Copyright Notice

Building Alliances with Private Industry

Karen DeMauro
Assistant Vice President for
Computing Services
Clarion University of Pennsylvania

Andrew C. Lawlor
Associate Vice President for
Technology and Communications
Edinboro University of Pennsylvania

Clarion University and Edinboro University, both members of the Pennsylvania State System of Higher Education, recently faced a dilemma shared by many other colleges and universities. How do we provide Internet access to unwired residence halls with no money, no additional support personnel and in a timeframe too short to accommodate the standard procurement process for this type of project?

This dilemma forced us to become more creative, giving birth to a unique solution that has now been implemented at both universities. Each institution bundled university related telecommunication services with residence hall services and searched for a vendor consortium to install and manage those services. In return for a long-term contract granting the right to sell services to students, their parents, faculty, staff and other affinity groups of the university, the consortium agreed to invest $1.5m to install a data network in the residence halls.

The student services offered through the two alliances include student long distance, voice mail, caller ID, cable television, Internet access, an on-campus computer store/help desk, cellular telephone and paging services. Many of these services are also offered to faculty, staff, alumni and other affinity groups of the universities. Administrative services for the universities include new PBXs, local exchange service and long distance service as well as the management of the computer stores, residence hall networks and telephone systems for ten years.

There are a few unique aspects to these two projects. One is the business case in which the vendors accept royalties on anticipated sales to recoup their $1.5 initial investment. Another is the development of consortia lead by Prime Contractors to supply and manage the services and yet a third is the procurement process used in both instances.

The Governor's Office of Information Technology developed a new procurement process called a Request for Qualified Contractor (RFQC) to replace the more rigid Request for Proposal (RFP). Without this new, extremely flexible procurement process these alliances could not have

been created. While involving many more steps than an RFP, the RFQC process allowed the universities to cut the overall project timelines by 35% to 50%.

This presentation will cover the technical and financial environments of each university prior to the alliances as well as a brief description of the final solutions. In addition, a description of the new RFQC process and its importance to these projects will be discussed together with lessons learned and issues pertaining to the next phase of the projects, long term management.

Building Alliances with Private Industry

Karen DeMauro
Assistant Vice President for Computing Services
Clarion University of Pennsylvania

Clarion University of Pennsylvania, located in rural, western Pennsylvania, is one of fourteen members of the State System of Higher Education (SSHE). Three years ago the seven residence halls on the Clarion campus were removed from the campus wide network project due to a lack of funding. Since then the University had been seeking alternate solutions that would allow us to install a residence hall network without increasing room rates or assessing a student fee.

Additional concerns surrounding a new residence hall network dealt with support. The University was not in a position to hire additional personnel to support student desktop computers and their connection to a university owned network. Students are a different type of "customer" for Computing Services in that they need support outside of our normal working hours and in peaks, such as opening weekend. Additionally, this would be the first time University employees would be working on non-university owned equipment raising the issue of liability.

Internal changes, such as the transfer of Telecommunications from Facilities' to Computing Services' responsibility, as well as other issues converged to help us design a creative solution. However, since our "solution" had never been implemented before, we had a number of hurdles to overcome before we could begin.

Governor Ridge had been strongly suggesting that the state universities better utilize partnerships with private industry. However, the procurement rules for the SSHE institutions made the development of these partnerships virtually impossible. Clarion worked with the Chancellor's office offering to be the "guinea pig" in the development of a public/private partnership during which we would identify the roadblocks and speed bumps in the existing procedures and, in turn, the Chancellor's Office would try to clear the path for us.

This agreement worked very well resulting in the establishment of a number of SSHE precedents. The first was for the use of the Governor's new Request for Qualified Contractor (RFQC) procurement process.   The second was for the development of an alliance consisting of a consortium of vendors to supply services to the university. The consortium is lead by a prime contractor who acts as a single point of contact for the university and is responsible for all services including those supplied by the other consortium members. A third precedent was the establishment of a business case in which the consortium invested heavily in the network installation and agreed to accept the risk of recouping that investment through royalties based on anticipated income over the next ten years.

With the installation of the bulk of the services completed for the Fall 1999 Semester and the installation of the University's PBX's in January and May 2000, Clarion is winding down its implementation phase. Since we still have no precedent to follow, we are now developing methods for the long-term management of this complex project.

Building Alliances with Private Industry

Andrew C. Lawlor
Associate Vice President for Technology and Communications
Edinboro University of Pennsylvania

Edinboro University of Pennsylvania, a state-owned comprehensive university located in the northwest corner of Pennsylvania, is one of fourteen members of the State System of Higher Education (SSHE). When our new president came on board four years ago, he recognized technology as one of the major priorities for the campus. In particular, he felt that colleges and universities were not going to be successful without embracing technology, particularly for students and faculty. With that, we completed a Campus-Wide Information Networks programming document and began the process of a ubiquitous network design for data, voice, and video. As the design neared completion we examined the various means available to wire and provide services to the residence halls in an expeditious manner. It was very important that we do so without extensively raising fees and perhaps pricing ourselves out of the housing market.

We were equally concerned about the support issue. How could we support a large infrastructure in our eight residence halls without significantly expanding staff? Fortunately, at the time we were wrestling with these issues, a sister institution, Clarion University, had the previous year embarked on a plan to wire their halls using a new procurement procedure made available to our State System from the Commonwealth of Pennsylvania. While they were still in the procurement stages of building a public/private alliance, Edinboro University decided to take the same path, and at the same time improving upon Clarion's success.

In following the same path, we too elected to use the Request for Qualified Contractors (RFQC) process, an iterive method that requires consortia of vendors to submit responses to successive publications of our requirements, each time selecting the best ideas of earlier submissions until a "Best and Final" is published and the vendors respond. The result is a business case that demonstrates how royalties and cost avoidance leads to a return on investment. To lead us through this process, Edinboro University hired a consulting firm that has experience in the RFQC process to guide us and assure that, through the negotiation process, our interests were upheld, and that the business case was sound.

By developing a very dedicated cross-divisional team dedicated to the task and keeping the process on the timetable, Edinboro University was able to select and receive approval for the best vendor by June 2000, with installation taking place throughout the summer. Services were marketed extensively to the students through Freshman Orientation and a full color marketing brochure mailed out to all students in July. The response has been extensive.

Three areas of special concern to Edinboro University was to build the business case on conservative subscription rates, spend considerable time and budget on marketing, and to anticipate contract issues with our at-the-time current vendors of services so strategies for avoidance could be considered in advance. While we are still very early in the implementation, we are very pleased with the results of our public/private alliance.