

SUPPLEMENTAL APPROVAL FORM FOR ITEMS OVER \$25,000

Department: General Services – Print & Mail

Date: 1/12/2011

Authorized Requestor: David Gould _____ Telephone: 313-7326

Authorized Requestor Signature: David Gould

1. **Item:** Lease-Purchase Agreement with PNC Equipment Financing Inc., for the Purchase of Mainframe Computer Systems Components on behalf of the Department of Information Technology.
2. **Description:** General Services Department has negotiated a third-party leasing arrangement with PNC, for the replacement of the County's mainframe. The project was previously approved by the Board of Supervisor's on September 28, 2010 (item C.55). The financing was requested by the CIO as a means for funding a project for which operational funds were limited.
3. **Estimated cost of equipment:** The Principal amount of this Lease is \$750,910. Total cost of this lease is \$798,296. This consists of 10 (ten) semi-annual payments of \$79,829.68. The annual percentage rate is 2.625%. The cost for equipment is approximately \$350,000. The remaining funds are for implementation, software development, and ongoing maintenance and support. An escrow account has been established to pay for ongoing costs. Once the project has been completed, a refund of the unused balance will be refunded. The project is expected to be completed within 12 months.
4. **Single Item:** X **Integrated System** _____
5. **How does this purchase meet the Departments operational needs?** The 3rd-party lease allows the Department of Information Technology to implement necessary changes for which operational funds are not available. Use of a new financing partner allows General Services to obtain competitive funding without the high costs of fees associated with the previous financing vendor.
6. **Fiscal Impact:** The cost of equipment and financing is budgeted in the FY 2010/2011 Department of Information Technology budget and charged back to user departments through the DOIT billing process.
7. **County Administrator Approval**

Signature: _____ Date: _____