

MHEC Technologies Contract Savings Explanation

MHEC is an interstate compact established for the purpose of furthering higher education in the Midwest through interstate cooperation and resource sharing collectively through its 12 member states. The statutory language establishing MHEC makes it an instrumentality of state government in each of its member states and gives it broad contracting authority to contract for the benefit of its member states. The Commission has identified the procurement of technology hardware, software, and services as one area of regional concern where MHEC can help its member states. These contracts can be used by higher education institutions, K-12 school districts, and local units of government.

How MHEC Technologies Contracts Save Institutions Money

- **Cost savings.** By leveraging the collective buying power of its member states, MHEC negotiates discounts that usually go above and beyond the educational discounts an institution can normally get from a vendor. Although vendors generally provide a minimum discount on their posted price list ranging anywhere from 4% to 50% for the offered products and services, MHEC does not calculate cost savings using these vendor-posted discounts off the list price since most entities generally already pay something less than list price when making purchases. Instead, the discount percentage MHEC uses when calculating member state savings is 9%. Because of limitations in vendor reporting, and the fact that each transaction is unique, MHEC must make an estimated calculation when determining member state savings. Vendors' published price lists for their technology products and services are constantly moving, and institutions purchase a variety of products across different categories, with each category having a different discount percentage. This makes calculating the exact savings for each transaction difficult. Therefore, MHEC uses 9% as an estimate of the average discount across all of a vendor's transactions to demonstrate member states' cost savings. Overall, most institutions/state entities likely achieve savings well beyond 9%. Although 9% savings spread out amongst all transactions across a state represents a conservative estimate of the actual savings achieved for that state, the 9% metric becomes less accurate of a measure of savings when applying it to individual institution transactions given each institution's different circumstances and requirements when making a purchase. Therefore, MHEC does not break down its cost-saving estimates to the institutional level.
- **Staff time and money.** In addition to the hard savings, member institutions save significant staff time and money by eliminating the work involved in writing and executing a request for proposal (RFP), negotiating contracts with potential vendors, and managing contract approval and vendor relations. MHEC's turn-key tech contracts easily integrate with institutions' procurement processes and can be customized to suit an institution's needs. Many institutions

find the value of this saving even more important than the pricing discounts, as they can redeploy their staff time, full-time equivalent (FTE) count, and money to advance other strategic priorities.

- **Speed and efficiency.** Using MHEC technology contracts can help institutions acquire desired technology, software, and technology services faster. By eliminating the need for an RFP, vendor selection, and negotiation, institutions can frequently shorten their overall procure-to-pay process from months to days. For institutions looking to make quick and meaningful progress on strategic initiatives, this time savings can be critical.

Do Institutions Know They Are Getting MHEC Technology Contract Pricing?

Institutions are often unaware that they are using a MHEC contract and receiving MHEC contract pricing when they are making a hardware, software, or technology services purchase. Vendors like Dell will automatically apply MHEC's contract code to quotes for qualifying institutions. (For example, direct purchases from Dell by a participating member state, might only see Dell's contract code of C000000979569.) This ensures that the institution is receiving MHEC pricing even though they may not realize it and eliminates the need for institutions to have to request MHEC pricing to get access to the contract. Since MHEC technology contracts are available to K-12 school districts and local units of government in addition to higher education institutions, this means that schools and government entities are often getting access to MHEC discounts without realizing it.

Limited-Time Specials

If a vendor offers limited-time specials exclusively through MHEC; the specials do not receive any additional discount, as the pricing is not available anywhere else in the market. MHEC receives the lower of the MHEC-contracted discount or the limited-time price.

MHEC Technology Contracts

Hardware:

- Connection (Apple Edu Pricing)
- Dell Technologies
- HP Enterprise
- HP Inc.
- Lenovo (United States) Inc.
- Oracle
- Presidio

Software:

- Micro Focus
- Oracle
- Resultant
- SAS Institute

Printers and Peripherals:

- HP Inc.
- Xerox

Data and Networking:

- Dell Technologies
- HP Enterprise
- Lenovo Global Technology (United States) Inc.
- Presidio

Services:

- Ease Learning
- Parchment

Security Services:

- BerryDunn
- CampusGuard
- immixGroup
- Infosec
- LUCY Security Services from Envoy
- Pondurance
- RKCS
- Secureworks from Dell Technologies

For more information, including an [overview of all MHEC technology contracts](#), a MHEC technology contract [infographic](#), and a list of [upcoming technology solicitations](#) for hardware, software, and services, please visit the MHEC website at www.mhec.org/contracts/technology.