



Monterey County

Board of Supervisors
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

Legistar File Number: A 19-315

August 27, 2019

Introduced: 8/5/2019

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to execute a Lease Agreement with Lenovo Financial Services, a third-party lessor to the Countywide Service Agreement with EDX Information Systems, Inc. for Desktop Solution Services, retroactive to July 1, 2019 and extending through and including April 11, 2020;
- b. Approve and authorize County staff are hereby authorized and directed to take such other and further actions as may be necessary or appropriate to implement the intent and purpose of this board order; and
- c. Approve and authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to exercise the option to extend the Lease Agreement in accordance of the terms and conditions of the Lease Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to execute a Lease Agreement with Lenovo Financial Services, a third-party lessor to the Countywide Service Agreement with EDX Information Systems, Inc. for Desktop Solution Services, retroactive to July 1, 2019 and extending through and including April 11, 2020;
- b. Approve and authorize County staff are hereby authorized and directed to take such other and further actions as may be necessary or appropriate to implement the intent and purpose of this board order; and
- c. Approve and authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to exercise the option to extend the Lease Agreement in accordance of the terms and conditions of the Lease Agreement.

SUMMARY/DISCUSSION:

Approval of the recommended action will enable the County to maintain a reliable source of Computer Desktop Solution systems to the County of Monterey, either through direct purchase or leasing via a third-party Lessor Agreement.

The Agreement is based upon the County terms and conditions of Request For Proposal (RFP) #10524, Desktop Solution Services. On May 17, 2016, the Board of Supervisors authorized the Contracts/Purchasing Officer to execute a three-year Agreement with the option to extend the term for two (2) additional one (1) year periods with EDX Information Systems, Inc, and with IBM Credit LLC, for third-party lessor services.

On April 19, 2019 the County exercised the option to extend the term of the Agreement with EDX Information Systems, Inc through April 11, 2020.

IBM Credit LLC recently informed the County of Monterey they will no longer be providing leasing options for computer hardware beyond July 1, 2019.

Many County departments rely on the leasing option to purchase computer hardware. The choice to make payments instead of fully funding workstations gives the department flexibility within their budget and allows the departments to upgrade their computers at the end of the lease date. Therefore, it is imperative that the County continues to provide this leasing service.

Lenovo Financial Services meets the requirements of the original RFP and is able to accommodate the needs of the County. Additionally, Contracts/Purchasing staff was recently informed the initial Board Order dated May 17, 2016, (A-13147) does not authorize the Contracts/Purchasing Officer or the Contracts/Purchasing Supervisor to execute Lease Agreements outside of the initial agreement with IBC Credit, LLC.

Approval of this Agreement will provide County departments the option to lease computer workstations instead of purchasing the product. The Lease Agreement requires certain certifications regarding unencumbered appropriations, essential use, and certification of authentic signatures, as well as a Legal Opinion opining that financing under the Lease Agreement will not constitute an arbitrage bond or a private activity bond pursuant to the Internal Revenue Code. The affected offices and departments appear to be able to meet each of these requirements.

OTHER AGENCY INVOLVEMENT:

County Counsel has approved each Agreement as to form. The Auditor's Office has approved the Agreement as to fiscal provisions, including required certifications. This Lease Agreement is recommended by the Director of Information Technology.

FINANCING:

Funds for these services are contained within the approved budget allocations of the departments utilizing the services. Expenditures will depend on the actual services requested by individual County departments.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Approval of the recommended action will allow County departments the option to lease computer desktop equipment.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Sandra Shaffer, Management Analyst III, 759-6957

Approved by:

Date: _____

Eric A. Chatham, Director of Information Technology, 759-6920

Attachments: Lenovo Financial Services Third Party Master Lease Agreement #1335071; Board Order A13145-A13147; EDX Information Systems Agreement (initial term 5/23/2016 - 4/11/2019); EDX Information Systems Amendment (extension of term through 4/11/20)