



Legislation Text

File #: 23-0197, **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 \$2,000,000; and

Authorize 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, payable over a five-year period at an interest rate to be determined when the agreement is executed. (Citywide)

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 business and technology needs stemming from the transition to remote work, and the need for increased technology access when conducting mobile and fieldwork, the City of Long Beach (City) continues to encourage 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) 2023 Budget.

The Technology and Innovation Department (TI) implemented a program to replace all City-owned desktop and laptop 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 level 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 1,200 computers Citywide annually. TI is close to completion of the catch-up caused by the two year pause due to the Civic Center project and plans to replace 900 to 1,500 in the next year. 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 on February 14, 2023, Purchasing Agent Michelle Wilson on February 9, 2023, and by Budget Operations and Development Officer Rhutu Amin Gharib on February 17, 2023.

City Council action is requested on March 7, 2023, to allow for execution of appropriate financing agreements and ensure the timely replacement of City staff work-related personal computers.

The total cost to purchase the personal computers will not exceed \$2,000,000. Based on an indicative interest of 3.86 percent on January 20, 2023, the total amount estimated for the lease-purchase agreement with Banc of America Public Capital Corp is estimated at \$2,202,409, which would include principal, interest, and escrow fees. This equates to approximately \$440,482 in annual debt service costs for the five-year life of the financing and is budgeted in the General Services Fund Group in the Technology and Innovation Department. The actual rate, principal, interest, escrow fees, and annual debt service is subject to change and will be determined when the agreement is executed. These costs are recovered from client departments via the annual TI 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.

LEA D. ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:

THOMAS B. MODICA
CITY MANAGER