

R-28

February 1, 2022

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all necessary documents with Dell Marketing, LP (Dell), utilizing the approved Dell Master Purchase Agreement No. 28280, for the purchase of personal computers, in an amount not to exceed \$2,000,000; and,

Authorize the City Manager, or designee, to execute a lease-purchase agreement, and related financing documents, with Banc of America Public Capital Corp, of San Francisco, CA, for the financing of personal computers, in an amount not to exceed \$2,138,000 including escrow fees, principal, and interest, payable over a five-year period.
(Citywide)

DISCUSSION

City Council approval is requested to execute the documents necessary to purchase personal computers utilizing the approved Dell Master Purchase Agreement No. 28280, and execute a lease-purchase agreement through the City's Master Lease Agreement with Banc of America Public Capital Corp (BAPCC), for the financing of personal computers payable over a five-year period.

Due to the changing business and technology needs stemming from the COVID-19 pandemic, a transition to remote work, and the need for increased technology access when conducting mobile and fieldwork, the City of Long Beach (City) is encouraging increased use of laptops that will take up less space, require less electricity, enable employee mobility, while retaining the computing power to run all existing City applications. Along with associated peripheral devices, the new computers align with redesigned desktop experience standards that focus on mobility, online collaboration, and equipping City staff with industry-standard productivity tools. The cost for personal computer replacements are included in the City's ongoing annual computer replacement cycle program, and as a result, funding is already included in the Fiscal Year (FY) 2022 Budget.

The Technology and Innovation Department (TI) implemented a program to replace all City-owned computers after a five-year use to reflect the industry standard. The replacement cycle was designed to refresh the technology to take advantage of the latest innovations and reduce the ongoing costs of maintaining older equipment and software. TI has leveraged lease financing for the replacement program to allow the City to maintain a level of annual expenditures and enable departments to spread acquisition costs over the term of the financing, rather than budgeting large one-time capital outlay expenditures. TI typically replaces an average of 700 to 1,000 computers Citywide annually. However, TI plans to

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replace 1,500 to 2,000 in the next year because of the catch-up required from the two-year pause in replacements during the recent Civic Center project. The desktops and laptops with docking stations will continue to be acquired from Dell, utilizing Dell Master Purchase Agreement No. 28280, which the City Council approved on April 15, 2003.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley and Business Services Bureau Manager Tara Mortensen on January 10, 2022, and by Budget Operations and Development Officer, Rhutu Amin Gharib, on January 13, 2022.

TIMING CONSIDERATIONS

City Council action is requested on February 1, 2022, to allow for execution of appropriate financing agreements and ensure the timely replacement of City staff work-related personal computers.

FISCAL IMPACT

The total cost to purchase the personal computers will not exceed \$2,000,000. The total amount of the lease-purchase agreement with Banc of America Public Capital Corp will not exceed \$2,138,000, which includes principal, interest, and escrow fees. This equates to approximately \$427,600 in annual debt service costs and is budgeted in the General Services Fund Group in the Technology and Innovation Department. These costs are recovered from client departments via the annual Technology and Innovation Memorandum of Understanding (MOU). Debt service costs for future years will be built into the MOU. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LEA D. ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:



THOMAS B. MODICA
CITY MANAGER