

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

TO: Honorable Board of Supervisors  
FROM: Brett Wood, Purchasing Manager  
DATE: September 15, 2015  
SUBJECT: Master Lease Agreements - Dell Financial Services and Hewlett-Packard Financial Services Company

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**ACTION REQUESTED**

1. Approve the authority to use existing master lease agreements between County of Placer and Dell Financial Services of Round Rock, TX and between County of Placer and Hewlett-Packard Financial Services Company of Murray Hill, NJ, for the lease of computer servers, data storage, and other miscellaneous equipment, extending the time period from September 30, 2015 to September 30, 2018.

**BACKGROUND**

The Administrative Services Information Technology Division (IT) 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. IT has established Dell and Hewlett-Packard (HP) systems as the County standards for network servers. Standardization of these servers is necessary to support the County's Financial, Payroll and Personnel Network Systems.

On October 9, 2012, your Board approved the continued use of existing master lease agreements with Dell and HP through September 30, 2015. The two agreements greatly increase the efficiency of implementing the Information Technology Capital Replacement Plan and enable the County to continue to plan and schedule the replacement of its network equipment in a timely manner to avoid technical obsolescence.

Both leases are "Fair Market Value" leases, otherwise known as operating leases. Ownership of the equipment is retained by the lessor. At the end of the term, the County has the option of extending the lease period, purchasing the equipment at the then fair market value, or returning the equipment at the County's cost. The leasing terms in the master lease with Dell are based on Treasury Constant Maturity rates, as published by the Federal Reserve. The master lease with HP contains a benchmark for equipment and financing based California Multiple Award Schedule (CMAS) pricing.

Other departments would also be able to utilize the master lease agreements for related equipment. On occasion, departments have a requirement to lease "third party" equipment for specific applications. The master lease agreements provide for the lease of Dell, HP, and third party equipment at the existing lease rate adjustments.

Therefore, your Board's approval is required to extend the authority to use the existing master lease agreement. Procurement will continue to use the most cost effective pricing agreements available.

**FISCAL IMPACT**

The master leases with Dell and HP do not contain expiration dates, but remain in full force and effect until mutually terminated. There is no immediate fiscal impact to the extended use of these master lease agreements. The costs for the individual leases will be included in the requesting departments budget for the appropriate fiscal year, or as part of a project budget, or will be requested separately as appropriate for the intended use of the equipment.

cc: Jerry Gamez, Director of Administrative Services  
Kathy Buchanan, Deputy Director of Administrative Services  
Melissa Nunnink, Administrative & Fiscal Operations Manager