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# City of Riviera Beach

## Information Technology

### Department

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## City Manager Memorandum

To: The Honorable Mayor and City Council  
Through: Karen Hoskins, Interim City Manager  
From: Elvis Mella, IT Manager

### Introduction

The intent of this agenda item is to request approval from the Mayor and City Council to enter into a 3 Year Lease Agreement with Dell Incorporated to provide the Riviera Beach Police Department with 70 Latitude 14 Rugged 5414 Laptops.

### Background

The Riviera Beach Police Department has 50 outdated Laptops that are currently in production used by the Mobile Police Staff to do their day to day operations. These laptops are 4+ years old and does not meet the performance needed to perform their operations at optimal levels.

This 3 Year lease agreement secures the Riviera Beach Police Department with 70 Laptops future proofed to meet the demands of the staff and exceed their

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requirements to be able to introduce higher processing applications that automate their back office functions much more efficiently.

## Organizational Goals

The Organizational Goals for the Police Department include providing a Computer Replacement Program that provides the Police Department with the latest up to date technology. This begins Phase 1 of a 3 Phase Computer Replacement Program specifically designed for the Police Department.

Features this Lease Program Provides:

- ❖ 36 Month lease with an added 1 month (known as the Bump Month). This month is does not require payment. It is a month that allows the City to decide whether to procure the Devices or to return them and create a brand new lease agreement that includes newly updated Technology to improve their quality of performance for our staff.
- ❖ Dell Asset Recycling Services: IDC Green Recycling and Asset Disposal. Dell has instituted globally consistent policies that include rigorous audit protocols for all approved partners in their supply chain. All equipment processing centers and partners are regularly audited to ensure compliance with these policies. Auditing is performed by 3<sup>rd</sup> Party Sources. Dell meets all international standards such as the Basel Convention, EU WEEE directives and US environmental and data disposal laws (RCRA, CERCLA, SARA, HIPPA, GLB, and CISL). To help protect our data, Dell performs an onsite Data wipe. This data wipe is a 3 pass data wipe at our location before the equipment leaves the site guaranteeing that no data is leaving the City's hands on those devices.
- ❖ Dell Gold Standard Technical Support and Maintenance. If the Device is physically faulty, Dell will send a certified Dell Technician to the City to replace the faulty hardware with new hardware making sure that all devices meet top notch standards.

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## Budget Impact

This 3-year lease agreement costs are as follows:

- ❖ Year 1: \$47,538.59
- ❖ Year 2: \$47,538.59
- ❖ Year 3: \$47,538.59
  
- ❖ Total: \$142,615.77

## Cost Comparison (Lease vs Outright Procurement)

The Riviera Beach Information Technology Department compared the costs contained with procuring Laptops Outright versus Leasing the Laptops using the Dell Leasing Option. Below are their findings.

## Costs Associated with Procuring Laptops Outright

Item	Cost Description	Device Cost	Labor Cost Per Hour (City Staff)	Quantity	Hours Per Laptop (City Staff)	Total Labor Hours (City Staff)	Total Labor Hours Cost Per Laptop (City Staff)	Total Cost for 70 Laptops
Hard Drive Destruction	Removal and Destruction of Laptops		\$ 23.08	70	2	140	\$ 46.16	\$ 3,231.20
Laptop Deployment	Imaging and Configuration Per Laptop		\$ 23.08	70	1	70	\$ 23.08	\$ 1,615.60
70 Dell Latitude 14 Rugged 5414	The Cost to Purchase these Devices Outright	\$ 2,060.07		70			\$ -	\$ 144,204.90
Asset Disposal	The Cost to Sort and Prepare Items for Disposal		\$ 23.08	70	2	140	\$ 46.16	\$ 3,231.20
<b>Total Cost:</b>						<b>350</b>		<b>\$ 152,282.90</b>

## Costs Associated with Leasing Laptops

Item	Cost Description	Device Cost	Labor Cost Per Hour (City Staff)	Quantity	Hours Per Laptop (City Staff)	Total Labor Hours (City Staff)	Total Labor Hours Cost Per Laptop (City Staff)	Total Cost for 70 Laptops
Hard Drive / Destruction (Included in Lease Price)	Removal and Destruction of Laptops		\$ -	0	0	0	\$ -	\$ -
Laptop Deployment (Imaging Including in Lease Pricing)	Configuration Per Laptop		\$ 23.08	70	0.5	35	\$ 11.54	\$ 807.80
70 Dell Latitude 14 Rugged 5414	The Cost to Lease these Devices	\$ 2,037.37		70			\$ -	\$ 142,615.77
Asset Disposal (Included in Lease Price)	The Cost to Sort and Prepare Items for Disposal			70	0	0	\$ -	\$ -
<b>Total Cost:</b>						<b>35</b>		<b>\$ 143,423.57</b>
<b>Savings From Lease: \$ 8,859.33</b> <b>Labor Hour Savings: 315</b>								

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70 Ruggedized laptops can be procured by procuring it outright for the amount of \$144,204.90 out of the annual budget.

By leasing, the City can be on a lease for \$47,539.59 saving the city in the current Fiscal Year an amount of \$95,076.18. The full payment of the 3-year lease: \$142,615.77

8% Rate shown in the Lease:

The 8% shown listed by Dell is not a yearly interest rate. The Rate is a residual amount rate if the City decides that on the 3<sup>rd</sup> Year it would like to procure these devices and own them outright after the lease. This would be 8% of the Total Cost of the Devices shown in the table listed as the “**Extended Price**”.

The goal of the City is to not own so it intends to pay the 3 lease payments which make the equipment lease percentage negative, making the sum of the payments less than the actual costs of procuring the equipment outright.

Additional Benefits of the Lease:

- The Equipment is not in service past the Manufacturer’s warranty.
- The Information Technology Department will no longer need to maintain old out of warranty equipment with ordering older more expensive parts or stockpiling old systems to pillage for parts.
- We reduce City Staff Labor Hours regarding destruction, imaging and configuring of these devices.

The Information Technology Department requests approval to use Account Fund 501-0343-516-0-4600 to lease these laptops for the Riviera Beach Police Department.

This would start a solid computer replacement program for the Police Department that provides high performance devices that will enable our Police force to increase their performance and efficiency to the public.

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## Procurement

The Riviera Beach Information Technology Department requests to use the Cooperative Purchasing Agreement from the State of Florida Contract # 43211500-WSCA-15-ACS. This contract authorizes the use of the National Association of State Procurement Officials' ValuePoint Program (NASPO ValuePoint) Computer Equipment, Peripherals and Services contract, which was competitively solicited and awarded by the State of Minnesota.

The Product Categories in this Contract Source are:

- ❖ Desktops
- ❖ Laptops
- ❖ Tablets
- ❖ Servers
- ❖ Storage

## Recommendation

The Riviera Beach Police Department is a strong effective department who has expanded its technological efficiency with an enterprise system meant to handle Police day to day operations. This system requires hardware that can meet and exceed the demands of this new system to allow our staff to be as efficient and productive as possible. The Information Technology Department recommends the 3-year lease of 70 Latitude 14 Rugged 5414 Laptops for the Riviera Beach Police Department. With these laptops we can expect our staff to be able to do day to day operations at optimal levels.