price not to exceed \$415 or a total price of \$518,750.
2. Self-insure the devices.
3. Purchase rather than lease the device.
4. Maintain the \$110 annual Chromebook fee.

Insurance

Attached is a summary of insurance claims for both the Samsung and the Lenovo 11e Yoga Chromebooks. When the 1:1 initiative was first implemented in FY 13/14, the Samsung Chromebook was distributed to all freshman, sophomores and juniors. The total claims to date on this device are 1,938 or 58%. The majority of claims are broken screens. The district opted to use a third party insurance provider to insure the devices as opposed to self-insuring, which, is estimated to have saved the district \$100,000.

In FY 14/15 the district changed devices for the incoming freshman class as well as the sophomore class to the Lenovo 11e Yoga Chromebook. Due to the durability of the device, the district decided to self-insure rather than use a third party insurance company. This decision is estimated to have saved the district \$43,000 to date.

For FY 15/16, the district recommends self-insuring the devices. All students except for the seniors will have the Lenovo device. By continuing to charge \$110 per year, the district will be able to build up a reserve to support a self-insurance program.

Financing

In order to spread the cost of the Chromebook over the life of the device, the district has been entering into \$1 buy-out leases. Now that the devices are more durable and can be consistently used over a four year period, it is recommended that the district do a straight purchase rather than entering into a lease every four years. Once we get into the cycle, the annual cash flow of a purchase vs a lease will be the same, minus the interest associated with a lease. The estimated interest for 4,800 devices is \$18,000 per year or \$4 a device.

CHROMEBOOKS: SUMMARY OF INSURANCE CLAIMS AND COST

Samsung Chromebook

A Method of Insuring: Third Party (Safeware) - \$1/month/device
B Deductible: \$25 - no escalator
C Other: Beginning in October, 2014 Safeware began paying D225 to repair cracked screens in-house.

Year 1 (12 months):

of devices: August 1, 2013 - July 31, 2014
 3,900 (freshman, sophomores, juniors)

Year 2 (8 months):

of devices: August 1, 2014 - March 31, 2015
 2,500 (juniors, seniors)

	A	B	C						
	# of claims	District Cost	\$25 Deductible	Safeware Net Payment	Net District Cost	Estimated Cost IF self-insured	Savings by using Third Party		
Year 1 Samsung - 12 mo.	1,188	\$46,800	(\$29,700)	n/a	\$17,100	\$59,400	(\$42,300)		
Year 2 Samsung - 8 mo.	750	\$20,000	(\$18,750)	(\$21,780)	(\$20,530)	\$37,500	(\$58,030)		
	1,938	\$66,800	(\$48,450)	(\$21,780)	(\$3,430)	\$96,900	(\$100,330)		
	58%								

Lenovo ThinkPad Yoga

A Method of Insuring: Self-insure
B Deductible: 50 first claim, \$75 second claim, \$100 third claim

Year 1 (8 months)

of devices: August 1, 2014 - March 31, 2015
 2,400 (freshman, sophomores)

	A	B							
	# of claims	District Cost	\$50 Deductible	Net District Cost	Estimated Cost IF used 3rd party	Savings by Self-insuring			
Year 1 Lenovo - 8 mo.	3	\$1,500	\$150	\$1,350	\$44,000	(\$42,650)			
	0.13%								