

CITY OF TAMARAC
INTEROFFICE MEMORANDUM
INFORMATION TECHNOLOGY DEPARTMENT

TO: Michael C. Cernech
City Manager

DATE: January 24, 2017

FROM: Levent Sucuoglu
Director of Information
Technology

RE: TR13427 –Lease-end Buyout
With Lenovo Financial Services

Recommendation:

Place temporary resolution TR13427 on the May 13, 2020 Commission Meeting Agenda for the approval to exercise the buy-out option of 222 desktops, laptops and accessories currently leased from Lenovo Financial Services at the cost of \$78,559.24 immediately following the expiration of their three-year-lease term on May 26, 2020.

Issue:

222 desktops and laptops and accessories that are currently being leased from Lenovo Financial Services will reach the end of their three-year-lease term on May 26, 2020 and the City must choose a lease end option – Return – Extend - Buyout

Background:

In Tamarac, technology is one of the key components for efficient delivery of City services. A desktop or a laptop PC (PCs) is often how our employees access a variety of technologies available to operate the City and to deliver our services.

In 2016, City switched from buying to leasing its personal computers to stay ahead of the technology curve and avoid long replacement cycles it experienced in the past that resulted in performance and efficiency problems.

As a result, 222 computers and accessories were leased from Lenovo Financial Services at an annual cost of \$71,883.00 for three years as approved by the City Commission by Resolution R-2017-12 attached here as Exhibit 1. This lease will expire on May 26, 2020.

Replacement was planned and funded in the FY 2020 budget with a new three-year-lease until the City's operations was changed with the Covid-19 issues.

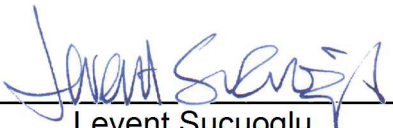
Replacement of PCs being a challenging task that requires access to the existing hardware and close contact with the City's users, it is recommended that we exercise the buyout option on the existing lease in the amount of \$78,559.24 to avoid additional stress on the organization with a disruptive PC replacement project.

A significant contributing factor for this recommendation is that the said hardware is just under three years old; in excellent condition and perform above expectations. Therefore, extending the replacement cycle of this group of computers will be acceptable and appreciated by our users under current circumstances.

The Director of Financial Services and I recommend exercising the buyout option with Lenovo Financial Services for the 222 PCs and accessories at a cost of \$78,559.24 as shown in their invoice attached here as Exhibit 2.

Financial Impact:

Buyout payment would be made from 001-8100-513-4403 – PC Lease Fund Account in the amount of \$78,559.24.



Levent Sucuoglu