

**MEMORANDUM**  
**COUNTY OF PLACER**  
**DEPARTMENT OF ADMINISTRATIVE SERVICES**  
**PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors

FROM: Jim Boggan, Purchasing Manager *JB*

DATE: June 9, 2009

SUBJECT: Recommendation to Extend the Authority to Use the Existing Master Lease Agreements with Dell Computer Corporation and Hewlett-Packard Company through September 30, 2012.

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**ACTION REQUESTED**

Extend the authority to use the existing master lease agreements for computer servers, storage, peripheral system equipment and hardware maintenance with Dell Computer Corporation (Dell) and Hewlett-Packard Company (HP) through September 30, 2012 and authorize the Purchasing Manger to sign all necessary documents.

**BACKGROUND**

The Administrative Services Information Technology (IT) Division maintains a multi-year capital replacement plan for the County's technology infrastructure. The plan covers the replacement of servers, data storage devices, peripherals, hardware maintenance and network equipment. Dell and HP systems are the County standards for servers. Standardization of these servers is necessary to run the County Financial, Payroll and Personnel Network Systems

On July 11, 2006 your Board approved the continued use of an existing master lease agreement with Dell through June 30, 2009. Currently the most cost effective pricing available for the equipment is a contract awarded by the Western States Contracting Alliance (WSCA). Section 1.3(e)(3) of the Purchasing Policy provides the authority for using this contract.

On June 11, 2006 your Board also approved the continued an existing master lease with Hewlett-Packard as the result of a competitive bid. The master lease contains a benchmark for financing that is tied to California Multiple Award Schedule (CMAS) pricing.

The master lease agreements referenced above are still viable, as they contain no expiration date. Procurement will continue to use the most cost effective pricing agreements available. Service delivery under both contracts has been good. The continued use of these lease agreements enables the County to continue to plan and schedule the replacement of its server systems in a timely manner and reduces the risk of technical obsolescence. The two agreements greatly increase the efficiency of implementing the capital replacement plan.

**FISCAL IMPACT**

There is no immediate fiscal impact in extending authority to use the master lease agreements. Individual leases will be approved as part of the project budget approval or requested separately. The Administrative Services Department CEO recommended budget amount for FY 09 - 10 for the lease of computer servers, data storage, hardware maintenance and peripheral systems, including countywide systems is \$1,359,000.00. This amount does not include equipment funded and/or managed by other departments throughout the County; however other departments would also be able to utilize the master lease agreements.

cc: Clark L. Moots, Director of Administrative Services  
Sandy Hammock, Senior Administrative Services Officer

