

K12 Bulk Purchasing Feasibility Study



Wyoming Department of Enterprise Technology Services

And

Wyoming Department of Education

November 1, 2018

STUDY

In cooperation with the Department of Education (WDE), the Department of Enterprise Technology Services (ETS) shall report to the Joint Education Interim Committee and the Joint Appropriations Committee no later than November 1, 2018, on the feasibility of administering strategic bulk purchasing of all computer hardware and operating software for all Wyoming school districts. The feasibility assessment shall include an estimate of potential cost savings, an estimate of costs for administering such a system, the timeline for implementation, and any agency recommendations.

RESEARCH and COLLABORATION

The Wyoming Department of Enterprise Technology Services supports the IT needs of state government and network services and support for K-12 and higher education. It is ETS's ambition to act as a leader and trusted business partner for strategic IT services, business initiatives, and optimized efficiency for government and education. In April 2018, ETS and the Wyoming Department of Education (WDE) partnered and began collaborative meetings to discuss the legislative request for the feasibility study around bulk hardware and software purchases benefits. On May 17, 2018, ETS and WDE presented to the district tech directors and discussed the plan to collaboratively work with the school districts, WDE, and vendors to gather the appropriate information and input that would aide in drafting the report by November 1, 2018.

Results from School Districts

Following the May meeting, ETS published a survey to all 48 school districts, gathering information around current district technology replacement cycles, bulk purchasing impacts, computer replacement practices, and unique software and hardware requirements needed within the districts. This survey produced results from 23 districts identifying various approaches and technology practices across these school districts. In summary, Wyoming school districts do not currently follow any single technology replacement schedule(s) or program(s) and the purchase/use of unique software based on individual district needs. While districts express the need for autonomy and flexibility are critical, they all expressed interest in opportunities to save money.

Additionally, input from tech directors expressed current practices across the state are currently available yet not fully adopted or shared to include:

- K-12 entities enter into a contract with the predefined National Association of State Procurement Officials (NASPO) value point pricing. This pricing point is negotiated pricing that all States can leverage.
- K-12 entities conduct their own contract negotiations and determine the best pricing available. Districts conduct their own research around the lowest contractual prices and determine their contractual needs. Vendors then use pre-defined educational models that allow K-12 entities to leverage an average cost savings of 5-10% off the lowest known prices.
- K-12 entities use Board of Cooperative Educational Services (BOCES) to do their contract negotiations. Once the districts hire BOCES they then negotiate with vendors on behalf of the districts. BOCES then monitors and maintains these select contracts.

Results from Vendors

ETS reached out to three vendors to gather information around current education discounts, and any potential discounts or options available to education entities if and when leveraging bulk purchasing practices. Vendors reported that while education entities do receive standard discounted pricing, they believe leveraging bulk purchasing practices could result in even greater savings. Below are the estimated bulk purchase pricing responses from the vendors:

Dell Education Pricing

Chromebooks: Potential for a discount off list price

Windows OS Laptops: Potential for a discount off list price (Education Specific 3000 Series)

Interactive Classroom Displays: Potential for a discount off list price

HP Education Pricing

Chromebooks: No real savings off educational pricing

Windows OS Laptops: Potential for a discount off list price

Classroom Displays: Do not offer this specifically (only resale)

Apple Education Pricing

Apple does not currently offer bulk purchase pricing at this time. They do offer educational discount pricing for [K-12 entities](#).

SUMMARY

The research conducted by ETS in collaboration with WDE identified that bulk purchasing is not a uniform practice across the education sector and would be a new approach for school districts within Wyoming. Currently, no single entity has statutory authority to manage or direct a bulk purchasing program for Wyoming school districts. Implementing such a program would result in the need for potential statutory drafting and further research around best practices for such a program to include funding alignment, resource demand, and program oversight. Currently, each district has the ability to purchase and enter into contracts on their own behalf. ETS and WDE do not have oversight over this process and lack the knowledge around current spending to be able to report what potential savings might be. School districts did report that some have begun implementing consolidated contract practices, allowing multiple districts to purchase against a single contract in attempts to obtain cost savings and efficiencies within purchasing practices.

Going forward, school districts have an opportunity to leverage the states lowest contracted pricing and work collaboratively to maximize the vendor discounts provided. If bulk pricing is to proceed forward, ETS believes there is value in discovery through testing to identify the most efficient and effective solution(s) and could entertain the following:

- Use a test scenario with select district(s) to see the cost savings if districts leveraged the state's existing bulk purchasing contract.
- Use a small test case containing both small and large school districts with a central educational entity overseeing the bulk purchase.

ETS has been working with vendors and executive branch agencies since March of 2018 on bulk purchasing. In eight months ETS has been able to place two bulk purchases working with both internal and external stakeholders to define a procedure for bulk purchasing. It is anticipated that the school districts will need a similar timeline in order to gather information and execute bulk purchasing practices.