

**Application for
The Northwest Academic Computing Consortium
Joanne R. Hugi Excellence Award**

TITLE: Win-Win Desktop Computer Replacement Program
INSTITUTION: Central Washington University
DEPARTMENT: Information Technology Services
CATEGORY: Business Process and Systems

When the new Senior Director (now the Assistant Vice President) of ITS arrived at CWU in late 2003, he immediately commented that the way CWU purchased desktop computers was ridiculous. Six months later, this was his quote:

“When I arrived at CWU in 2003, my immediate thought was that the way CWU purchased desktop computers was ridiculous, resulting in lower quality systems and poor service. After reviewing the details of the contract, looking at the benefits, reviewing the systems, and meeting with our vendors ... I am convinced that CWU’s desktop computer procurement process is a model of efficiency and assures the best product at the absolute lowest price.”

DESCRIPTION:

Like any University or business, CWU struggled with the need to assure that desktop computers were modern, and met the needs of our students, faculty and staff. In addition to the funding and priority conflicts that most organizations face, early on CWU also faced the obstacle of being somewhat remote in its location in Central Washington. As a result, in 1995 CWU initiated a bold and innovative process for the procurement of desktop computers that is still used today. In 2005, CWU expanded their process from procurement through an innovative distribution process across campus. The combined desktop procurement and distribution process has come to be known as the WIN-WIN program because it’s viewed as a win for all parties involved (customers, ITS Department, and the overall University). The goals of the WIN-WIN Desktop Program are simple:

1. **PRICE:** Assure that CWU is receiving the best possible price/performance ratio on the desktop computers purchased and deployed.
2. **QUALITY:** Assure that CWU is receiving the highest quality of desktop computers (PCs) to meet the performance needs of our customers, and which are capable of running the latest software versions used across the campus.
3. **SUPPORT:** Reduce overall maintenance and support costs by assuring that CWU’s desktop computers are standardized on the highest quality of components.
4. **LIFECYCLE:** Attain a lifecycle for desktop computers where the oldest computers are being proactively replaced when they reach between 3 to 4 years of service, ultimately assuring that CWU has technology which minimizes risks (i.e. Security) associated with outdated technologies.

This application describes the overall WIN-WIN program that CWU has initiated, expanded and improved over the past 10 years. The success of the program can be evaluated in two major components.

1. PROCUREMENT COMPONENT: The implementation of an innovative contracting and procurement strategy starting in 1995, which assures the latest standardized technology at the most competitive prices. Establishing a multi-year desktop computer contract based on an established hardware configuration is essential in providing low cost, powerful systems that are easy to image, setup and maintain.
2. DEPLOYMENT COMPONENT: The creation of a process for deploying computers across campus which provides incentives for customers to replace end-of-life systems, while sharing responsibility and ownership between the end-users and the Information Technology Services (ITS) department. The added incentives give departments the ability to more easily manage and replace desktop computer systems compliant to the life cycle encouraged by Information Technology Services. This started in 2005.

INNOVATION:

HISTORY: In 1995, Central Washington University (CWU) issued an RFP for Personal Computers based on a generic, component-specific, non-proprietary specification including an Intel 90MHz Motherboard. Service required was a one year on-site labor/three year parts warranty. Vendor participation included major manufacturers as well as smaller, independent companies. CWU's evaluation committee was comprised of personnel from Purchasing, ITS (representing networks, software and support areas), and the Academic community.

The evaluation process included receiving equipment for testing and examination from vendors under consideration following review of paper responses to the RFP. The campus community was invited to examine machines, load software, and provide input. A unanimous decision was reached to award dual contracts to two small, independent vendors offering generic, non-proprietary equipment for an initial period of one year. The contract award included an option to renew at the agreement of both parties for an additional four years. This was done.

The first and second RFP process resulted in these “dual” awards, which resulted in continual competition between the vendors to provide the highest quality of product at the lowest possible price. At the conclusion of the second contract (in 2006), the RFP process was repeated, resulting in a triple award (3 vendors selected) that is currently in effect. The competitive nature of the award is not innovative; however, the multi-vendor award combined with the way that the hardware, pricing and standard configurations are continually updated, is very innovative and able to be replicated by anyone.

INNOVATIVE CONTRACT POINTS: The procurement process, strategy and contract have numerous innovative points which assist CWU in achieving its desktop goals. Without this process to assure CWU is receiving the highest quality products, in standardized configurations, at the lowest possible prices ... the entire WIN-WIN initiative would be a failure.

- **Identical System Components**: The success of our program is based to a large degree on the fact that computer components from vendors, which are set by the Computer Support Services (CSS) group of CWU's ITS Department, are identical in specification, (i.e. manufacturer, model, part number, version, case style, even the color). This assures that every desktop computer purchased by CWU is identical (down to the lowest component) and enables CWU's technical staff to

more efficiently support the equipment beyond warranty.

- **Biweekly Pricing Updates:** A common issue with desktop computer contracts is that as market prices fall, the purchaser is locked into a set price, and/or the vendor with the contract has little incentive to provide the best pricing currently available. That's not the case at CWU. Every two weeks CWU receives updated bids from the vendors and places the updated specifications and prices on a web page for university and vendor perusal. The web page includes pricing for systems and options, detailed specifications and a picture of the motherboard.

To view the current desktop specifications and pricing please go to:

<http://www.cwu.edu/~css/windowsprices.html>. Immediate and significant savings were realized during the first months of the initial contract, due to both market fluctuations and the competitive structure of the contract. These savings have continued for the past 12+years. If you don't like today's price, wait a week! ☺

- **Non-Standard Options:** Clients whose computing needs cannot be met with the standard configuration PC are assisted by IT personnel on a case-by-case basis. These systems are also either purchased through the contract, or in rare cases (approximately 2%), the computer must be purchased outside of the contract from another vendor (i.e. tablets, laptops, etc.).
- **Volume Purchase Discounts:** In addition to the extremely competitive pricing CWU receives, the contract still allows vendors to provide additional incentives for volume purchases. For orders of fifteen computers or more, Purchasing issues a quick Request for Quotation to the contracted vendors. For quantity orders, additional savings are realized over and above the bi-weekly pricing. ([Please view our Win-Win site](#)) For all the contracts, delivery requirement is within fourteen calendar days from receipt of order for quantities up to twenty-five, and within twenty-one days for quantity twenty-five or more.



- **Guaranteed Latest Technology:** To keep up with changes in technology, component upgrades, and the evolving computing needs of the University, the standard specifications are updated by IT personnel as deemed appropriate and in consultation with our vendors. Conversely, our vendors notify us of any recommended updates due to component model changes, backorder issues, etc. Our service and support requirements are dictated to some extent by our relatively isolated location. Service requirements have been adjusted over the span of the contract in order to provide the best customer service possible for our clients; currently we have a three year on-site service/ three year parts warranty in place. The quality of systems purchases rarely require warranty work.
- **Testing and Spares:** Each vendor is required to provide a spare CPU for testing so that CSS/ITS has a standard system (of the latest configuration) to test software and operating systems on, prior to deployment. This system is replaced or updated by the vendor as specifications change. Spare component parts are

also provided as stock.

INNOVATIVE DEPLOYMENT PROCESS: Implementing a contract is only a part of the battle. To assure success, CWU recognized that faculty and staff needed to be incentivized to replace their old technology, and that there must be clear and sustainable benefits to them doing this. Faculty and staff have numerous priorities competing for limited financial resources. The current “Deployment Strategy” for getting desktop computers out to the customers is innovative and makes it nearly impossible for our customers to NOT replace old computers.

“Thank you for making it so difficult for me to NOT do the right things for my departments and faculty. The programs you implemented assured that my staff had the best technologies without breaking our budgets. THANK YOU!”

Quote to the ITS Department from Dr. Meghan Miller, Dean of the College of the Sciences (COTS) upon her leaving CWU in late 2007.

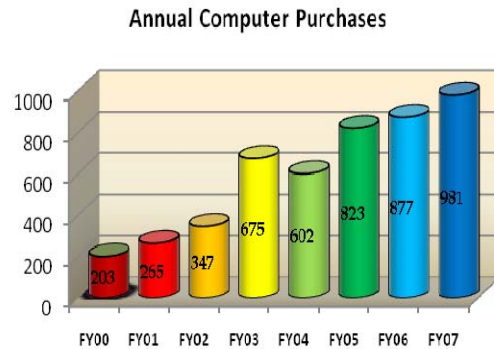
- **Matching Funds (Distribution):** In FY05 the WIN-WIN program was implemented to provide incentives for Academic and Administrative departments to replace desktop computers. Over the next 2 years, the name “WIN-WIN” became synonymous with the entire desktop program from purchasing to deployment. ITS Management realized that there were 3 options for handling the deploying/financing for desktop computers:
 1. **Customer control:** Allowing the customer to have full control of the funds to replace their desktop computers often results in customers keeping old technologies due to other priorities. This was the situation at CWU until 2005, and resulted in over 50% of CWU’s desktop computers being older than 5 years old in 2004. The result is that ITS has little control over the age of computers as customers make decisions to spend the funding elsewhere. Repair/maintenance costs escalate.
 2. **ITS control:** Placing all the desktop replacement funds in the ITS budget may seem like a good idea, but in fact, it quickly becomes a disaster as customers often demand the latest and greatest (whether they need it or not) because it is being paid for elsewhere. ITS becomes the “bad guy” having to say no. It quickly becomes a Lose-Lose situation ... a phenomena we call “PC Envy”.
 3. **Shared control:** The innovative approach proposed and implemented by the ITS Department still leaves much of the control in the hands of the customers, but it provides fantastic incentives for these customers to update their old technologies. This is the approach CWU chose.

In 2005, the ITS Department worked with the CWU President to secure \$120,000 in annual funding to use as a 50% match for replacing outdated computers. The first year was so successful that the funding was doubled starting in FY06. The process is simple:

- The ITS Department purchases 100 computers at a time to take advantage of volume purchasing with the added benefit of decreasing the time to delivery for the new computer to the department.
- Departments on campus with the oldest computers are proactively notified or can contact ITS directly. When they place an order for a computer, it is normally delivered in just a few days, and can be handled in hours.

- The ordering department is required to reimburse the ITS Department for their share of the computer. Initially this was set at 50% of the cost of the computers, but since prices fluctuate regularly, it was decided to set a standard reimbursement fee to maximize benefit to the customers, and assure fairness. This is currently set at \$350/computer for a standard system.
- The “old” computer (being replaced) must be returned to ITS for disposal. The program is not intended for “additional” computers. It is totally focused on replacing the oldest computers on campus. A benefit that is truly priceless.

Historically, CWU departments were responsible for the acquisition of desktop computers which created a challenge to maintain current technology on their budgets. Capital projects were often the major source for new desktop equipment. For example, in FY03 the Science and the Education departments received all new desktop, classroom and lab equipment when Black Hall was remodeled and the new Science Building was completed. In FY04 the Music department was the beneficiary of capital project funds when they had a new facility built. As the “Annual Computer Purchases” graph shows, the increase in computer acquisitions beginning in FY05 has been dramatic, but actually is demanding less of the budget from our academic departments due to matching funds & lower prices.



Broken down to 4 year increments the average annual purchases between FY00-FY03 was 372 computers. From FY04-FY07 the annual computer purchases increased to 820 systems/year, reaching nearly 1000 computers in 2007 (See Figure above). The result is a 220% gain in computer purchases/year, while requiring fewer dollars from end-user departments. With approximately 3500 computers on campus, CWU has now been able to attain its goal of replacing old computers between their 3rd and 4th year of service.

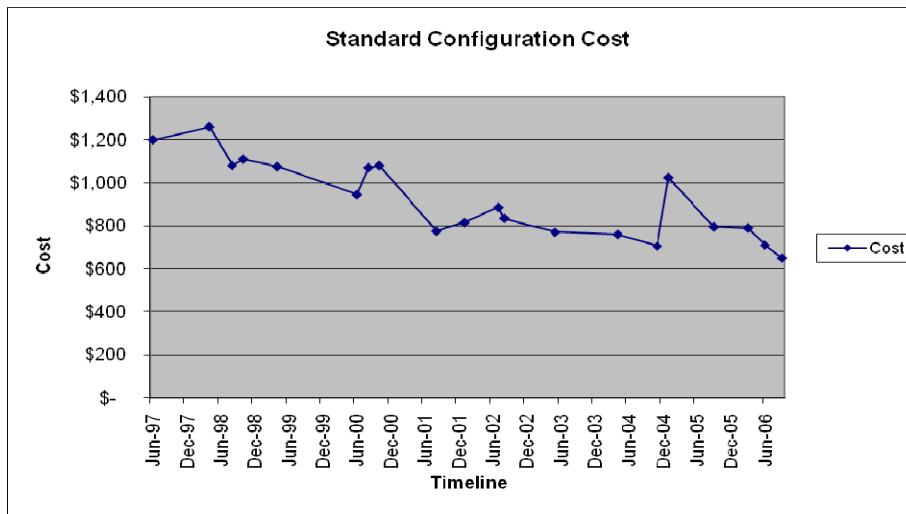
BENEFITS:

There are numerous benefits resulting from the CWU Desktop Program, starting with the innovative contract and purchasing process, and continuing to the deployment process. These benefits include:

More power for the dollar through continual competition

By tightly monitoring the specifications, CWU is able to have vendors provide bids that are extremely competitive in price, and these bids are updated every two weeks. Vendors see the previous bids from their competitors, and adjust their bids accordingly. We have included large system providers in our bid process and the Northwest providers consistently bid the exact same configuration at much lower costs. As can be viewed in the graph on the following page, in the mid 1990’s, CWU was paying approximately \$1,200/computer. Although lower industry prices account for some of the reduction, CWU is now paying around \$620 for a state-of-the-art, standards based PC (and that does not include any additional adjustment for inflation) ... a price that national companies have stated they either cannot, or will not meet. With prices updated by

competing vendors every 2 weeks, and additional discounts for volume purchases, the price benefits are obvious. Current prices and system configurations can be viewed at <http://www.cwu.edu/~css/windowsprices.html>.



CWU Standard Computer Cost (not adjusted for inflation)

Eliminates old computers from campus

One of the main benefits of the program is to eliminate old computers from the campus. In addition to the benefits which come from providing our faculty, staff and students current technology, older computers present a security risk to the network as the obsolete operating systems are not compatible with necessary security updates. The WIN-WIN program is designed to literally force departments to get rid of old computers, as the program funding cannot be used for additional computers. When you use WIN-WIN funding, an old computer MUST go out the door. Departments, who struggled to spend \$1000 or more on a single new computer just a few years ago, now are getting 3 computers for that same \$1000. The benefits are so obvious, the decision is simple.

- 2004: Over 50% of CWU's desktop computers were over 5 years old
- 2008: Computers are replaced with a lifecycle of no greater than 4 years

Uniform configuration

Specifying configurations at the component level (video card, hard drive, motherboard, memory, power supply, case, color, etc.) gives ITS the ability to maintain system standardization and compatibility for longer periods of time, thereby reducing the number of images needed to support the campus. Every computer purchased, regardless of the vendor, during a specific period is identical. CWU's ITS department has 100% control over the quality and type of each component in every computer, and can update the standard configuration whenever they choose. The concern of "white box" computers having lower quality components than national brands is not an issue at CWU.

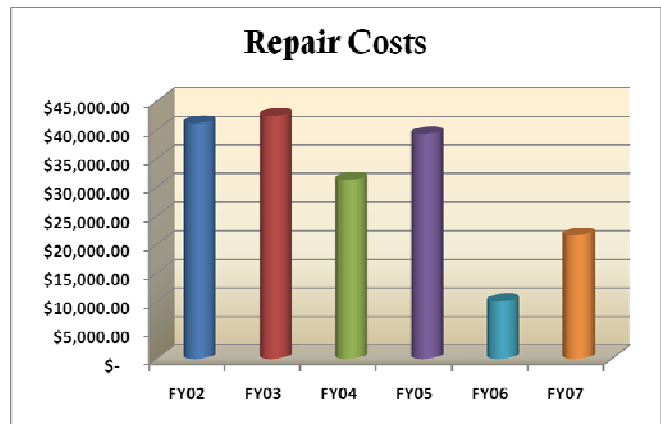
Better support

Having a uniform configuration and image improves the ability of ITS to support the desktop computers on campus. Additionally, by having more current and uniform systems both academic and administrative staff are able to be more mobile in their careers. ITS training is able to improve training support by focusing on a tighter defined

core training curriculum. Desktop support from walk-in and phone support from the ITS Helpdesk, on-site support from Computer Support Services and software training from ITS Training benefit from working on operating systems and applications that are fully supported with current updates. Every system, during a standard period, is identical ... and standardization makes system very easy to support.

Reduced support/repair costs (Don't buy parts for old computers)

One of the key benefits of the program is the reduction in annual repair costs within Computer Support Services. Prior to the WIN-WIN program, the focus was on keeping the existing desktop computers compatible with Operating System and application upgrades. Since ITS paid for repair and upgrade parts, customers frequently chose to keep computers far beyond their lifecycle because ITS was paying the bill to keep them going. It was common practice to replace CPU's, motherboards and hard drives to maintain compatibility with software and to meet client performance needs. As can be seen in the accompanying graph, it was not unusual to spend in excess of \$40,000 per year for repair parts for old computers.



This dropped to under \$15,000 in FY06. In FY07 the costs increased due ITS raising the standard memory from 1Gig to 2Gig (for Vista and Office 2007), and retrofitting 1 to 2 year old systems with more memory. Without this upgrade, the actual cost for repair parts would have been less than \$10,000. Additional savings come from ITS staff not spending time repairing computers. We are now able to focus on replacing older systems (we've hired no new employees even though we're deploying 3x more computers/annually), supporting new services, and deploying new software. The repair part savings are reinvested in additional new computers and technologies.

Easier setup and faster delivery

Reducing old equipment and moving to current technology provides ITS the ability to more quickly setup computers and maintain the current setups. Like most institutions, CWU relies on imaging technology to setup desktop computers. Creating a build image is a time consuming process and by eliminating the number of images needed increases on-time delivery to the client. In addition, when customers purchase a new computer it can now be delivered in days (even hours), rather than weeks or longer. A simple website kicks the whole process off. Check out the process at:

<http://www.cwu.edu/~css/win/winPolicy.html>

Elimination of proprietary technology

Working with small to medium vendors eliminates the necessity of working with proprietary technology. Backups, recovery and support are greatly enhanced by eliminating proprietary technology. Keeping it simple makes support of desktop computers efficient and saves cost.

Assists institutions in remote locations

Having systems that are compatible with the supported operating systems from Microsoft and Apple is a great benefit when supporting our Centers throughout

Washington. With the current remote access tools available from the major OS vendors, the Ellensburg technicians can easily fix many of the desktop problems remotely.

Community Outreach and Support

In 2007 the Kittitas County Public Agency Technology Forum (KCPATF) was established by the CWU ITS Department. The goal of this forum is to provide opportunities for public agencies within the Kittitas Valley to share information, network with peers and identify common areas which allow us to reduce technology costs and provide the best technology services to our customers.

One of the initial benefits identified was the ability for other agencies to get excellent computers from CWU. As CWU is now surplus Pentium 4, 1.6GHz or better computers it seemed natural to make these available to other agencies in the county. We set up a process whereby the schools could purchase a complete desktop system (CPU, keyboard, mouse and monitor) for \$25. For example, the Ellensburg School District needed 200 computers to replace their 8 -10 year old systems. They did not have the \$200,000 needed to continue buying national brand systems. Instead, they purchased 200 systems from CWU at a total cost of only \$5,000. Systems that were 5 to 6 years newer than what they were replacing. Prior to WIN-WIN, nobody wanted anything CWU was replacing.

REPLICABILITY:

Other institutions can easily replicate the program.

Washington Institutions of Public Higher Education (WIPHE) members may use CWU's contracts per RFP language and vendors' agreement. . This makes replicating the Win-Win program easy for Washington member institutions. It has been our experience that our vendors are willing to work with other institutions in setting up volume contracts. Currently CWU has three vendors for the desktop computers. Below are links to the WIPHE web site complete with vendor contract numbers:

Alden Computers: <http://apps.sbctc.ctc.edu/WIPHE/contract.aspx?id=23>

Computer Technology Link: <http://apps.sbctc.ctc.edu/WIPHE/contract.aspx?id=82>

U.S. Micro: <http://apps.sbctc.ctc.edu/WIPHE/contract.aspx?id=22>

Works well for small to medium sized institutions

The program gives the small to medium institution the ability to purchase desktop computers in volumes of 100 at prices equal to large institutions that purchase in lots of 1000. CWU has worked with the Ellensburg School District (ESD) to structure a similar program to decrease the cost of computers.

Any institution can do what CWU has done

The contract is simple to put together, and CWU is more than willing to share their contract with anyone to copy. The ongoing support is simple. Vendors update their prices every two weeks and ITS changes the standard configurations as needed to support the University. In addition, the WIN-WIN deployment strategy can be duplicated by any organization, with minimal effort. The benefits outweigh the effort 100 to1.

COST:

The main “cost” associated with the Win-Win program is the administrative base line matching funds. Dr. Jerilyn S. McIntyre, President, Central Washington University provided \$120,000 the first year of the program. The program was such a success the first year that Dr. McIntyre increased the funding to \$240,000. But this is really not a “cost” ... it is funding needed to replace computers. The overall cost to implement and manage the overall WIN-WIN program is negligible. By leveraging these baseline funds through volume purchasing CWU was able to procure more than \$480,000 worth of computers in the second year of the program. The third year of WIN-WIN will end June 30, 2008, with another banner year for desktop replacement at CWU. Quality is up and costs are down.

One of the positive side effects of the program is the reduction of paperwork in the procurement program. By ordering 100 computers at a time the CWU Purchasing department has been able to substantially decrease the number of requisitions processed and purchase orders placed for desktop computers. Additionally, both administrative and academic departments have been able to reduce the amount of paperwork involved in desktop computer procurement. The departments now receive a charge credit through e-mail for the delivery of the computers eliminating the need to prepare a requisition. And the computers arrive in days (or hours), not in weeks or longer.

In short ... the cost for the WIN-WIN program is actually a negative because of the savings that result from the competitive processes, reducing the number of phases, eliminating repair costs on old systems, paperwork savings, and more. The cost and quantity of the computers IS NOT a cost of the program ... they are the purposes of the program.

CONTACTS & CONTRIBUTORS:

Links:

www.cwu.edu/~css

<http://www.cwu.edu/~css/windowsprices.html>

<http://apps.sbctc.ctc.edu/WIPHE/contract.aspx?id=23>

<http://apps.sbctc.ctc.edu/WIPHE/contract.aspx?id=82>

<http://apps.sbctc.ctc.edu/WIPHE/contract.aspx?id=22>

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