



Agenda Item: 8.G
Date of Meeting: April 8, 2024
Department: Finance

STAFF REPORT

To: City Council
From: Ethan Aukee
Subject: **Outdated Computers and Expired Computer Warranties**
Prepared On: March 14, 2024
Attachments: 23-24 Computer and Warranty Replacement
List of Expired Warranties
List of Computer Units Over 5 Years Old
Laptops Quote (Model #1)
Laptops Quote (Model #2)
Desktops Quote

Background/History:

City of Bishop's computer inventory is tracked by Carmichael Business Technology, and during a recent discussion, City staff were informed that 13 computer units were not covered under warranty and 11 computer units were greater than five years old. The computer units greater than five years old are more difficult to update and certify as fully secured and protected.

Once this information was shared with City staff, City staff conducted analysis on each computer unit to determine whether extended warranties are needed and whether older computer units needed to be replaced.

Following analysis, City staff determined that 10 extended warranties should be purchased on the basis of the computer units being used on a daily basis and computer unit malfunction would be detrimental to City business and staff productivity. An extended warranty would ensure immediate computer unit repair/replacement upon malfunction. The extended warranties would be 1- or 2-year terms. Extended warranty terms would be purchased to only cover computer units up to 5 years of lifespan, as it's recommended to replace computer units following 5 years of use.

With regard to replacement of older computer units, City staff determined that 9 of the 11 computer units needed to be replaced. This decision was made on the basis of whether the computer unit is actively used and/or needed. It should be noted that the quote for the replacement of 9 computer units includes a 38% discount. Once computer units are replaced, the replaced computer units will be managed in accordance with the City's purchasing policy.

Analysis/Discussion:

City staff analysis is summarized in the attachment titled, "23-24 Computer and Warranty Replacement". The cost of 10 extended warranties would total \$2,271.68. The cost of 9 replacement computer units would total \$16,827.24, discounted by \$7,269.96, for an actual cost of \$9,557.28. The replacement computers would consist of two different models of laptops, as well as desktops.

The total invoiced cost for the 10 extended warranties and 9 replacement computer units would be \$11,828.96. The cost of the computer units would be capitalized and expensed over the useful life of the equipment.

Economic Impacts:

No economic impacts.

Budget Impacts:

The FY 23-24 budget would need to be increased to allow for the purchase of 10 extended warranties and 9 replacement computer units. The budget adjustments are as follows:

Extended Warranties

Police Department - IT

001-020-52045, increase of \$775.82

Pool - IT

001-037-52045, increase of \$249.31

Administration - IT

001-011-52045, increase of \$373.97

Public Works - IT

001-023-52045, increase of \$74.79

002-051-52045, increase of \$74.79

004-050-52045, increase of \$99.73

Parks & Recreation - IT

001-031-52045, increase of \$498.62

Finance

001-012-52045, increase of \$124.65

Computer Replacement

Police Department - Capital

001-020-56029, increase of \$5,701.17

Council - Capital

001-010-56028, increase of \$1,936.83

Parks & Recreation - Capital

001-031-56029, increase of \$1,919.28

Legal Review:

City Attorney Pucci has reviewed this item and finds that the recommended action complies with the law.

Recommended Action:

Council consideration to approve the proposed budget adjustments to allow for the purchase of 10 extended warranties and 9 replacement computer units.

Approved By: Ethan Aukee 3/14/2024

Approved By: Robin Picken 3/14/2024

Approved By: Dean Pucci 4/4/2024

Approved By: Deston Dishion 4/4/2024