

City Council Action Report

Date: February 8, 2007
From: Bob Lehr, IT Manager
Brent Worthington, Finance Director
Subject: 2007 Lease Replacement Program for Computer Equipment

Recommended Action and Major Considerations:

Authorize the continuation of the Master Lease Agreement with Computer Sales International, Inc. (CSI) for the acquisition of desktop computers, laptop computers, mobile computer terminals, and various, additional computer hardware.

Authorize the City Manager to obtain the computer equipment through the approved lease agreement and to issue purchase orders not to exceed \$442,318 for 2007.

Background and Other Information:

- In 2003, City Council approved the use of a Master Lease Agreement for the ongoing replacement of the City's computer equipment. The Master Lease allows the City to replace outdated technology and to meet the increasing needs and demands of the citizens of Northglenn and the initiatives set by Council.
The replacement lease program allows the City to replace PCs and laptops every 3 years, thereby ensuring the City users will have access to and the ability to use new technology as it becomes available, while controlling and stabilizing the cost of acquiring the equipment.
The CSI agreement is an operating lease; at the end of 3 years, they take the equipment back, relieving the City of the responsibility for disposing of the equipment (which is considered hazardous waste). However, equipment which the Tech Group desires to retain may be purchased at the end of the lease term for no more than 15% of the initial cost.

Budget Information:

- Funds are included in the 2007 budget to make lease payments for the 2004 lease, the 2005 lease, the 2006 lease, and the proposed 2007 lease.
The documents have a non-appropriation clause to comply with lease law for Colorado local government and TABOR.

Respectfully Submitted:

Approved for Submittal:

Funding Available:

Bob Lehr
IT Manager

AJ Krieger
City Manager

Brent Worthington
Finance Director

COUNCIL ACTION TAKEN:

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