



## **ALEDO ISD BOARD MEETING TEMPLATE**

**MEETING DATE:** March 20, 2023

**AGENDA ITEM:** Consider Approval of Lease for Staff Laptop Computers

**PRESENTER:** Earl Husfeld, Chief Financial Officer and Brooks Moore, Director of Technology

### **BACKGROUND INFORMATION:**

- For the past nine (9) years, Aledo ISD has had three (3) lease agreements with Dell for teacher/staff laptop computers.
- As we discussed with the Board of Trustees during the February 20, 2023 board meeting, the District is completing the final year of a three-year lease that began in May 2020 and is set to expire in April 2023.
- For the lease period 2014-2017, the District leased 375 Dell Latitude laptop computers for teachers/staff. For the lease period 2017-2020, the District leased 450 Dell Latitude laptop computers. The current lease expiring in April 2023 is for 655 Dell Latitude laptop computers.
- Administration has negotiated another three-year lease for 800 laptop computers that would begin in May 2023.
- The benefits to the District of leasing vs. buying teacher/staff laptop computers are the following:
  - Splits the cost over three years at a very low interest rate.
  - Allows the District to provide up to date computers for our teachers/staff every three years.
- Subject to approval of this item by the Board of Trustees, it is anticipated the new laptop computers will be distributed to staff during the last three (3) weeks of May.

### **FISCAL INFORMATION:**

The annual lease cost of \$252,106.96 for the thirty-seven (37) month lease will be included in the General Fund adopted budget.

### **ATTACHMENTS:**

Dell Financial Services lease financing proposal for 800 Dell Latitude 3330 2-in-1 laptop computers.

### **ADMINISTRATIVE RECOMMENDATION:**

The Administration recommends the Board of Trustees approve the 37-month lease with Dell Financial Services L.L.C. as presented.



Prepared For:

**Aledo ISD**

**Michael Cullers**  
**Aledo ISD Technology Department**  
**(817) 441-4856**  
[mcullers@aledoisd.org](mailto:mcullers@aledoisd.org)

March 6, 2023

Thank you for giving Dell Financial Services L.L.C. ("DFS") the opportunity to provide a technology financing solution. Enclosed is a financing proposal for your new technology needs. We look forward to discussing this opportunity in further detail with you. If you have any questions, please contact me at the phone number or email address below.

<b>Term</b>	<b>36</b>
<b>Option</b>	<b>FMV</b>
<b>Payments:</b>	<b>Annual</b>
<b>Consolidation:</b>	<b>Monthly</b>
<b>Payments Due:</b>	<b>Advance</b>
<b>Interim Rent:</b>	<b>None</b>

Dell Quote Number	Summary Product Description	Product Price	Quantity	Extended Price	Rate Factor	3 Payments
3000146236916.1	Dell Latitude 3330 2-in1	\$980.00	800	\$784,000.00	0.321565	\$252,106.96
				\$0.00		\$0.00
<b>TOTALS</b>			<b>800</b>	<b>\$784,000.00</b>		<b>\$252,106.96</b>

**Proposal Expiration Date:**  
 April 5, 2023

- NOTE: (1)**  
 If applicable, personal property taxes (PPT) will be assumed by DFS.
- PLEASE NOTE: (2)**  
 Asset Recover & Recycling Services (ARR) - asset/unit returns to DFS (included in Dell pricing).
- Note: (3)**  
 Total Lease Term is 37 month. First payment would be due after 30 day deferral. Payments would be due at beginning of months 2, 13, and 25 during the term.
- End of Term Options:**
- Fair Market Value**
- Exercise the option to purchase the products the then fair market value
- Return the products to Lessor at Lessee's expense
- Renew the lease month to month or fixed term basis

**Gary Albright**  
 Account Executive IV  
 Education - State & Local Government  
 Dell | Financial Services  
 Cell: 503.367.0631  
[Gary\\_Albright@Dell.com](mailto:Gary_Albright@Dell.com)

Leasing and financing provided by Dell Financial Services L.L.C. or its affiliate or designee ("DFS") to qualified customers. Offers may not be available or may vary in certain countries. Where available, offers may be changed without notice and are subject to product availability, credit approval, execution of documentation provided by and acceptable to DFS, and may be subject to minimum transaction size. Offers not available for personal, family or household use. Dell and the Dell logo are trademarks of Dell Inc. Proposal is property of DFS, contains confidential information and shall not be duplicated or disclosed in whole or part. Proposal is not a firm offer of financing. Pricing and rates based upon the final amount, configuration and specification of the supplied equipment, software, services or fees. Prorata payment may be due in the first payment cycle. Proposal excludes additional costs to customer such as shipping, maintenance, filing fees, applicable taxes, insurance and similar items. Proposal valid through the expiration date shown above, or if none is specified, for 30 calendar days from date of presentation. Upon expiration, lease rates may be changed in the event that market rates change.

**Additional Information:**

**LEASE QUOTE:** The Lease Quote is exclusive of 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 provide a copy of your Exemption Certificate with the Lease Contract.** If Lessee provides the appropriate tax exemption certificates to DFS, sales and use taxes will not be collected by DFS. However, if your taxing authority assesses a **personal property tax** on leased equipment, and if DFS pays that tax under your lease structure, **Lessee must reimburse DFS for that tax expense in connection with the Lessee's lease.**

**PURCHASE ORDER:** The Purchase Order must be made out to Dell Financial Services L.L.C., One Dell Way, RR8-23, Round Rock, TX 78682. The Purchase Order will need to 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 and 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; and (ii) "all-risk" physical damage insurance in a minimum amount of the Purchase Price, naming DFS as first loss payee.

**APPROPRIATION COVENANT:** The Lease will 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.

**DOCUMENTATION:** In addition to a duly executed Agreement, other documents as reasonably requested by DFS may be required, such as but not limited to, opinions of counsel, IRS tax exemption forms (if applicable), and audited financials.

**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



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economics of the transaction, and execution of mutually acceptable documentation.