



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Authorizing Purchase of Replacement for AS400 Mid-Range Computer from Logical Design, Inc., of Rancho Cordova, CA (\$142,765) (ISD)

MEETING DATE: July 18, 2007

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution authorizing purchase of replacement for AS400 mid-range computer from Logical Design, Inc., of Rancho Cordova, CA, in the amount of \$142,765.

BACKGROUND INFORMATION: The IBM AS400 mid-range computer is the City's "workhorse," hosting three major applications, including the JD Edwards enterprise resource planning system, the Business License application, and Alliance Data (Orcom) ECIS utility billing program. Individual JD Edwards modules include payroll, general accounting, payables, and purchasing.

The current system was purchased in 2002 for about \$108,000. It was financed over two years with equal annual payments of \$54,158. Almost five years old, the AS400 is approaching the end of its supportable life. IBM has released the last operating system update for this particular model (V5R4). Hardware support for this system is also expected to become increasingly expensive because of the system's age, or unavailable at all through IBM. In addition, replacement of this system will be necessary as software vendors no longer support the aging operating system version we have, and upgrades to current software applications cease to become available.

IBM i5 Model

As the AS400 iSeries model 820 is phased out, the i5 model 525 Express most closely matches the city's current hardware configuration. The new model will provide greatly enhanced performance over the current system. The i5 series computers offer speed and performance levels up to twice that of the AS400 model 820, according to IBM literature. In addition to noticeably improving responsiveness, backups and batch jobs will take far less time to complete.

Staff is also proposing to replace its current tape backup system with a new one designed to operate with the i5 series. The new system offers far greater storage capacity and backup speed. What now takes five hours to backup will likely take about half the time with the new system. In addition, the new tape device can be remotely located to enhance security.

Purchase Details

IBM has been aggressively promoting their new i5 models, offering substantial discounts and incentives to customers through their certified business partners. The City of Lodi's Business Partner of Record is Logical Design, Inc. of Rancho Cordova, California. IBM sets the price for all models and offers discounts and incentives only through their Partners. As the city's Partner of Record, Logical Design, Inc. receives the largest discounts and has passed those discounts along to us.

APPROVED:  _____
Blair King, City Manager

Highlights of the new system include:

- IBM System i5 model 525 Express Configuration 2
- IBM 3573 L2U Ultrim 4 Tape Library
- IBM 3580-L43 Ultrim 4 Tape Drive
- Additional three years of Hardware and Software maintenance (four years total)
- Conversion Services and taxes included

Summary of System Costs:

Equipment	\$103,350
Conversion services	\$ 4,000
Three years hardware and software maintenance	\$ 26,757
Tax	\$ 8,658
Total System Cost	\$142,765

Financina Summary

Staff recommends financing the new system over four years through the IBM Installment Payment Master Agreement (IPMA). Prevailing interest rates from IBM are at or below current market rates. The purchase package includes hardware and software support and maintenance costs that the city now pays for on an annual basis. We currently spend about \$45,000 annually for hardware and software support costs through IBM. The city will save about \$6,400 annually under this proposal.

The monthly payments will be \$3,217.03 or about \$38,604 annually.

This is the four-year IPMA payment schedule and interest rates. IBM charges different rates for IBM and non-IBM products. The blended rate is approximately 3.897%.

Item	Monthly payment	Interest rate
I5 model 525	\$2,315.09	3.66%
HW and SW maintenance	\$610.15	4.60%
Conversion Services	\$92.21	5.17%
Taxes	\$199.58	5.17%

Disposal of current AS400

The current AS400 model 820 may have marginal cash value, which is being researched by ISD staff. Unlike PCs, large mid-range computers like the AS400 attract a very select, limited market. The current box may be worth \$3,000, according to preliminary estimates.

Regardless of whether the city is able to sell the current AS400, or must literally dispose of it through other channels, the system hard drives will be thoroughly erased (or destroyed) so that no data remains or can be retrieved by new owners.

Summary:

Staff recommends the purchase of a new i5 series IBM computer to replace its current 5-year old AS400, which will soon be unsupported. It is also recommended that the city finance the purchase over four years through the IBM Installment Payment Master Agreement (IPMA) at interest rates that are at or below current market. Staff recommends a payment schedule of \$3,217.03 per month, or about \$38,604 annually, which will eliminate current support expenditures, thus saving the city about \$6,400 per year.

FISCAL IMPACT The city currently budgets \$45,000 for IBM support and maintenance. The city will instead make monthly payments totaling \$38,604 per year. The city will save approximately \$6,400 annually.

FUNDING: Budgeted item **100471.732: (ISD Equipment Rental)**



Evans, Budget Manager

 Kirk

Respectfully Submitted,



James R. Krueger
Deputy City Manager

Prepared by:
Stew Mann, Information Systems Manager

JWSM

City of Lodi model 525 and tape drive configuration

Product	Description	Qty	Extended Purchase	Extended Maint	Term
9406-525	Server 1:9406 Model 525	1	N/C	50.00	Mth
0041	Device Parity Protection-All	1	N/C		
0163	Fibre Channel Attach	1	N/C		
0290	Ext Tape Attached via #5736	1	N/C		
0532	V5R4 OS, V5R4M0 Machine Code	1	N/C		
0835	#4327 Load Source Specify	1	N/C		
0909	1/2W Serv Feat 525 1x8330	1	N/C	66.00	Mth
1025	Modem Cable - US/Canada	1	N/C		
1483	10m HSL-2 Cable	2	1,700.00		
2640	DVD-ROM	1	207.00		
2844	PCI IOP	2	4,200.00		
2888	HSL-2/RIO-G Ports - 2 Copper	1	475.00		
2924	English	1	N/C		
4327	70.56GB 15k rpm Disk Unit	14	13,986.00		
4400	1GB DDR2 Main Storage	2	1,100.00		
4746	PCI Twinaxial Workstn IOA	1	750.00		
5000	Software Preload Required	1	N/C		
5095	PCI-X Expansion Tower	1	7,995.00	241.00	Mth
5138	Redundant Power and Cooling	1	1,350.00		
5159	850 Watt Power Supply	1	417.00		
5540	Sys Console on Twinax WSC	1	N/C		
5704	PCI-X Fibre Chan Tape Ctlr	1	2,646.00		
5727	Integrated Cache - 40MB	1	1,499.00		
5736	PCI-X Disk/Tape Ctlr w/IOP	1	587.00		
5776	PCI-X Disk Ctlr-90MB No IOP	1	1,999.00		
6008	SPCN Power Cable - 6m	2	100.00		
6470	6-Ft 125V/15A Power Cord	4	N/C		
6574	4-Disk Slot Exp - Base Ctlr	1	244.00	64.00	Mth
7180	Acoustic Front Door	1	N/C		
7791	Express Configuration #2	1	59,900.00	50.00	Mth
7885	Deskside	1	N/C		
8330	1.9GHz Proc 0/2-Way	1	N/C		
8410	Base Proc Activation	1	N/C		
9517	Base HSL-2/RIO-G Bus Adapter	1	N/C		
9793	Base PCI 2-Line WAN w/Modem	1	N/C		
9844	Base PCI IOP	1	N/C		
	Serial: 000000000	Total	USD 99,155.00	USD 471.00	Mth
3573-L2U	TS3100 Tape Library Express	1	4,000.00	800.00	Ann
6013	13m LC/LC Fibre Channel Cable	1	184.00		
8144	Ultrium 4 Fibre Channel Drive	1	10,770.00		
8405	Ultrium 4 Data Cartridge (5-pack)	4	2,056.00		
9800	2.8m Power Cord 125V US/Canada	1	N/C		
	Serial: 000000000	Total	USD 17,010.00	USD 800.00	Ann
3580-L43	TS2340 Tape Drive Express	1	5,170.00	939.00	Ann
5610	10m VHDCI/HD68 SCSI Cable	1	176.00		
9400	Attached to i5/OS or OS/400 System	1	N/C		
9800	2.8m Power Cord, 125V 15A, US/Canada	1	N/C		
	Serial: 000000000	Total	USD 5,346.00	USD 939.00	Ann



June 21, 2007

Mr. Steve Mann
City of Lodi
212 West Pine Street
Lodi, CA 95242

Dear Steve,

I have redone this proposal based upon a 48 month Installment Payment Master Agreement. (IPMA) The system is configured as follows:

IBM System i5 model 525 Express Configuration 2
150 users
2GB main storage
980GB DASD (800GB usable after RAID protection)
Feature 5095 Expansion cabinet
Twinax controller
(Full configuration attached)

IBM 3573 L2U Ultrim 4 Tape Library
Fiber attached

IBM 3580-L43 Ultrim 4 Tape Drive
SCSI attached

Additional three years of Hardware and Software maintenance

Conversion Services and taxes included

The list price of the i5 model 525 and the tape drives is \$119,505.00
Logical Design, Inc. can offer you a price of \$103,350.00

The additional three years of Hardware and Software maintenance after the warranty period is \$26,757.00

The Conversion Services are \$4,000.00

The tax is \$8,658.00 You are only taxes on the system unit and the software maintenance. The Hardware maintenance and Conversion services are not subject to tax.

The four-year IPMA numbers and interest rates follow. IBM charges different rates for IBM and non-IBM products.

ITEM	Monthly payment	Interest rate
I5 model 525	\$2,315.09	3.66%
HW and SW maintenance	\$610.15	4.60%
Conversion Services	\$92.21	5.17%
Taxes	\$199.58	5.17%

The total monthly payment would be \$3,217.03. This quote is based on a July 2007 system install date with payments commencing on August 1, 2007 due on September 1, 2007.

Feel free to call me with any additional questions or changes.

Sincerely,

Ron

Ron Coy

IBM CREDIT LLC
ATTACHMENT FOR DOCUMENTATION, CONDITIONS, AND FINANCING RATES

Customer Name: CITY OF LODI
Quote Number: Q02894265-01
Date: June 27, 2007

REQUIRED DOCUMENTATION:

1. IBM Corporation Installment Payment Master Agreement - State and Local Government, if one has not been previously signed.
2. This quote requires the customer to execute a Certificate of Acceptance form (Z126-5057) available on FAWN.
3. Installment Payment Supplement (Vendor Supplied Equipment)

CONDITIONS:

1. This quote is for an IBM Credit LLC National Account. The Selected Government Account (SGA) Code is: 664
2. Payments are monthly in arrears.
3. These rates are CONTINGENT upon IBM Credit qualifying this customer for eligibility to receive state and local rates under section 103(a) of the Internal Revenue Service Code. Please complete the State and Local Qualification - Section 103 form found in Global Financing Online under the Tools and Reference Information for Customer Financing Category.
4. The rates in this quote are contingent upon meeting the criteria outlined in the Credit comments below. These credit comments reflect credit log 9935151:
 - P 1. Total Unsecured fin'g limited as a % of TOTAL secured
H/W: 100.00% AND
 - P 2. UCC-I exempt AND
 - P 3. Total Solution financed must have min 75% IBM content
AND
 - P 4. Accept no modifications to UCC attestation, legal name, etc.
5. Recurring sales/use and personal property taxes required to be paid by you under the Term Lease Master Agreement, are not in the rates.
6. IGF financing rates contingent on equipment having a confirmed ship date from IBM of 12/31/2007 or sooner.
7. If the financing is for a model or feature addition, the base machine must be either owned by you with clear title, or currently financed under an Installment Payment Master Agreement (IPMA).
8. The following statement must appear on all IPMA Payment Schedules associated with this quote:
"The payments shown on this payment schedule, reflect waiver of the Prepayment Fee provision of the Installment Payment Master Agreement."
9. Validity Date: This quote is valid through: July 31, 2007.

IBM CREDIT LLC

ATTACHMENT FOR DOCUMENTATION, CONDITIONS, AND FINANCING RATES

Customer Name: CITY OF LODI
 Quote Number: Q02894265-01
 Date: June 27, 2007

FINANCING RATES:

DEALER/REMARKETER SOURCED HARDWARE

Line	Mach	Mod	O p t	T e r m	Install Month	Interest Rate %		Net Purchase Price	Down Payment
						monthly	annualized		
1	9406	525	IG	48	08/07	3.60	3.66	103,350.00	0.00
Low Rate Financing									

OTHER IBM PRODUCTS AND SERVICES

Line	Mach	Mod	O p t	T e r m	Install Month	Interest Rate %		Net Purchase Price	Down Payment
						monthly	annualized		
2	9SSR	001	S'	48	08/07	4.51	4.61	26,757.00	0.00
Low Rate Financing									

NON-IBM PRODUCTS AND SERVICES

Line	Mach	Mod	O p t	T e r m	Install Month	Interest Rate %		Net Purchase Price	Down Payment
						monthly	annualized		
3	9994	001	T'	48	08/07	5.06	5.18	4,000.00	0.00
4	9BPP	004	T'	48	08/07	5.06	5.18	8,658.00	0.00

(**) For IBM EMO, 'INSTALL MONTH' is the finance effective start month.

End of Individual Quote Number Q02894265-01 dated June 27, 2007

**IBM CREDIT LLC
IPMA PAYMENT SCHEDULE**

Customer Name: CITY OF LODI
Reference Number: Q02894265-01
Date: 2007-06-27

Mach/Model:	9406/525	Net Purchase Price:	103,350.00
Term:	48	Payment Frequency:	monthly
Install Month:	08/07	Option:	IG
monthly Rate:	3.60%	Interest Commencement Date:	09/01/2007
		PAYMENT START DATE:	09/01/2007

Payment Schedule calculations are based on the Planned Install Date, the Interest Commencement Date and reflect any downpayments. Payments and charges resulting from loan prepayment prior to the stated end of term, will be based on the actual Install Date and Interest Commencement Date. The payments on this schedule reflect waiver of the Installment Payment Master Agreement prepayment fee provisions.

Payment Due	Payment	Fin. Charge	Principal	Balance
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				103,350.00
OCT 01, 2007	2,315.09	310.05	2,005.04	101,344.96
NOV 01, 2007	2,315.09	304.03	2,011.06	99,333.90
DEC 01, 2007	2,315.09	298.00	2,017.09	97,316.81
JAN 01, 2008	2,315.09	291.95	2,023.14	95,293.67
FEB 01, 2008	2,315.09	285.88	2,029.21	93,264.46
MAR 01, 2008	2,315.09	279.79	2,035.30	91,229.16
APR 01, 2008	2,315.09	273.69	2,041.40	89,187.76
MAY 01, 2008	2,315.09	267.56	2,047.53	87,140.23
JUN 01, 2008	2,315.09	261.42	2,053.67	85,086.56
JUL 01, 2008	2,315.09	255.26	2,059.83	83,026.73
AUG 01, 2008	2,315.09	249.08	2,066.01	80,960.72
SEP 01, 2008	2,315.09	242.88	2,072.21	78,888.51
OCT 01, 2008	2,315.09	236.67	2,078.42	76,810.09
NOV 01, 2008	2,315.09	230.43	2,084.66	74,725.43
DEC 01, 2008	2,315.09	224.18	2,090.91	72,634.52
JAN 01, 2009	2,315.09	217.90	2,097.19	70,537.33
FEB 01, 2009	2,315.09	211.61	2,103.48	68,433.85
MAR 01, 2009	2,315.09	205.30	2,109.79	66,324.06
APR 01, 2009	2,315.09	198.97	2,116.12	64,201.94
MAY 01, 2009	2,315.09	192.62	2,122.47	62,085.47
JUN 01, 2009	2,315.09	186.26	2,128.83	59,956.64
JUL 01, 2009	2,315.09	179.87	2,135.22	57,821.42
AUG 01, 2009	2,315.09	173.46	2,141.63	55,679.79
SEP 01, 2009	2,315.09	167.04	2,148.05	53,531.74
OCT 01, 2009	2,315.09	160.60	2,154.49	51,377.25
NOV 01, 2009	2,315.09	154.13	2,160.96	49,216.29
DEC 01, 2009	2,315.09	147.65	2,167.44	47,048.85
JAN 01, 2010	2,315.09	141.15	2,173.94	44,874.91
FEB 01, 2010	2,315.09	134.62	2,180.47	42,694.44
MAR 01, 2010	2,315.09	128.08	2,187.01	40,507.43
APR 01, 2010	2,315.09	121.52	2,193.57	38,313.86
MAY 01, 2010	2,315.09	114.94	2,200.15	36,113.71
JUN 01, 2010	2,315.09	108.34	2,206.75	33,906.96
JUL 01, 2010	2,315.09	101.72	2,213.37	31,693.59
AUG 01, 2010	2,315.09	95.08	2,220.01	29,473.58
SEP 01, 2010	2,315.09	88.42	2,226.67	27,246.91
OCT 01, 2010	2,315.09	81.74	2,233.35	25,013.56
NOV 01, 2010	2,315.09	75.04	2,240.05	22,773.51
DEC 01, 2010	2,315.09	68.32	2,246.77	20,526.74
JAN 01, 2011	2,315.09	61.58	2,253.51	18,273.23
FEB 01, 2011	2,315.09	54.82	2,260.27	16,012.96
MAR 01, 2011	2,315.09	48.04	2,267.05	13,745.91
APR 01, 2011	2,315.09	41.24	2,273.85	11,472.06
MAY 01, 2011	2,315.09	34.42	2,280.67	9,191.39
JUN 01, 2011	2,315.09	27.57	2,287.52	6,903.87
JUL 01, 2011	2,315.09	20.71	2,294.38	4,609.49
AUG 01, 2011	2,315.09	13.83	2,301.26	2,308.23

IBM CREDIT LLC
LPMA PAYMENT SCHEDULE

Customer Name: CITY OF LODI
Reference Number: Q02894265-01
Date: 2007-06-27

Payment Due	Payment	Fin. Charge	Principal	Balance
SEP 01, 2011	2,315.09	6.86	2,308.23	0.00
Total	111,124.32	7,774.32	103,350.00	

IBM CREDIT LLC
IFMA PAYMENT SCHEDULE

Customer Name: CITY OF LODI
Reference Number: Q02894265-01
Date: 2007-06-27

Mach/Model:	9SSR/001	Net Purchase Price:	26,757.00
Term:	48	Payment Frequency:	monthly
Install Month:	08/07	Option:	S'
monthly Rate:	4.51%	Interest Commencement Date:	09/01/2007
		PAYMENT START DATE:	09/01/2007

Payment Schedule calculations are based on the Planned Install Date, the Interest Commencement Date and reflect any downpayments. Payments and charges resulting from loan prepayment prior to the stated end of term, will be based on the actual Install Date and Interest Commencement Date. The payments on this schedule reflect waiver of the Installment Payment Master Agreement prepayment fee provisions.

Payment Due	Payment	Fin. Charge	Principal	Balance
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OCT 01, 2007	610.27	100.56	509.71	26,757.00
NOV 01, 2007	610.27	98.65	511.62	26,247.29
DEC 01, 2007	610.27	96.72	513.55	25,735.67
JAN 01, 2008	610.27	94.79	515.48	25,222.12
FEB 01, 2008	610.27	92.86	517.41	24,706.64
MAR 01, 2008	610.27	90.91	519.36	24,189.23
APR 01, 2008	610.27	88.96	521.31	23,669.87
MAY 01, 2008	610.27	87.00	523.27	23,148.56
JUN 01, 2008	610.27	85.03	525.24	22,625.29
JUL 01, 2008	610.27	83.06	527.21	22,100.05
AUG 01, 2008	610.27	81.08	529.19	21,572.84
SEP 01, 2008	610.27	79.09	531.18	21,043.65
OCT 01, 2008	610.27	77.09	533.18	20,512.47
NOV 01, 2008	610.27	75.09	535.18	19,979.29
DEC 01, 2008	610.27	73.08	537.19	19,444.11
JAN 01, 2009	610.27	71.06	539.21	18,906.92
FEB 01, 2009	610.27	69.03	541.24	18,367.71
MAR 01, 2009	610.27	67.00	543.27	17,826.47
APR 01, 2009	610.27	64.96	545.31	17,283.20
MAY 01, 2009	610.27	62.91	547.36	16,737.89
JUN 01, 2009	610.27	60.85	549.42	16,190.53
JUL 01, 2009	610.27	58.78	551.49	15,641.11
AUG 01, 2009	610.27	56.71	553.56	15,089.62
SEP 01, 2009	610.27	54.63	555.64	14,536.06
OCT 01, 2009	610.27	52.54	557.73	13,980.42
NOV 01, 2009	610.27	50.45	559.82	13,422.69
DEC 01, 2009	610.27	48.34	561.93	12,862.87
JAN 01, 2010	610.27	46.23	564.04	12,300.94
FEB 01, 2010	610.27	44.11	566.16	11,736.90
MAR 01, 2010	610.27	41.98	568.29	11,170.74
APR 01, 2010	610.27	39.85	570.42	10,602.45
MAY 01, 2010	610.27	37.70	572.57	10,032.03
JUN 01, 2010	610.27	35.55	574.72	9,459.46
JUL 01, 2010	610.27	33.39	576.88	8,884.74
AUG 01, 2010	610.27	31.22	579.05	8,307.86
SEP 01, 2010	610.27	29.05	581.22	7,728.81
OCT 01, 2010	610.27	26.86	583.41	7,147.59
NOV 01, 2010	610.27	24.67	585.60	6,564.18
DEC 01, 2010	610.27	22.47	587.80	5,978.58
JAN 01, 2011	610.27	20.26	590.01	5,390.78
FEB 01, 2011	610.27	18.04	592.23	4,800.77
MAR 01, 2011	610.27	15.82	594.45	4,208.54
APR 01, 2011	610.27	13.58	596.69	3,614.09
MAY 01, 2011	610.27	11.34	598.93	3,017.40
JUN 01, 2011	610.27	9.09	601.18	2,418.47
				1,817.29

IBM CREDIT LLC
 IPMA *PAYMENT* SCHEDULE

Customer Name: CITY OF LODI
Reference Number: Q02894265-01
Date: 2007-06-27

<i>Payment Due</i>	<i>Payment</i>	<i>Fin. Charge</i>	<i>Principal</i>	<i>Balance</i>
-----	-----	-----	-----	-----
JUL 01, 2011	610.27	6.83	603.44	1,213.85
AUG 01, 2011	610.27	4.56	605.71	608.14
SEP 01, 2011	610.27	2.13	608.14	0.00
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Total	29,292.96	2,535.96	26,757.00	

IBM CREDIT LLC
IPMA PAYMENT SCHEDULE

Customer Name: CITY OF LODI
Reference Number: Q02894265-01
Date: 2007-06-27

Mach/Model:	9994/001	Net Purchase Price:	4,000.00
Term:	48	Payment Frequency:	monthly
Install Month:	08/07	Option:	T
monthly Rate:	5.06%	Interest Commencement Date:	09/01/2007
		PAYMENT START DATE:	09/01/2007

Payment Schedule calculations are based on the Planned Install Date, the Interest Commencement Date and reflect any downpayments. Payments and charges resulting from loan prepayment prior to the stated end of term, will be based on the actual Install Date and Interest Commencement Date. The payments on this Schedule reflect waiver of the Installment Payment Master Agreement prepayment fee provisions.

Payment Due	Payment	Fin. Charge	Principal	Balance
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				4,000.00
OCT 01, 2007	92.23	16.87	75.36	3,924.64
NOV 01, 2007	92.23	16.55	75.68	3,848.96
DEC 01, 2007	92.23	16.23	76.00	3,772.96
JAN 01, 2008	92.23	15.91	76.32	3,696.64
FEB 01, 2008	92.23	15.59	76.64	3,620.00
MAR 01, 2008	92.23	15.26	76.97	3,543.03
APR 01, 2008	92.23	14.94	77.29	3,465.74
MAY 01, 2008	92.23	14.61	77.62	3,388.12
JUN 01, 2008	92.23	14.29	77.94	3,310.18
JUL 01, 2008	92.23	13.96	78.27	3,231.91
AUG 01, 2008	92.23	13.63	78.60	3,153.31
SEP 01, 2008	92.23	13.30	78.93	3,074.38
OCT 01, 2008	92.23	12.96	79.27	2,995.11
NOV 01, 2008	92.23	12.63	79.60	2,915.51
DEC 01, 2008	92.23	12.29	79.94	2,835.57
JAN 01, 2009	92.23	11.96	80.27	2,755.30
FEB 01, 2009	92.23	11.62	80.61	2,674.69
MAR 01, 2009	92.23	11.28	80.95	2,593.74
APR 01, 2009	92.23	10.94	81.29	2,512.45
MAY 01, 2009	92.23	10.59	81.64	2,430.81
JUN 01, 2009	92.23	10.25	81.98	2,348.83
JUL 01, 2009	92.23	9.90	82.33	2,266.50
AUG 01, 2009	92.23	9.56	82.67	2,183.83
SEP 01, 2009	92.23	3.21	83.02	2,100.81
OCT 01, 2009	92.23	8.86	83.37	2,017.44
NOV 01, 2009	92.23	8.51	83.72	1,933.72
DEC 01, 2009	92.23	8.15	84.08	1,849.64
JAN 01, 2010	92.23	7.80	84.43	1,765.21
FEB 01, 2010	92.23	7.44	84.79	1,680.42
MAR 01, 2010	92.23	7.09	85.14	1,595.28
APR 01, 2010	92.23	6.73	85.50	1,509.78
MAY 01, 2010	92.23	6.37	85.86	1,423.92
JUN 01, 2010	92.23	6.00	86.23	1,337.69
JUL 01, 2010	92.23	5.64	86.59	1,251.10
AUG 01, 2010	92.23	5.28	86.95	1,164.15
SEP 01, 2010	92.23	4.91	87.32	1,076.83
OCT 01, 2010	92.23	4.54	87.69	989.14
NOV 01, 2010	92.23	4.17	88.06	901.08
DEC 01, 2010	92.23	3.80	88.43	812.65
JAN 01, 2011	92.23	3.43	88.80	723.85
FEB 01, 2011	92.23	3.05	89.18	634.67
MAR 01, 2011	92.23	2.68	89.55	545.12
APR 01, 2011	92.23	2.30	89.93	455.19
MAY 01, 2011	92.23	1.92	90.31	364.88
JUN 01, 2011	92.23	1.54	90.69	274.19

**IBM CREDIT LLC
IPMA PAYMENT SCHEDULE**

Customer Name: CITY OF LODI
Reference Number: Q02894265-01
Date: 2007-06-27

	Payment Due -----	Payment -----	Fin. Charge -----	Principal -----	Balance -----
JUL 01, 2011		92.23	1.16	91.07	183.12
AUG 01, 2011		92.23	0.77	91.46	91.66
SEP 01, 2011		92.23	0.57	91.66	0.00
Total		4,427.04	427.04	4,000.00	

IBM CREDIT LLC
IPMA PAYMENT SCHEDULE

Customer Name: CITY OF LODI
Reference Number: Q02894265-01
Date: 2007-06-27

Mach/Model:	9BPP/004	Net Purchase Price:	8,658.00
Term:	48	Payment Frequency:	monthly
Install Month:	08/07	Option:	T1
monthly Rate:	5.06%	Interest Commencement Date:	09/01/2007
		PAYMENT START DATE:	09/01/2007

Payment Schedule calculations are based on the Planned Install Date, the Interest Commencement Date and reflect any downpayments. Payments and charges resulting from loan prepayment prior to the stated end of term, will be based on the actual Install Date and Interest Commencement Date. The payments on this schedule reflect waiver of the Installment Payment Master Agreement prepayment fee provisions.

Payment Due	Payment	Fin. Charge	Principal	Balance
-----	-----	-----	-----	-----
				8,658.00
OCT 01, 2007	199.62	36.51	163.11	8,494.89
NOV 01, 2007	199.62	35.82	163.80	8,331.09
DEC 01, 2007	199.62	35.13	164.49	8,166.60
JAN 01, 2008	199.62	34.44	165.18	8,001.42
FEB 01, 2008	199.62	33.74	165.88	7,835.54
MAR 01, 2008	199.62	33.04	166.58	7,668.96
APR 01, 2008	199.62	32.34	167.28	7,501.68
MAY 01, 2008	199.62	31.63	167.99	7,333.69
JUN 01, 2008	199.62	30.92	168.70	7,164.99
JUL 01, 2008	199.62	30.21	169.41	6,995.58
AUG 01, 2008	199.62	29.50	170.12	6,825.46
SEP 01, 2008	199.62	28.78	170.84	6,654.62
OCT 01, 2008	199.62	28.06	171.56	6,483.06
NOV 01, 2008	199.62	27.34	172.28	6,310.78
DEC 01, 2008	199.62	26.61	173.01	6,137.77
JAN 01, 2009	199.62	25.88	173.74	5,964.03
FEB 01, 2009	199.62	25.15	174.47	5,789.56
MAR 01, 2009	199.62	24.41	175.21	5,614.35
APR 01, 2009	199.62	23.67	175.95	5,438.40
MAY 01, 2009	199.62	22.93	176.69	5,261.71
JUN 01, 2009	199.62	22.19	177.43	5,084.28
JUL 01, 2009	199.62	21.44	178.18	4,906.10
AUG 01, 2009	199.62	20.69	178.93	4,727.17
SEP 01, 2009	199.62	19.93	179.69	4,547.48
OCT 01, 2009	199.62	19.18	180.44	4,367.04
NOV 01, 2009	199.62	18.41	181.21	4,185.83
DEC 01, 2009	199.62	17.65	181.97	4,003.86
JAN 01, 2010	199.62	16.88	182.74	3,821.12
FEB 01, 2010	199.62	16.11	183.51	3,637.61
MAR 01, 2010	199.62	15.34	184.28	3,453.33
APR 01, 2010	199.62	14.56	185.06	3,268.27
MAY 01, 2010	199.62	13.78	185.84	3,082.43
JUN 01, 2010	199.62	13.00	186.62	2,895.81
JUL 01, 2010	199.62	12.21	187.41	2,708.40
AUG 01, 2010	199.62	11.42	188.20	2,520.20
SEP 01, 2010	199.62	10.63	188.99	2,331.21
OCT 01, 2010	199.62	9.83	189.79	2,141.42
NOV 01, 2010	199.62	9.03	190.59	1,950.83
DEC 01, 2010	199.62	8.23	191.39	1,759.44
JAN 01, 2011	199.62	7.42	192.20	1,567.24
FEB 01, 2011	199.62	6.61	193.01	1,374.23
MAR 01, 2011	199.62	5.79	193.83	1,180.40
APR 01, 2011	199.62	4.98	194.64	985.76
MAY 01, 2011	199.62	4.16	195.46	790.30
JUN 01, 2011	199.62	3.33	196.29	594.01

IBM CREDIT LLC
IPMA PAYMENT SCHEDULE

Customer Name: CITY OF LODI
Reference Number: Q02894265-0 1
Date: 2007-06-27

	Payment Due	Payment	Fin. Charge	Principal	Balance
JUL 01, 2011	-----	199.62	2.50	197.12	396.89
AUG 01, 2011		199.62	1.67	197.95	198.94
SEP 01, 2011		199.62	0.68	198.94	0.00
<i>Total</i>		9,581.76	923.76	8,658.00	

RESOLUTION NO. 2007-125

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING PURCHASE OF A REPLACEMENT
AS400 MID-RANGE COMPUTER

WHEREAS, Lodi Municipal Code §3.20.070 authorizes dispensing with bids for purchases of supplies, services, or equipment when it is in the best interest of the City to do so; and

WHEREAS, the IBM AS400 mid-range computer is the City's "workhorse," hosting three major applications, including the JD Edwards enterprise resource planning system, the Business License application, and Alliance Data (Orcom) ECIS utility billing program. Individual JD Edwards modules include payroll, general accounting, payables, and purchasing; and

WHEREAS, the current system was purchased in 2002 and is approaching the end of its supportable life; and

WHEREAS, IBM has released the last operating system update for this particular model (V5R4), and the hardware support for this system is also expected to become increasingly expensive because of the system's age, or unavailable at all through IBM; and

WHEREAS, replacement of this system will be necessary as software vendors no longer support the aging operating system version the City currently utilizes, and upgrades to current software applications cease to become available.

WHEREAS, staff recommends purchasing a new i5 series IBM computer from Logical Design, Inc., of Rancho Cordova, in the amount of \$142,765.00, and financing the purchase over four years through the IBM Installment Payment Master Agreement at interest rates that are at or below current market; and

WHEREAS, staff further recommends a payment schedule of \$3,217.03 per month, or approximately \$38,604 annually, which will eliminate current support expenditures, thus saving the City about \$6,400 per year.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the replacement purchase of an AS400 computer from Logical Design, Inc., of Rancho Cordova, California, in the amount of \$142,765, which includes financing costs.

Dated: July 18, 2007

I hereby certify that Resolution No. 2007-125 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 18, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Katakian, Mounce, and
Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Hitchcock

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHI
city Clerk