

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: REQUEST FOR BID, FOR UP TO \$135.4 MILLION MASTER TECHNOLOGY LEASE PROGRAM

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO DISTRICT STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES

Currently, great disparities exist among District schools in terms of access to modern technology. The computers and software applications funded through this technology lease agreement will help to ensure that all teachers and students have access to modern computers, software tools, and quality digital content. This technology lease will provide greater equity for all schools by providing a centralized source of funds. Furthermore, investments made in applications training for teachers, tools such as the electronic gradebook, and online instructional content for students necessitate a further investment in infrastructure to ensure that the network is capable of supporting the applications. Funds to extend and expand current license agreements are also necessary to ensure that teachers and students are able to continue accessing these applications.

In the past, major capital asset acquisitions, including technology projects, have generally been financed through our Certificates of Participation Master Lease Program (COP Program). The proposed technology lease program will provide an alternative form of financing that will allow the district to dedicate COP financings for the construction program. This facility will also allow the district to fund the projects outlined in the Technology Blueprint approved by the Board at the December 14, 2005 Board meeting. The projects to be financed, delineated in Attachment A, include \$50 million as the first round of updates to instructional technology resources district-wide, projects to update the network infrastructure to provide secure connectivity at minimum speeds and capacity, and software and hardware that support the upgrade of district-wide legacy systems. An additional \$85.4 million is included to provide the financing for the ERP project for which vendor negotiations were authorized at the March 14, 2007 Board Meeting.

The Master Technology Leasing Program will be structured in a similar manner to the Line of Credit Program with funds drawn to reimburse the District for funds already expended. The term of the project lease schedules will be matched to the useful life of the assets, primarily 5 and 7 years. However, since projected draws for the ERP will occur through 2010-2011 lease payments will extend an additional 7 years. The current MSAF system has been utilized by the District for over 30 years.

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In addition to providing relief to the COP's Program, the Master Technology Lease Program will provide the following benefits:

- Low upfront cost as compared to COP issuance cost
- Easy to increase or reduce program size to accommodate smaller more frequent borrowing
- Flexible terms (can structure to draw down funds as needed or escrow funds, can use interest only periods, balloon/deferred payments, fixed or floating rate, any time call feature)
- No bond insurance required
- No rating agency participation required
- Simple documentation, quick execution, and minimal ongoing disclosures

The Treasury Advisory Committee recommended that the School Board approve the issuance of the Request for Bid of up to \$135.4 million in Master Technology Lease Program, which includes the proposed financing for the ERP project. The responses to this Request for Bid will be submitted to the School Board for its consideration and approval before the execution of the contract for the Master Technology Lease Program.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approves the release of the Request For Bid, for an amount up to \$135.4 million, subject to School Board approval, before the transaction with the successful bidder is completed.

MASTER TECHNOLOGY LEASE PROJECT LIST

PROJECTS	COST
Computer Hardware for classrooms to provide Equitable access to technology resources across schools	\$ 23,800,350
Textbook Inventory system software and hardware	500,000
Software support for instructional programs such as Read 180, Plato Learning, and SuccessMaker	2,000,000
Edusoft licensing - Interim Assessment Program to provide a district-wide automated data collection and reporting tool	2,350,000
Vulnerability Management - BigFix addition to Master License Agreement	649,650
Instructional Software Licensing such as RiverDeep, Plato Learning, and Virtual High School Courseware	4,200,000
Software License renewals, support of school site email access, Wide Area Network (WAN) access and Local Area Network Access	1,126,455
Cognos Budgeting System	1,110,716
Food Service FORMS Project (Food Ordering, Receiving, and Management System)	450,000
Purchase network infrastructure for schools to support the recommendation in the IT Blueprint	864,663
School-Site Firewall Protection (Tipping Point) and Additional Tipping Point Core Device	1,021,647
MDS SAN End Fabric Switches	807,979
HP XP SAN Storage Device	1,298,641
Upgrade Data Backbone to 1 Gigabit at 150 School Sites (110@ \$ 27,767.91)	2,604,471
Software, Hardware and Equipment utilized by IT Technicians	106,800
Services, Equipment and Software Licenses required to implement the Portal Strategy	3,421,214
Gradebook implementation - Computer Hardware and Stations	17,700
Equipment and Services required for developing and improving data warehouse	961,114
Resize Mainframe and Components	2,400,000
Purchase Network Intelligence Device	308,600
Subtotal	\$ 50,000,000
ERP System, Software Hardware, and Implementation Support	85,400,000
Total	\$ 135,400,000