



AGENDA MEMORANDUM

Future Item for the City Council Meeting of July 25, 2017
Action Item for the City Council Meeting of August 8, 2017

DATE: July 25, 2017

TO: Margie C. Rose, City Manager

FROM: Belinda Mercado, Director of Information Technology
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<p>Lease of Computers and other computer peripherals; and Purchase of Servers and Monitors for Information Technology Services</p>

CAPTION:

Motion authorizing the City Manager, or designee, to execute lease-purchase agreements with Hewlett Packard Enterprise Financial Services, of Berkeley Heights, New Jersey, for approximately 575 desktop computers for a lease-purchase term of 48-months, 420 laptop computers for a lease-purchase term of 36-months and peripherals, respectively, in accordance with the State of Texas cooperative purchasing program DIR-TSO-2538 for a total expenditure not to exceed \$1,190,712; and to purchase ten servers and 300 monitors for an amount \$92,850. No funds are required for FY2016-17; however, the total expenditure not to exceed \$1,283,562 will be requested in future budget years.

PURPOSE:

This lease contract will provide for the lease of computers, servers and other computer peripherals and related products to be ordered by various departments throughout term of the agreement.

BACKGROUND AND FINDINGS:

The decision to lease the laptops for a 36-month term is based upon the expected life and maintenance costs associated with a laptop computer. The laptops are moved from location to location, may be exposed to extreme temperatures and are susceptible to damage. These conditions tend to lower the expected life of a laptop unit and increase the maintenance cost. Desktop computers and servers are normally located in a stable environment that provide for longer term performance.

ALTERNATIVES:

Purchase fewer computers; and not have the availability to refresh every 36/48 months.

OTHER CONSIDERATIONS:

The lease is a continuation of the City's program to lease computers in lieu of purchasing them outright. The program's objectives are targeted at: 1) providing users with the latest technology once every three years for laptops and four years for desktops 2) spreading the cost associated with acquiring computer equipment over the lease period and 3) decreasing the cost associated with maintaining computer equipment by including a warranty for the duration of the lease period. 4) lease is a buyout at the end of lease and the equipment will be recycled for possible revenue.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and the Texas State procurement laws.

EMERGENCY/NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Various departments

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2016-2017	Current Year	Future Years	TOTALS
Line Item Budget	\$1,045,453.40	\$1,283,562.00	\$2,329,015.40
Encumbered / Expended Amount	\$473,324.91	0.00	\$473,324.91
This item	0.00	\$1,283,562.00	\$1,283,562.00
BALANCE	\$572,128.49	0.00	\$572,128.49

Fund(s): Funds are budgeted in the 530180 expense account (non-capital lease payments) of the various operational budgets of the requesting departments.

Comments: The City will order computers as needed and is not compelled to order a minimum number of computers in any given year. If at the end of the term of the lease-purchase agreements, and all 575 desktop computers, 420 laptop computers and peripherals are ordered, the City will obligate to the \$1,213,790 of the award. Annual funding will be requested during each of the following budget years. The ongoing contract is contingent upon all future budget appropriations.

RECOMMENDATION:

Staff recommends approval of this agenda item.

LIST OF SUPPORTING DOCUMENTS:

Pricing Sheet