



Legislation Text

File #: 18-359, **Version:** 1

TO: Mayor and Commissioners
FROM: Jeffrey S. Goldman, Police Department
THROUGH: Mark R. Lauzier, City Manager
DATE: June 19, 2018

RESOLUTION 17-18: APPROVAL OF BUYOUT OF POLICE LAPTOPS AT THE END OF THE LEASE WITH CIT FINANCE, LLC

Recommended Action:

Motion to approve Resolution 17-18 authorizing buyout of Police laptops at the end of the lease with CIT Finance, LLC in the amount of \$139,231.

Background:

At the February 24, 2015 Regular Commission meeting, the Police Department sought approval to replace existing Panasonic Toughbook laptops with one hundred and forty-five (145) new laptops. The existing laptops were about five (5) years old and were starting to experience issues due to a normal wear and tear after constant daily use and due to outdated technology, unsupported software and Criminal Justice Information Services (CJIS) compliance issues. The most cost-effective option at the time was a three (3) year fair market value lease, for a total amount of \$544,521.

The lease was negotiated by the Finance department, with CIT Finance, LLC, with a term of thirty-six (36) months. The lease was executed by the City of Delray Beach on March 12, 2015 and the laptops were received and signed for on June 23, 2015.

The Police Department and the Information Technology Department have reviewed options for the end of the lease, such as extension of the lease, buy out, as well as partial buy out with new equipment being purchased, and the most cost-effective option at this time is to do a buy out while working on a plan for laptop replacement through the Capital Improvement Program. This will allow for sufficient time to evaluate the infrastructure, test any new equipment, and prepare logistically for replacement of the laptops. The cost for the buyout is \$139,231 which includes purchase price of \$120,618 and the property taxes the City of Delray Beach is per lease responsible for in the amount of \$18,613.

It is to be noted that following are attached:

1. CIT Finance, LLC police laptops lease
2. CIT Finance, LLC police laptops lease buyout invoice
3. Resolution 17-18 Police Laptops Buyout

City Attorney Review:

Approved as to form and legal sufficiency.

Funding Source/Financial Impact:

Funding is available in account 001-21-110-521.34-90 Other Contractual Services. The decision to purchase the laptops at the end of the lease is currently the most cost-effective option. The laptops are three (3) years old and currently have a five (5) year life expectancy. Exercising the buyout option at this time instead of extending the lease for two more years will result in savings of approximately \$31,631 (Renewal cost is \$91,020.48 for the first year, second year it is estimated at \$45,510.24, plus estimated current and additional years property taxes of \$34,331)