

**MEMO TO: BOARD MEMBERS
DR. JOHN SIMPSON**

FROM: BRUCE ELLERMAN

DATE: JUNE 26, 2017

RE: COMPUTER EQUIPMENT LEASE PURCHASE

For the past several years the District has had a portion (about \$.055) of its operating tax levy “dedicated” to the purpose of purchasing and upgrading building technology. For 2017-18, this will generate about \$444,000 of technology support funding. A good portion of the funds generated by this dedicated levy goes to toward purchasing new instructional computer equipment. As the attached memo from Bill K indicates, the District makes these purchases under a long-standing Master Lease Agreement with Dell Financial Services. The imputed financing charge on these leases appears to be minimal, so the District has opted for lease purchase financing over a 4 year period in order to stretch the dedicated levy dollars as far as possible. Bill K is recommending, and the Business Office concurs, with continuing with this approach this year. The funding for this purchase is included in line 70 “Tech Development Fund” of the proposed 2017-18 Budget.

RECOMMENDED BOARD ACTION....that the Webster Groves School District Board of Education approve the lease purchase of computer equipment in the amount of \$48,746.38 through the Existing Master Lease Agreement with Dell Financial Services per the accompanying proposal.

AB
6/20/17

MEMO TO: BOARD MEMBERS

FROM: Vasilios B. Koulouriotis

DATE: June 26th, 2017

**RE: Rolling Replacement Lease 2017-2018
(Avery, Steger, Elementary Computer School)**

The Webster Groves School District is entering the 13th year of our Master Lease Agreement with Dell Financial Services. It is my recommendation that we once again proceed with a 48-month \$1 Buyout Tax Exempt Lease Purchase for the 2017-2018 school year. The schools on the replacement cycle for the 2017-2018 school year are Avery, Steger, and Elementary Computer School. After meeting with building administration and staff, we determined their needs for the upcoming lease cycle and recommend the following Lease Proposal.

Quote #	Equipment	Unit Price	Qty.	Total Amount Finance	Payment Frequency	Lease Term (months)	Lease Rate Factor	Lease Payments
3000014370330.1	Latitude 5480	\$950.00	77	\$73,150.00	Annual	48	0.26536	\$19,411.08
	Dock	\$137.00	82	\$11,234.00	Annual	48	0.26536	\$2,981.05
3000014369277.1	Chromebook 11 3189	\$315.00	80	\$25,200.00	Annual	48	0.26536	\$6,687.07
	Google OS	\$25.55	302	\$7,716.10	Annual	48	0.26536	\$2,047.54
3000014369778.1	Latitude 7480	\$1,225.00	5	\$6,125.00	Annual	48	0.26536	\$1,625.33
3000014897332.1	Chromebook 11 3180	\$242.00	222	\$53,724.00	Annual	48	0.26536	\$14,256.20
3000014390344.1	OptiPlex 3050 SFF	\$655.00	10	\$6,550.00	Annual	48	0.26536	\$1,738.11
				\$183,699.10				\$48,746.38

I will be available to answer any questions the Board has regarding the 2017-2018 Rolling Replacement Lease. If you have any questions, please feel free to contact me.



BK
6/20/17

DELL FINANCIAL SERVICES LEASE PROPOSAL
School District of Webster Groves
June 20, 2017

Thank you for the opportunity to provide leasing information to you on the proposed acquisition. If you have any questions or comments, please don't hesitate to call me at 512-724-5095. Thank you for your interest in Dell Financial Services.

Sincerely,
 Missy Totten
 Dell Financial Services

LEASE PROGRAM: \$1 Buyout Tax Exempt Lease Purchase

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				\$ 183,699.10	\$ 48,746.39			

END OF LEASE OPTIONS:

\$1 BUYOUT LEASE OPTION

Option available to lessee upon completion of the base lease term are as follows:

Exercise the option to purchase the products for \$1.00.

LEASE QUOTE: The Lease Quote is **exclusive** of interim rental, shipping costs, maintenance fees, filing fees, licensing fees, property or use taxes, insurance premiums and similar items which shall be for Lessee's account. Lessee will pay Payments and all other amounts without set-off, abatement or reduction for any reason whatsoever. Additionally, Lessee shall declare and pay all sales, use and personal property taxes to the appropriate taxing authorities. **If you are sales tax exempt**, please fax a copy of your Exemption Certificate with the Lease Contract.

PURCHASE ORDER: The Purchase Order will be made out to Dell Financial Services, One Dell Way, RR3 / MS8468, Round Rock, TX 78682. The Purchase Order will include the quote number, quantity and description of the equipment. Please be sure to indicate that the PO is for a lease order and shows the type of lease, the term length, and payment frequency. The date of the lease quote referenced should be included. Please be sure to include any applicable shipping costs as a line item. Please include your address as the SHIP TO destination.

INSURANCE: The risk of loss on the Equipment is borne solely by the Lessee. Lessee shall be required to purchase and maintain during the Term (i) comprehensive public liability insurance naming Lessor as additional insured; (ii) "all-risk" physical damage insurance in a minimum amount of the Purchase Price, naming Lessor as first loss payee; and, (iii) workmen's compensation insurance.

APPROPRIATION COVENANT: The Lease shall contain an appropriation of funds clause. The Lessee will covenant that it shall do all things legally within its power to obtain and maintain funds from which the payments may be paid and Lessee will not give priority or parity in the application of funds to any functionally similar equipment.

DOCUMENTATION: Duly executed Agreement and other appropriate documents, including, opinions of counsel, UCC financing statements, audited financials and such other documentation as is reasonably requested by Lessor.

PROPOSAL VALIDITY/APPROVALS: This is a proposal based upon market conditions and **is valid for 30 days**, is subject to final credit approval, review of the economics of the transaction, and execution of mutually acceptable documentation.