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ORDINANCE NUMBER O- 19860 (NEW SERIES)

DATE OF FINAL PASSAGE MAY 20 2009

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT TO AMEND CONTRACT NO. SD-OO-19618, THE MASTER LEASE AGREEMENT BETWEEN THE CITY AND IBM CREDIT, LLC, FOR THE PURPOSE OF FINANCING THE ACQUISITION OF THE ENTERPRISE RESOURCE PLANNING SYSTEM

WHEREAS, on May 21, 2007, the City Council approved Ordinance No. O-19618, authorizing the Mayor to enter into a Master Lease Agreement [MLA] with IBM Credit, LLC [IBM] for the purpose of financing the acquisition of an Enterprise Resource Planning [ERP] system, now known as OneSD; and

WHEREAS, the MLA allowed the City to finance up to \$29.5 million of the cost to acquire the ERP system and the acquisition period under the MLA expires on June 30, 2009; and

WHEREAS, the cost of and timeframe for the implementation of the ERP system has increased and it is necessary to finance an additional \$7.5 million under the MLA and extend the acquisition period in the MLA until June 30, 2010; and

WHEREAS, IBM has agreed to increase the amount that may be financed under the MLA to \$37 million and extend the term of the acquisition period of the MLA until June 30, 2010, using revised financing terms as described in Report to Council No. 09-045, issued April 8, 2009; NOW THEREFORE

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

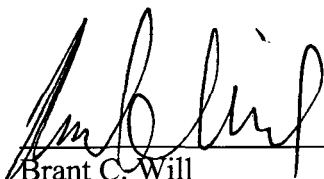
Section 1. That the Mayor or the Chief Financial Officer is hereby authorized to execute, for and on behalf of the City of San Diego, an amendment to Contract No. OO-19618, in substantially the form presented to this Council, on file in the Office of the City Clerk as

Document No. OO- 19860, with such additions and changes therein as the Mayor or the Chief Financial Officer, in consultation with the City Attorney, shall approve as being in the best interest of the City; provided however that (i) the acquisition cost of the equipment and services under the MLA shall not exceed \$37 million, (ii) the term of any equipment lease shall not exceed seven (7) years, and (iii) the interest rate on any such equipment shall not exceed the legally permissible rate.

Section 2. That a full reading of this ordinance is dispensed with prior to passage, since a written copy was made available to the City Council and the public prior to the day of its passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By  _____
Brant C. Will
Deputy City Attorney

BCW:jdf
04/01/09
Or.Dept: Financial
O-2009-114

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of MAY 12 2009.

ELIZABETH S. MALAND
City Clerk

By Jana Richardson
Deputy City Clerk

Approved: 5-20-09
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor