

RESOLUTION NUMBER O- R-307726 (NEW SERIES)

DATE OF FINAL PASSAGE OCT 11 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO ENTER INTO A SECOND AMENDED MASTER LEASE AGREEMENT BETWEEN THE CITY AND IBM CREDIT, LLC, FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN INFORMATION TECHNOLOGY EQUIPMENT IN AN AMOUNT NOT TO EXCEED \$39.6 MILLION, INCLUSIVE OF THE ORIGINAL AUTHORIZATION, AND TAKING OTHER ACTION IN CONNECTION THEREWITH.

WHEREAS, on May 21, 2007, the City Council approved Ordinance No. O-19618, authorizing the Mayor to enter into a Master Lease Agreement (Agreement) with IBM Credit, LLC (IBM) for the purpose of financing the acquisition of the City's Enterprise Resource Planning (ERP) system; and

WHEREAS, on May 12, 2009, the City Council approved Ordinance No. O-19860, authorizing the Mayor to enter into a first amendment to the Agreement for the purpose of financing the acquisition of additional components of the ERP system, for a total not to exceed authorization of \$37 million; and

WHEREAS, the Mayor now desires to finance the acquisition of certain information technology equipment (IT Equipment) related to the City's IT Sourcing Strategy; and

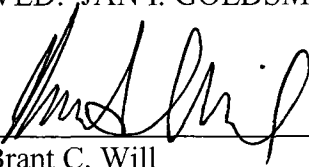
WHEREAS, Staff had previously recommended to the Budget and Finance Committee the use of a separate master lease agreement with JPMorgan Chase Bank, N.A. (Chase), to finance the acquisition of the IT Equipment, but, due to more favorable terms offered by IBM and IBM's expertise in IT equipment financing, Staff now recommends amending the Agreement with IBM (Second Amended Agreement); and

WHEREAS, the Mayor requests approval from the City Council to enter into the Second Amended Agreement and to finance the acquisition of the IT Equipment, in an amount not to exceed \$2.6 million, as described in Report to the City Council No. 12-103, dated September 25, 2012 (Report); NOW THEREFORE

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor or his designee is hereby authorized to execute, for and on behalf of the City of San Diego, a second Amended Master Lease Agreement (Second Amended Agreement) with IBM for the purpose of financing the IT Equipment. The Second Amended Agreement shall be in substantially the form presented to this Council, on file in the Office of the City Clerk as Document No. RR- **307726** with such additions and changes therein as the Mayor, 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 Second Amended Agreement shall not exceed \$2.6 million, (ii) the term of any equipment lease shall not exceed four years, and (iii) the interest rate on any such equipment shall not exceed 6 percent (6%) annually.

APPROVED: JAN I. GOLDSMITH, City Attorney

By

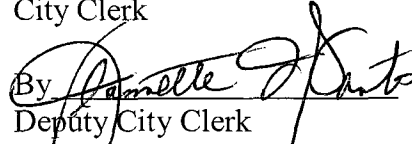


Brant C. Will
Deputy City Attorney

BCW:jdf
09/17/12
Or.Dept: Debt Management
Doc. No. 439579_2

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of ~~OCT 09 2012~~

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 10-11-12
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor