

July 17, 2003

04-018

GRANT EXEMPTION FROM A SEPARATE FORMAL  
COMPETITIVE PROCESS FOR THE CONTINUED  
LEASING OF DELL DESKTOP COMPUTERS

PREPARED BY: Avelina D. Gulmatico, Procurement Lead Buyer

FINANCIAL  
RESPONSIBILITY: Collegewide

APPROVED BY: Randy McEwen, Vice-President, Administrative Services  
Jesus "Jess" Carreon, President

REPORT: From 1998 to 2001 the College purchased and leased Dell desktop computers based on a contract award that was the result of a formal College RFP process (BA 98-112).

On May 24, 2001 (BA 01-090), the Board of Directors authorized the College to utilize the State of Oregon and Western States Contracting Alliance (WSCA) contract with Dell Marketing for the acquisition of computer desktops. Overall pricing was better than under our own contract, and it was our understanding that the leasing option was part of this contract, as it was in our previous direct contract with Dell. It was recently learned that this contract no longer contains both purchase terms/prices and leasing options. The leasing option was no longer included as it was too difficult to have one master lease agreement that would satisfy the leasing needs of many different public agencies.

The College started leasing computers in December, 1999 for 2 computers. The leasing option has since evolved based on the following: 1) more manageable to keep up with new technologies and transitions; 2) lower cost of acquisitions; 3) easier to maintain standardization, and 4) minimizes disposal costs. The College is currently leasing a total of 1,420 computers, and these computers are stationed in different departments and student laboratories throughout the College district. The College is processing total annual lease payments of approximately \$632,431, with lease terms of 36 months.

The College's Procurement rules require a formal competitive process for the acquisition of goods and/or services that exceeds \$50,000 total. We do have the existing State contract to purchase Dell computers, but not to lease them. Due to the College's many existing lease agreements, it would not be reasonable to issue a separate formal competitive process for a lease option with any other company at this time. An exemption from a separate formal competitive process is needed to allow College departments to continue leasing desktop computers, as well as laptops, servers, and other peripherals (on an as-needed basis) through Dell Financial Services.

**RECOMMENDATION:**

That the Board of Directors grant an exemption from a separate formal competitive process and authorize departments College-wide to continue to lease desktop computers through Dell Financial Services until further notice, or until a contract with a leasing option becomes available to utilize. Lease expenditures will be from various funds College-wide, and are estimated to stay at about the same total level as they are currently (\$632,431).

Director Anderson moved for approval of Resolutions 04-001, 04-010 through 04-021 and 04-023 and it was approved unanimously.