

STATE BOARD OF COMMUNITY COLLEGES

Virtual Computing Environment (VCE): Business Model

Request: The State Board is asked to approve \$130,600 for a Service Agreement with North Carolina State University for participation in the Virtual Computing Environment collaboration. This next phase of the North Carolina Community College System/NC State collaboration builds upon a successful three year pilot that proved the value of Virtual Computing Environment to North Carolina Community Colleges. This new contract will focus on developing business models through which individual community colleges can provide computer lab services at cloud computing pricing. Cloud computing is a general term for anything that involves delivering hosted services over the Internet.

Rationale: The Virtual Computing Environment Business Model is a logical progression from the initial pilot phase to the establishment of a viable business model. A VCE business model is now required to provide community colleges a cost-effective alternative to expensive, traditional computer labs. The VCE Business Model will continue to support the 13 community colleges which previously participated in year three of the Virtual Computing Lab Pilot. Three additional community colleges will be added to establish a viable business model appropriate for a wide variety of computer lab needs. The additional three community colleges will be selected via a competitive request-for-participation process.

Upon State Board approval for 2011, an additional annual payment of \$130,600 shall be made for ongoing costs of NC State's participation in the expanded development of the Virtual Computing Environment Business Model for NCCCS. The Service Agreement may be terminated by NCCCS or NC State as of December 31, 2011 or upon 60 days written notice.

History: The Virtual Computing Environment (VCE) is a remote access service that allows students and faculty to request or reserve a computer with a desired set of applications, and to remotely access it over the Internet. Students and faculty can use a number of advanced computer applications. Linux, Solaris, and numerous Windows environments are available. NCCCS and NC State have and will continue to work with community colleges wishing to provide additional specialized software for faculty and student course access.

The Virtual Computing Environment Pilot was initially a research and development initiative to explore efficient and effective virtual computing modalities for online access to applications and services. This initiative focused on developing and piloting solutions to address the growing demand for student access to advanced computing application and software services.

The initial Service Agreement included the period from January 1, 2008, through December 31, 2008, at a cost of \$631,000 to establish the Virtual Computing Environment infrastructure and a one-year maintenance fee. Additional annual payments of \$130,600 was approved by the State Board for the periods from January 15, 2009 through December 31, 2009 and January 1, 2010 through December 31, 2010 to provide (1) maintenance fees to sustain the project and (2) support appropriate expansion of the pilot to additional community colleges.

Method of Procurement: In accordance with the procurement practice of the State of North Carolina, there is no requirement for competition or approval by outside purchasing authorities for contracts between state agencies.

Contract Time Period and Amount: The Service Agreement is for the maintenance fee of one-year agreement for the period of January 1, 2011, through December 31, 2011.

Fund Source and Availability: Funds are available from the 2010-2011 State General Fund appropriation.

Contact Persons:

Dr. Saundra Williams, Senior Vice President and Chief
Technology and Workforce Development

Bill Randall, Associate Vice President for Learning Technology Systems

Wanda Barker, Director of Distance Learning.