

March 18, 2008

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Master Equipment Lease/Purchase Agreement and IST Allocation.

Dear Board Members:

RECOMMENDATION: 1) Approve the attached updated Master Equipment Lease/Purchase agreement with the Bank of America and the allocation of \$196,243.40 for the IST department from the line of credit for the acquisition of equipment and software upgrades to the data networking system. 2) Approve single source purchase of Cisco data networking equipment from AT&T, San Ramon, CA in an annual amount including interest of \$39,248.68 for a five year total amount of \$196,243.40.

SUMMARY: The Master Equipment Lease/Purchase agreement with the Bank of America represents the renegotiated update of an established leasing agreement with a borrowing limit of \$5,000,000. The line of credit program is available for County needs subject to the County Administrator's Office and your Board's approval. A major benefit of this credit lease program is the cost of borrowed funds based on the US Treasury rate plus a small percentage, which is more cost effective when compared with other lease opportunities. Also, the time and paperwork needed to obtain funds is significantly reduced when compared to a typical lease. Finally, the processing fees that would otherwise be charged for each small lease are eliminated. The renegotiated Master Lease Agreement has been reviewed and approved by County Counsel.

The Cisco networking equipment is the backbone to every application running at the County of Marin. AT&T has provided the annual maintenance on the switches since they were installed and is the single source provider of maintenance for Cisco equipment. As part of an ongoing process, the County has maintained the data networking system infrastructure by implementing upgrades to replace older technology at the Civic Center and remote offices.

FISCAL IMPACT: The total costs including interest are \$39,248.68, and are included in IST Fund Center 3600014000 (Technical Services). This lease/purchase will be a five-year commitment with payments not to exceed \$196,243.40.

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| REVIEWED BY: | <input type="checkbox"/> Auditor Controller | <input checked="" type="checkbox"/> N/A |
| | <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| | <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

Respectfully submitted,

Audrey Andrus
Supervising Purchaser

c: IST – Marlene Ireland
Requisition No: 10010186

Tax Collector/Treasurer – Roy Given
Attach: Master Equipment Lease/Purchase Agreement