



Legislation Text

File #: 21-0616, **Version:** 1

Recommendation to authorize 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 \$1,571,000; and

Authorize City Manager, or designee, to execute a lease-purchase agreement, and related financing documents, with Banc of America Public Capital Corporation, of San Francisco, CA, for the financing of personal computers, in an amount not to exceed \$1,697,500 including escrow fees, principal, and interest, payable over a five-year period. (Citywide)

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

Due to 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 field work, the City is encouraging an increased use of laptops that will take up less space, require less electricity, enable employee mobility, and still have the computing power to run all existing City applications. The new computers, along with associated peripheral devices, 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 will be included in the Proposed Fiscal Year 2022 (FY 22) Budget.

The Technology and Innovation Department (TI) implemented a program to replace all City-owned computers after a five-year use to reflect industry standards. The replacement cycle was designed to refresh the technology to take advantage of the latest innovations and to reduce the ongoing costs associated with maintaining older equipment and software. TI 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 normally replaces an average of 700 to 1,000 City computers annually. However, TI plans to replace 1,500 to 2,000 this year because there was a pause in replacements over the last 2 years due to the new 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 was approved by the City Council on April 15, 2003.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on May 25, 2021, Business Services Bureau Manager Tara Mortensen on May 24, 2021, and by Budget Analysis Officer Gregory Sorensen on June 3, 2021.

City Council action is requested on July 6, 2021, to allow sufficient time to execute appropriate financing agreements and ensure timely replacement of personal computers.

The total cost to purchase the personal computers will not exceed \$1,697,500, and includes the principal amount of \$1,571,000, the cost for contingency, interest, and escrow administration fee. This equates to approximately \$339,500 in debt service costs annually and is budgeted in the General Services Fund Group in the Technology and Innovation Department. Costs will be 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.

Approve recommendation.

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LEA D. ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:

THOMAS B. MODICA
CITY MANAGER