

**GLENBROOK HIGH SCHOOLS
Regular Board Meeting Monday June 08, 2009
District Business Office**

TO: Dr. Craig Schilling
FROM: Kimberly L. Ptak
DATE: JUNE 08, 2009
RE: DISCUSSION/ACTION: APPROVAL OF 3-YEAR FMV TECHNOLOGY LEASE

Recommendation

It is recommended that the Board of Education award a three-year fair market value (FMV) lease to American Capital Funding Services at an annual lease price of \$120,470.19. At the end of the three years the district can purchase the equipment at a price of approximately 10% of the current value or vendor will pick up equipment at no cost to the district.

Background

The district has a plan for a three year “refresh cycle” for technology computing equipment. The refresh cycle is as follows:

<u>Lease / Purchase</u>	<u>Fiscal Year</u>	<u>Items</u>												
Lease	2008/09	Staff computer replacement												
Lease	2009/10	Labs, Dept & Classroom computer replacement												
		<table border="1"> <thead> <tr> <th></th> <th>Desktop</th> <th>Laptop</th> <th>Netbook</th> </tr> </thead> <tbody> <tr> <td>GBN</td> <td align="center">96</td> <td align="center">148</td> <td align="center">90</td> </tr> <tr> <td>GBS</td> <td align="center">201</td> <td align="center">35</td> <td align="center">40</td> </tr> </tbody> </table>		Desktop	Laptop	Netbook	GBN	96	148	90	GBS	201	35	40
			Desktop	Laptop	Netbook									
GBN	96	148	90											
GBS	201	35	40											
Cash	2010/11	Student laptop / eBook, Update of broadcasting and other special equipment												
	2011/12	“Cycle” starts again												

In 2008/09 the district did a three-year FMV lease for all staff computers. FY 2009/10 is the year we recommend replacing computers in labs, departments and classrooms as noted above. We recommend leasing the desktops and laptops and paying cash for the netbooks. The following three quotes were received for a three-year FMV lease on the desktops and laptops:

American Capital Funding Services	\$120,470.19
Medical & Municipal Funding	\$121,456.21
Trilogy Leasing Co, LLC	\$124,296.00

Once approved and prior to placing the order, technology administration will review the number of desktop computers needed and determine if there are some areas where end-computing or a thin client can be used to essentially reduce the number of desktops from 297 to a lesser number and reduce the total cost. An update will be brought to the July 13, 2009 board meeting. Total value of the equipment being leased is \$393,295 and the interest rate is -7.89 (note the interest rate is negative since it is a FMV lease and our total lease payments equal \$361,410.57 which is \$31,884.43 less than the equipment value.

It is recommended that the district pay cash for the 130 netbooks at a price of approximately \$350 per unit for a total estimated cost of \$45,500.