

**GLENBROOK HIGH SCHOOLS
DISTRICT BUSINESS OFFICE**

To: Dr. Mike Riggle
From: Kimberly L. Ptak
Re: Award of Technology and Activity Bus Lease
Date: June 13, 2016

Recommendation

It is recommended that the Board of Education

1. Award a 5-year \$1 buyout lease for technology equipment and activity buses to American Capital with annual payments of \$248,681.89 or a total cost of \$1,243,409.45.

Equipment to be Leased

Technology Wireless Equipment	\$433,007
Technology Computer Refresh	\$503,431
Activity Buses	<u>\$260,340</u>
	\$1,196,778
 American Capital Lease	 \$1,243,409.45 (5 annual payments of \$248,681.89)

Background

At the May 23, 2016 board meeting, the Board is being asked to approve a technology purchase of upgraded wireless network equipment in the amount of \$433,007 and upgraded computer lab and mobile devices in the amount of \$503,431 for a total amount of \$936,438. It is recommended that the purchase be financed through a 5-year \$1 buyout lease.

At the May 23, 2016 Board meeting, the Board will discuss purchasing the district's current fleet of activity buses in the amount of \$260,340 and procuring a 5-year \$1 buyout lease to finance the purchase.

Rationale

The district solicited quotes for separate and combined leases for the technology equipment and activity buses. Economies of scale are not realized by combining the leases, however there is not a downside to creating one, overall lease.

It has been the district’s practice to enter into leases to finance larger purchases in order to match the expense over the life of the asset. Doing so creates a more predictable budget and keeps expenses consistent.

Request for Quote

A request for quote for individual leases and a combined lease was sent to 7 leasing companies. Five companies responded to the quote.

Annual Payments

<u>Vendor</u>	<u>Technology Lease</u>	<u>Bus Lease</u>	<u>Combined Lease</u>
American Capital	\$194,585.10	\$54,096.79	\$248,681.89
Crestmark Equip.	\$198,457.45	\$55,173.34	\$253,630.79
DDI Leasing	\$202,932.91	\$56,572.09	\$259,505.00
Balboa Capital	\$204,137.94	\$56,908.02	\$261,045.96
CSI Leasing	\$205,132.08	\$57,102.06	\$262,234.14
Estimate	\$195,000.00	\$55,000.00	\$250,000.00

5 year cost

<u>Vendor</u>	<u>Technology Lease</u>	<u>Bus Lease</u>	<u>Combined Lease</u>
American Capital	\$972,925.50	\$270,483.95	\$1,243,409.45
Crestmark Equip.	\$922,287.25	\$275,866.70	\$1,268,133.95
DDI Leasing	\$1,014,664.55	\$282,860.45	\$1,297,525.00
Balboa Capital	\$1,020,689.70	\$284,540.10	\$1,305,229.80
CSI Leasing	\$1,025,660.40	\$285,510.00	\$1,311,170.40
Estimate	\$975,000.00	\$275,000.00	\$1,250,000.00