



Legislation Text

File #: 04-1309, **Version:** 1

Lease Financing for DayStar Computer Systems Software for the City Clerk Department.

On February 3, 2004, the City Council approved the procurement of an Enterprise-Wide Legislative Information Management System for the City Clerk Department. The contract to purchase this software is with DayStar Computer Systems, Inc., Contract No. 28663, for a total principal amount not to exceed \$400,100.

Given that current lease rates are at historical lows, and to reduce the immediate impact on the General Fund, it is recommended that the acquisition of the DayStar system be financed utilizing a lease-purchase structure.

A Request for Proposal (RFP) for competitive bids was prepared and sent to 18 financing companies. The City received seven bids by the submission deadline, all of which met the minimum requirements of the RFP. The submitted bids ranged from 2.46 percent to 3.34 percent for a three-year lease term structure. The SunTrust Leasing Corporation offered the best terms with a rate of 2.46 percent and is, therefore, recommended to provide the financing.

This matter was reviewed by Deputy City Attorney Donna F. Gwin and Budget Manager Michael Killebrew on April 23, 2004.

The SunTrust Leasing Corporation rate commitment is valid through May 15, 2004. To complete the financing documents and retain this low interest rate level, City Council action is requested prior to this date.

The total amount of principal to be financed under the Banc of America Leasing & Capital, LLC agreement will not exceed \$400,100 (includes a \$100 document processing fee), and will be financed over a three-year period (FY 05 - FY 07). Total debt service (principal and interest) for the agreement is \$415,455.12. Of that amount, \$46,161.68 will be paid for the last quarter of FY 04, and will be absorbed in the City Clerk's current appropriation. For FY 05 and FY 06, appropriation formerly spent on an Assistant City Clerk position and other savings will be used to make the \$138,485.04 annual lease payments. The final payment of \$92,323.28, representing the first three quarters of FY 07, will be covered using the same source of savings. Sufficient funds will be budgeted in the General Fund (GP) in the City Clerk Department to pay for this expense through the FY 05 budget process.

Authorize City Manager to execute all necessary documents with SunTrust Leasing Corporation for the financing of said purchases in an amount not to exceed \$415,455.12, payable over a three-year period.

ROBERT S. TORREZ
DIRECTOR OF FINANCIAL MANAGEMENT

