

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

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager *BW*
DATE: October 9, 2012
SUBJECT: Extend the Authority to Use Existing Master Lease Agreements with Dell Financial Services and Hewlett-Packard Financial Services Company through September 30, 2015.

ACTION REQUESTED

1. Extend the authority to use existing master lease agreements with Dell Financial Services of Round Rock, TX and Hewlett-Packard Financial Services Company of Murray Hill, NJ, for the lease of computer servers, data storage, and other network equipment, funded by IT Data and Systems access charges with net County costs to be determined as necessary, for the period of October 1, 2012 through September 30, 2015, and authorize the Purchasing Manager to sign all necessary documents.

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 June 9, 2009 your Board approved the continued use of existing master lease agreements with Dell and HP through September 30, 2012. Currently, the most cost effective pricing available for Dell equipment is a contract awarded by the Western States Contracting Alliance (WSCA). 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. Use of the WSCA and CMAS agreements is authorized by Section 1.3(e)(3) of the Purchasing Policy Manual.

The master lease agreements referenced above are still viable, as they contain no expiration date. Upon your Board's approval, Procurement will continue to use the most cost effective pricing agreements available. The continued use of the lease agreements enables the County to continue to plan and schedule the replacement of its network equipment in a timely manner to avoid technical obsolescence, in accordance with the Information Technology Capital Replacement Plan.

FISCAL IMPACT

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 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 (WOC)

