

BOARD OF COUNTY COMMISSIONERS

DATE: February 3, 2009

AGENDA ITEM NO. 30.

Consent Agenda ☐

Regular Agenda ☒

Public Hearing ☐

County Administrator's Signature:

Subject:

Approval of Final Negotiated Contract - Computer Equipment Purchase or Lease
Contract No. 078-0335-P(RM)

Department:

Business Technology Services / Purchasing

Staff Member Responsible:

Paul Alexander / Joe Lauro

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE FINAL NEGOTIATED CONTRACT FOR THE PURCHASE AND OR LEASE OF COMPUTER EQUIPMENT WITH HEWLETT-PACKARD COMPANY (HP), PALO ALTO, CALIFORNIA.

IT IS FURTHER RECOMMENDED AFTER PROPER EXECUTION OF THE AGREEMENTS BY THE CONTRACTOR, AND AFTER WRITTEN APPROVAL AS TO FORM BY THE OFFICE OF THE COUNTY ATTORNEY, THE CHAIRMAN BE AUTHORIZED TO SIGN AND THE CLERK BE AUTHORIZED TO ATTEST.

IT IS ALSO RECOMMENDED THAT THE BOARD AUTHORIZE THE DIRECTOR OF PURCHASING TO SIGN ALL MASTER LEASE PURCHASE AGREEMENT SCHEDULES AND ACCEPTANCE CERTIFICATES AS REQUIRED DURING THE TERM OF THIS CONTRACT.

Summary Explanation/Background:

On October 21, 2008, the Board approved the ranking of firms for the requirements of computer equipment, purchase and or lease, and authorized staff to negotiate a final contract with the number one ranked firm, HP. Negotiations centered on establishing a contract that will provide Pinellas County (County) with the flexibility and convenience of one-stop shopping for the procurement of computer equipment and accessories. The contract will be administered by Business Technology Services (BTS).

The decision to competitively solicit a new contract was based on the County's need to find methods to accommodate technological change that offer feasible, cost effective alternatives. Some of the key advantages of this contract over the previous computer leasing contract include options that offer savings and efficiencies that come from improvements in the Information Technology (IT) life cycle management process. In some cases, purchasing new equipment will provide greater functionality and efficiency to the County, while in other situations, leasing may allow the County to leverage its budget more effectively. BTS estimates a savings of more than ten percent (10%) over the previous contract, totaling more than \$600,000.00 over the term of the new contract.

Deliverables include:

- Thirty-six (36) month contract with option to purchase or lease computer equipment and accessories.
- Master Lease Agreement - allows orders to be placed and equipment scheduled for lease in variable increments to accommodate a balanced monthly roll out over thirty-six (36) months.
- Lease rate factor will be fixed for life of each equipment lease schedule.
- Lease rate factor is based on most recent current U.S. Two (2) year Treasury Bill through 3/31/09, and allows for adjustments (increase or decrease) on a quarterly basis on new equipment lease schedules.
- One Dollar (\$1.00) Buyout Lease at the end of the equipment lease. The structure of the lease is by installment sales meaning the County will hold title through the term of the lease and owns the equipment at the end of the term.
- Family firm, fixed pricing discount tier schedules off HP Internet List Price (ILP) for Personal Systems Group (PSG) line and accessories.
- Established fixed pricing on standard desktop, workstation and laptop bundled configurations.
- The ability to mix and match standard 5800 Central Processing Unit (CPU) configuration priced at forty-five percent (45%) off.
- The ability to mix and match standard 4600 Computer Aided-Design and Drafting (CADD) CPU configuration priced at fifty percent (50%) off.
- All HP monitors priced at thirty-five percent (35%) off.
- Includes same discount pricing for upgrades to latest technology.
- HP web based ordering system that can be linked to HP Finance for lease orders.
- HP Bonus Point Program - one (1) bonus point for every two dollars (\$2) spent. Points can be used to purchase hardware, services and LearningPaqs from HP. This program will be administered by BTS.
- Self -Maintainer Program provides for labor reimbursement for repairs made to equipment by BTS technicians.
- The contract may be renewed subject to written notice of agreement from the County and HP, for an additional thirty-six (36) month period beyond the primary contract period. This option shall be exercised only if all terms and conditions remain the same and approval is granted by the County Administrator.

HP also offers asset recovery services and a HP Trade-In Program for Government, Health, and Education. These options are available at additional costs that are not included in the negotiated contract. BTS may decide to exercise these options at a later date and requests that the Board authorize the County Administrator to approve amending the contract to include such options.

Fiscal Impact/Cost/Revenue Summary:

The contract does not obligate the County to the expenditure of funds. The FY09 Budget currently has \$2.3M budgeted (all funds) for PC leases. It is estimated that the annual amount needed for an internal PC lease program would be \$1.2M. The net of the current \$2.3M and the new program amount of \$1.2M is a \$1.1M annual savings. There is a three year transition period between the current external lease program and the new internal lease program during which the programs overlap.

Departments PC lease budgets are currently paying a monthly amount for PC's that will be replaced during the next three years. Some of the PC's will be replaced in year 1, year 2, or year 3. As a result, there is only \$388,000 available of the \$2.3M budgeted to fund a new internal lease program in year one. The annual amount to fund the new internal program is \$1.2M. This means that about \$850,000 of seed money is needed in year 1 to start the transition. In year 2 there will be approximately \$1.5M available of the \$2.3M to fund the internal lease program which is enough to at least break-even to cover the annual \$1.2M amount. By year 3, there will be \$2.1M available to fund the internal lease program, which is enough to cover the annual \$1.2M and pay back the initial seed money of \$850K with interest. Beginning in year 4, the County will experience \$1.1M of recurring savings.

A separate budget action reallocating \$350,000 from general fund reserves will be required to provide a portion of the seed money noted above. The remaining \$500,000 will be reallocated from existing strategic projects.

Exhibits/Attachments Attached:

- 1) Contract Review
- 2) HP Master Lease Purchase Agreement
- 3) Pinellas County Standard Agreement



**PURCHASING DEPARTMENT
CONTRACT REVIEW TRANSMITTAL**

CATS
NO.: 28528

PROJECT: Computer Equipment Purchase/Lease

BID NUMBER: 078-0335-P(RM)

REQ. NUMBER:

TYPE: ☒ Purchase Contract ☒ Other: ☐ Construction-Less than \$100,000 ☐ One Time

MASTER LEASE AGREEMENT

In accordance with the policy guide for Contract Administration, the attached documents are submitted for review and comment.

Upon completion of review, complete Contract Review Transmittal and forward to next Review Authority listed. Please indicate suggested changes by revising, in RED, the appropriate section of the document reflecting the exact wording of the change.

RISK MANAGEMENT: Please enter required liability coverage on pages:

PRODUCT ONLY ☐

This is an annual requirement contract. Estimated Expenditure: \$6,000,000.00 (72 months)

REVIEW SEQUENCE	REVIEW AUTHORITY	REVIEW DATE	REVIEW SIGNATURE	COMMENTS (Attach Separate page if necessary)	COMMENTS INCORPORATED
1.	Purchasing Dept. Joe Lauro, Director R. McKenzie, PA	1/2/09	<i>[Signature]</i>		
2.	BTS Director: Paul Alexander Ray Dilley Mgr. E'D LACRAN, MGR	1/9/09	<i>[Signature]</i>		
Using Dept please check attached vendor list. Circle vendors you want bids mailed to. Add additional vendors with complete information (Name, Address, Phone and Fax)					
3.	Risk Management Director Attn: Beth Wininger (Check applicable box at right)	1/9/09	<i>[Signature]</i>	Both, see attachment of your prior response	HIGH RISK NOT HIGH RISK
4.	BCC Finance Attn: Cassandra Williams	1/12/09	<i>[Signature]</i>		
5.	Asst. County Administrator Attn: Mark Woodard	1/9/09	<i>[Signature]</i>		
6.	Legal Attn: Michelle Wallace	1/9/09	<i>[Signature]</i>		

****RETURN ALL DOCUMENTS TO PURCHASING****

Make all inquiries to:	CHOOSE NAME	at Extension
In order to meet the following schedule, please return your requirements to Purchasing by:		

10/2006 (ag)

TENTATIVE DATES
Legal Ad-BID/RFP Mail Out:
BID/RFP Opening:
Board/County Admin/Purchasing Director Approval: 1/21/09

STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT

This State and Local Government Master Lease Purchase Agreement (together with Exhibits A and B attached hereto and hereby made a part hereof, (this "Master Agreement"), dated as of _____, is entered into by and between Hewlett-Packard Financial Services Company,¹ a Delaware corporation ("Lessor"), and _____, an agency, department or political subdivision of the State of _____ ("Lessee"). Capitalized terms used in this Master Agreement without definition have the meanings ascribed to them in Section 31.

1. PURPOSE OF MASTER AGREEMENT. The purpose of this Master Agreement is to set forth the general terms and conditions upon which Lessor shall lease to Lessee, and Lessee shall lease from Lessor, items of Hardware, Software or both (the "Equipment"). In connection with its execution of this Master Agreement, Lessee shall deliver to Lessor an Officer's Certificate in form and substance acceptable to Lessor, executed by a duly authorized officer of Lessee and certifying as to, among other things, Lessee's authority to enter into this Master Agreement, and the authority of Lessee's officers or representatives specified therein to execute this Master Agreement and an opinion of Lessee's counsel in form and content satisfactory to Lessor.

2. COMMENCEMENT PROCEDURES. Subject to the other terms and conditions contained in this Master Agreement and the applicable Schedule, Lessee shall enter into individual Leases (hereinafter defined) with Lessor as follows:

(a) **Execution of Schedule.** Lessor and Lessee mutually agree to enter into a Lease by executing a Schedule in the form of Exhibit A with such changes as Lessor and Lessee shall have agreed to as conclusively evidenced by their execution thereof. Each such Schedule shall specifically identify (by serial number or other identifying characteristics) the items of Equipment to be leased under such Schedule. Each Schedule, when executed by both Lessee and Lessor, together with this Master Agreement, shall constitute a separate and distinct lease ("Lease"), enforceable according to its terms. In the event of any conflict between the terms of this Master Agreement and such Schedule, the provisions of the Schedule shall govern.

(b) **Acceptance: Term of Leases.** Lessee shall accept the Equipment subject to a Lease in accordance with Section 3. The Term of each Lease shall begin on the Acceptance Date of the Equipment subject to such Lease and shall continue for the period described in the applicable Schedule unless a Nonappropriation shall have occurred.

(c) **Adjustments to Schedule.** Lessee acknowledges that the Total Cost of Equipment and the related Rent payments set forth in any Schedule may be estimates, and if the final invoice from the Seller attached to the related Acceptance Certificate(s) specifies a Total Cost that is less than the estimated Total Cost set forth in the Schedule, Lessee hereby authorizes Lessor to reduce the applicable Total Cost and Rent payment on the Schedule by up to ten percent (10%) to reflect such final invoice amount (the "Final Invoice Amount"). All references in this Master Agreement and any Schedule to Total Cost and Rent shall mean the amounts thereof specified in the applicable Schedule, as adjusted pursuant to this paragraph.

(d) **Payment by Lessor.** Within 45 days after Lessee's delivery to Lessor of a properly completed and executed Acceptance Certificate and all other documentation necessary to establish Lessee's acceptance of such Equipment under the related Lease and Lessor's acceptance of such Acceptance Certificate, Lessor shall pay for the Equipment. Lessor shall not accept the Acceptance Certificate until it has received from Lessee (1) evidence of insurance with respect to the Equipment in compliance with Section 14 hereof, (3) an opinion of Lessee's counsel, if required by Lessor, in form and substance reasonably satisfactory to Lessor and (4) any other documents or items reasonably required by Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to pay for the Equipment if a Lessee Default has occurred or an event has occurred and is continuing that with the passage of time or provision of notice would constitute a Lessee Default.

3. ACCEPTANCE OF EQUIPMENT. (a) **Inspection of Equipment.** Lessee agrees to inspect all Equipment as soon as reasonably practicable after the delivery thereof to Lessee.

(b) **Acceptance Certificate.** Upon the satisfactory inspection of the Equipment by Lessee, or if acceptance requirements for such Equipment are specified in the applicable Purchase Documents, as soon as such requirements are met, Lessee shall unconditionally and irrevocably accept the Equipment by executing and delivering to Lessor a properly completed Acceptance Certificate in substantially the form of Exhibit B.

4. RENT; LATE CHARGES. As rent ("Rent") for the Equipment under any Lease, Lessee agrees to pay the amounts specified in the applicable Schedule on the due dates specified in the applicable Schedule. Lessee agrees to pay Lessor interest on any Rent payment or other amount due hereunder that is not paid within 45 days of its due date, at the rate of 1% per month (or such lesser rate as is the maximum rate allowable under applicable law). Lessee will make provision for such payments in budgets submitted to its governing body for the purpose of obtaining funding for the payments.

5. TRANSFER OF EQUIPMENT ON EXPIRATION OF LEASE TERM. If Lessee has paid all Rent and all other amounts due under the Lease and has satisfied all other terms and conditions of the Lease, the Lease shall terminate and, except as provided in Section 28, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to the Equipment and Lessor shall transfer all of its interest in such Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor.

6. LEASES NON-CANCELABLE; NET LEASES; WAIVER OF DEFENSES TO PAYMENT. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT EACH LEASE HEREUNDER SHALL BE NON-CANCELABLE (EXCEPT AS SET FORTH IN SECTION 7 HEREOF), AND THAT EACH LEASE HEREUNDER IS A NET LEASE SO THAT AMONG OTHER THINGS LESSEE SHALL PAY IN ADDITION TO THE RENT, TAXES, INSURANCE AND MAINTENANCE CHARGES RELATED TO THE EQUIPMENT. LESSEE AGREES THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE. LESSEE HEREBY AGREES NOT TO ASSERT ANY RECOUPMENT, CROSS-CLAIM, COUNTERCLAIM OR ANY OTHER DEFENSE AT LAW OR IN EQUITY TO ANY RENT OR OTHER AMOUNT DUE WITH RESPECT TO ANY LEASE, WHETHER ANY SUCH DEFENSE ARISES OUT OF THIS MASTER AGREEMENT, ANY SCHEDULE, ANY CLAIM BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNEES OR SUPPLIER OR OTHERWISE. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE OR INTEGRATE AS REPRESENTED OR WARRANTED BY SUPPLIER OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, LESSEE WILL MAKE ANY CLAIM ON ACCOUNT OF THOSE ISSUES SOLELY AGAINST SUPPLIER AND WILL NEVERTHELESS PAY ALL SUMS DUE WITH RESPECT TO EACH LEASE.

7. NONAPPROPRIATION. Notwithstanding anything contained in this Master Agreement to the contrary, in the event that sufficient funds are not appropriated and budgeted by Lessee's governing body or are not otherwise available from other legally available sources in any fiscal period for the payment of Rent and other amounts due under any Lease, the Lease shall terminate on the last day of the fiscal period for which appropriations were received or other amounts are available to pay amounts due under the Lease without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Rent payments or other amounts herein agreed upon for which funds shall have been appropriated or are otherwise available. Lessee will immediately notify the Lessor or its assignee of such occurrence. In the event of such termination, Lessee shall immediately cease all use of the Equipment, and shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure, and return the Equipment subject to such Lease to Lessor (all in accordance with Section 10 of this Master Agreement). Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by this Lease, shall be free and clear of any liens (except Lessor's lien) and shall comply with all applicable laws and regulations. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor or evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment. Lessor will have all legal and equitable rights and remedies to take possession of the

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

Equipment. At Lessor's request, Lessee shall promptly provide supplemental documentation as to such Non-Appropriation satisfactory to Lessor. Lessee's exercise of its rights pursuant to this Section 7 shall not affect the survival of any indemnity and other provisions (other than the obligation to lease the Equipment and pay amounts due under the Lease) which survive the termination of the Lease.

8. ASSIGNMENT OF PURCHASE DOCUMENTS. Lessee assigns to Lessor all of Lessee's right, title and interest in and to (a) the Equipment described in each Schedule, and (b) the Purchase Documents relating to such Equipment. Such assignment of the Purchase Documents is an assignment of rights only; nothing in this Master Agreement shall be deemed to have relieved Lessee of any obligation or liability under any of the Purchase Documents, except that, as between Lessee and Lessor, Lessor shall pay for the Equipment in accordance with Section 2(d) hereof. Lessee represents and warrants that it has reviewed and approved the Purchase Documents. In addition, if Lessor shall so request, Lessee shall deliver to Lessor a document acceptable to Lessor whereby Seller acknowledges and provides any required consent to such assignment. For the avoidance of doubt, Lessee covenants and agrees that it shall at all times during the Term of each Lease comply in all respects with the terms of any License Agreement relating to any Equipment leased thereunder. **IT IS ALSO SPECIFICALLY UNDERSTOOD AND AGREED THAT NEITHER SUPPLIER NOR ANY SALESPERSON OF SUPPLIER IS AN AGENT OF LESSOR, NOR ARE THEY AUTHORIZED TO WAIVE OR ALTER ANY TERMS OF THIS MASTER AGREEMENT OR ANY SCHEDULE.**

9. ASSIGNMENT OF SUPPLIER WARRANTIES. To the extent permitted, Lessor hereby assigns to Lessee all Equipment warranties provided by any Supplier in the applicable Purchase Documents. Lessee shall have the right to take any action it deems appropriate to enforce such warranties provided such enforcement is pursued in Lessee's name and at its expense. In the event Lessee is precluded from enforcing any such warranty in its name and to the extent Lessor retains title to the Equipment, Lessor shall, upon Lessee's request, take reasonable steps to enforce such warranty. In such circumstances, Lessee shall, promptly upon demand, reimburse Lessor for all expenses incurred by Lessor in enforcing the Supplier warranty. Any recovery resulting from any such enforcement efforts shall be divided between Lessor and Lessee as their interests may appear.

10. EQUIPMENT RETURN REQUIREMENTS. At any time Lessee is required to return Equipment to Lessor under the terms of this Master Agreement or any Schedule, Lessee shall (a) wipe clean or permanently delete all data contained on the Equipment, including without limitation, any data contained on internal or external drives, discs, or accompanying media, and (b) pack the Equipment to be returned to Lessor in accordance with the manufacturer's guidelines and deliver such Equipment to Lessor at any destination within the continental United States designated by Lessor. In the case of any item of Software or License Agreement subject to a Schedule, at the time of the occurrence of a Non-Appropriation or a Lessee Default, Lessee shall also be automatically deemed to have reassigned any License Agreement, and shall immediately de-install and deliver to Lessor all Software, together with the original certificate of authenticity issued by the licensor of such Software, if any, the end user license agreement, any CDs, diskettes or other media relating to such Software and any other materials originally delivered to Lessee with such Software. All dismantling, packaging, transportation, in-transit insurance and shipping charges shall be borne by Lessee. All Equipment shall be returned to Lessor in the same condition and working order as when delivered to Lessee, reasonable wear and tear excepted, and except in the case of PC Equipment and Software, shall qualify for maintenance service by the Supplier at its then standard rates for Equipment of that age, if available. Lessee shall be responsible for, and shall reimburse Lessor promptly on demand for, the cost of returning the Equipment to good working condition or, in the case of Equipment other than PC Equipment and Software, qualifying the Equipment for the Supplier's maintenance service, if available.

11. EQUIPMENT USE, MAINTENANCE AND ADDITIONS. Lessee is solely responsible for the selection, installation, operation and maintenance of the Equipment and all costs related thereto, including shipping charges. Lessee shall at all times operate and maintain the Equipment in good working order, repair, condition and appearance, and in accordance with the manufacturer's specifications and recommendations. On reasonable prior notice to Lessee, Lessor and Lessor's agents shall have the right, during Lessee's normal business hours and subject to Lessee's reasonable, standard security procedures, to enter the premises where the Equipment is located for the purpose of inspecting the Equipment and observing its use. Except in the case of PC Equipment and Software, Lessee shall, at its expense, enter into and maintain and enforce at all times during the Term of each Lease a maintenance agreement to service and maintain the related Equipment, upon terms and with a provider reasonably acceptable to Lessor. Lessee shall make no alterations or additions to the Equipment, except those that (a) will not void any warranty made by the Supplier of the Equipment, result in the creation of any security interest, lien or encumbrance on the Equipment or impair the value or use of the Equipment either at the time made or at the end of the Term of the applicable Lease, and are readily removable without damage to the Equipment ("Optional Additions"), or (b) are required by any applicable law, regulation or order. All additions to the Equipment or repairs made to the Equipment, except Optional Additions, become a part of the Equipment and Lessor's property at the time made; Optional Additions which have not been removed in the event of the return of the Equipment shall become Lessor's property upon such return.

12. EQUIPMENT OWNERSHIP; LIENS; LOCATION. Upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in Lessee; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 7 hereof, or (ii) upon the occurrence of a Lessee Default as defined in Section 22 hereof, and as long as such Lessee Default is continuing, title to the Equipment (including Substitute Equipment) will immediately vest in Lessor or its assignee. Lessee covenants with respect to each Lease that: (i) it will not pledge or encumber the Equipment or Lessor's interest in the Equipment in any manner whatsoever nor create or permit to exist any levy, lien or encumbrance thereof or thereon except those created by or through Lessor; (ii) the Equipment shall remain personal property whether or not affixed to realty and shall not become a fixture or be made to become a part of any real property on which it is placed without Lessor's prior written consent; and (iii) Lessee shall maintain the Equipment so that it does not become essential to and may be removed from any building in which it is placed without any damage to the building or the Equipment. Provided Lessee remains in possession and control of the Equipment, Lessee may relocate any Equipment from the Equipment Location specified in the applicable Schedule to another of its locations within the State of the Equipment Location upon prior written notice to Lessor specifying the new Equipment Location or to another of its locations within the United States after receiving the written consent of Lessor to such relocation. Lessee shall not locate or relocate any Equipment such that any third party comes into possession or control thereof without Lessor's prior written consent; provided, however, that Lessor shall not unreasonably withhold its consent to the location or relocation of Equipment to a third party co-location or hosting facility if such third party shall have executed and delivered to Lessor a waiver agreement in form and substance acceptable to Lessor pursuant to which, among other things, such third party shall have waived any rights to the Equipment and agreed to surrender the Equipment to Lessor in the event of a Lessee Default under this Master Agreement. Notwithstanding the foregoing, Lessor agrees that computer equipment usable outside of a fixed office environment, such as laptops, notebooks or similar PC Equipment (collectively, "Mobile PC Equipment") may be relocated on a non-permanent basis from the Equipment Location originally specified in the applicable Schedule without Lessor's prior written consent, provided that (i) such relocation is made by Lessee's primary employee in the custody and control of such Mobile PC Equipment; (ii) the primary employee remains in possession and control of the Mobile PC Equipment, and (iii) the primary employee's principal office is the Equipment Location. For purposes of this Master Agreement and any applicable Schedule, the term Equipment shall be deemed to include all Mobile PC Equipment.

13. MAXIMUM RATE. Notwithstanding any provisions contained in this Master Agreement or in any Schedule, neither Lessor nor any Assignee shall be entitled to receive, collect or apply as interest any amount in excess of the maximum rate or amount permitted by applicable law. In the event Lessor or any Assignee ever receives, collects or applies as interest any amount in excess of the maximum amount permitted by applicable law, such excess amount shall be applied to the unpaid principal balance and any remaining excess shall be refunded to Lessee. In determining whether the interest paid or payable under any specific contingency exceeds the maximum rate or amount permitted by applicable law, Lessor and Lessee shall, to the maximum extent permitted under applicable law, characterize any non-principal payment as an expense or fee rather than as interest, exclude voluntary prepayments and the effect thereof, and spread the total amount of interest over the entire term of this Master Agreement and all Leases.

14. RISK OF LOSS AND INSURANCE. Lessee assumes any and all risk of loss or damage to the Equipment from the time such Equipment is delivered to Lessee until such Equipment is returned to and is received by Lessor in accordance with the terms and conditions of this Master Agreement. Lessee agrees to keep the

Equipment insured at Lessee's expense against all risks of loss from any cause whatsoever, including without limitation, loss by fire (including extended coverage), theft and damage. Lessee agrees that such insurance shall and cover not less than the Stipulated Loss Value of the Equipment. Lessee also agrees that it shall carry commercial general liability insurance in an amount not less than \$2,000,000 total liability per occurrence and cause Lessor and its affiliates and its and their successors and assigns, to be named additional insureds under such insurance. Each policy shall provide that the insurance cannot be canceled without at least 30 days' prior written notice to Lessor, and no policy shall contain a deductible in excess of \$25,000. Upon Lessor's prior written consent, in lieu of maintaining insurance obtained by third party insurance carriers, Lessee may self insure against such risks, provided that Lessor's interests are protected to the same extent as if the insurance had been obtained by third party insurance carriers and provided further that such self insurance program is consistent with prudent business practices with respect with such insurance risk. Lessee shall provide to Lessor (a) on or prior to the Acceptance Date for each Lease, and from time to time thereafter, certificates of insurance evidencing such insurance coverage throughout the Term of each Lease, and (b) upon Lessor's request, copies of the insurance policies. Lessee represents that it is an authorized and qualified self-insurer by the State of Florida for both workers' compensation and liability, that it is in full compliance with all provisions of Section 768.28, Florida Statutes, and that it maintains fully funded reserve accounts. Those accounts, as authorized by Pinellas County, are solely for the purpose of providing relief from applicable claims for which Lessee may become liable. Lessee will provide evidence of self insurance to Lessor upon request.

If Lessee fails to provide Lessor with such evidence, then Lessor will have the right, but not the obligation, to purchase such insurance protecting Lessor at Lessee's expense. Lessee's expense shall include the full premium paid for such insurance and any customary charges, costs or fees of Lessor. Lessee agrees to pay such amounts in substantially equal installments allocated to each Rent payment (plus interest on such amounts at the rate of 1% per month or such lesser rate as is the maximum rate allowable under applicable law).

15. CASUALTY LOSS. Lessee shall notify Lessor of any Casualty Loss or repairable damage to any Equipment as soon as reasonably practicable after the date of any such occurrence but in no event later than 30 days after such occurrence. In the event any Casualty Loss shall occur, on the next Rent payment date Lessee shall (a) at Lessee's option provided no Lessee Default has occurred nor an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing or (b) at Lessor's option if a Lessee Default has occurred or an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing, (1) subject to Section 7 hereof, pay Lessor the Stipulated Loss Value of the Equipment suffering the Casualty Loss, or (2) substitute and replace each item of Equipment suffering the Casualty Loss with an item of Substitute Equipment. If Lessee shall pay the Stipulated Loss Value of the Equipment suffering a Casualty Loss, upon Lessor's receipt in full of such payment the applicable Lease shall terminate as it relates to such Equipment and, except as provided in Section 28, Lessee shall be relieved of all obligations under the applicable Lease as it relates to such Equipment. If Lessee shall replace Equipment suffering a Casualty Loss with items of Substitute Equipment the applicable Lease shall continue in full force and effect without any abatement of Rent with such Substitute Equipment thereafter being deemed to be Equipment leased thereunder. Upon Lessor's receipt of such payment of Stipulated Loss Value in full or replacement of the Equipment suffering the Casualty Loss with Substitute Equipment, Lessor shall transfer to Lessee all of Lessor's interest in the Equipment suffering the Casualty Loss "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event of any repairable damage to any Equipment, the Lease shall continue with respect to such Equipment without any abatement of Rent and Lessee shall, at its expense, from insurance proceeds or other funds legally available, promptly cause such Equipment to be repaired to the condition it is required to be maintained pursuant to Section 11.

16. TAXES. Lessor shall report and pay all Taxes now or hereafter imposed or assessed by any governmental body, agency or taxing authority upon the purchase, ownership, delivery, installation, leasing, rental, use or sale of the Equipment, the Rent or other charges payable hereunder, or otherwise upon or in connection with any Lease, whether assessed on Lessor or Lessee, other than any such Taxes required by law to be reported and paid by Lessee. Lessee represents and warrants that Lessee is currently exempt from assessment of any Taxes and will provide evidence of such exemption to Lessor upon request. Lessee shall promptly notify Lessor if due to any change in the law Lessee becomes subject to any Taxes, and the payment or reimbursement of any such tax shall be treated in the applicable Schedule.

17. LESSEE RESPONSIBILITY. Lessee, to the extent permitted by law, shall be responsible for any and all Claims arising directly or indirectly out of or in connection with any matter involving this Master Agreement, the Equipment or any Lease, including but not limited to the selection, manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, maintenance, use (including any patent, trademark or copyright infringement), condition, return or operation of any Equipment. Notwithstanding the foregoing, Lessee shall have no obligation or responsibility respecting any Claim arising solely as a result of Lessor's gross negligence or willful misconduct. Notwithstanding any other provision of this Agreement to the contrary, the liability of the Lessee under this Agreement is intended to be consistent with limitations of Florida law, including the waiver of sovereign immunity and Fla.Stat. 768.28 (2006). No obligation imposed by this Master Agreement on the Lessee shall be deemed to alter said waiver or to extend any liability of the Lessee beyond such limits, nor shall any such obligation be deemed or construed as a waiver of any defense of sovereign immunity to which the Lessee may be entitled or consent to be sued by third parties..

18. [Deliberately omitted]

19. COVENANT OF QUIET ENJOYMENT. So long as no Lessee Default exists, and no event shall have occurred and be continuing which, with the giving of notice or the passage of time or both, would constitute a Lessee Default, neither Lessor nor any party acting or claiming through Lessor, by assignment or otherwise, will disturb Lessee's quiet enjoyment of the Equipment during the Term of the related Lease.

20. DISCLAIMERS AND LESSEE WAIVERS. LESSEE LEASES THE EQUIPMENT FROM LESSOR "AS IS, WHERE IS." IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT (A) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 19, LESSOR MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY, OPERATION, OR CONDITION OF ANY EQUIPMENT (OR ANY PART THEREOF), THE MERCHANTABILITY OR FITNESS OF EQUIPMENT FOR A PARTICULAR PURPOSE, OR ISSUES REGARDING PATENT INFRINGEMENT, TITLE AND THE LIKE; (B) LESSOR SHALL NOT BE DEEMED TO HAVE MADE, BE BOUND BY OR LIABLE FOR, ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER OF ANY EQUIPMENT (EVEN IF LESSOR IS AFFILIATED WITH SUCH SUPPLIER); (C) LESSOR SHALL NOT BE LIABLE FOR ANY FAILURE OF ANY EQUIPMENT OR ANY DELAY IN THE DELIVERY OR INSTALLATION THEREOF; (D) LESSEE HAS SELECTED ALL EQUIPMENT WITHOUT LESSOR'S ASSISTANCE; AND (E) LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT. IT IS FURTHER AGREED THAT LESSOR SHALL HAVE NO LIABILITY TO LESSEE, LESSEE'S CUSTOMERS, OR ANY THIRD PARTIES FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS MASTER AGREEMENT OR ANY SCHEDULE OR CONCERNING ANY EQUIPMENT, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT LIABILITY OR LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT NOTHING IN THIS MASTER AGREEMENT SHALL DEPRIVE LESSEE OF ANY RIGHTS IT MAY HAVE AGAINST ANY PERSON OTHER THAN LESSOR. LESSOR AND LESSEE AGREE THAT THE LEASES SHALL BE GOVERNED BY THE EXPRESS PROVISIONS OF THIS MASTER AGREEMENT AND THE OTHER FUNDAMENTAL AGREEMENTS AND NOT BY THE CONFLICTING PROVISIONS OF ANY OTHERWISE APPLICABLE LAW. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE AGREES NOT TO ASSERT ANY RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC (INCLUDING, BUT NOT LIMITED TO, LESSEE'S RIGHTS, CLAIMS AND DEFENSES UNDER UCC SECTIONS 2A-303 AND 2A-508 THROUGH 2A-522) AND THOSE RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE, IN EITHER CASE THAT ARE INCONSISTENT WITH OR THAT WOULD LIMIT OR MODIFY LESSOR'S RIGHTS SET FORTH IN THIS MASTER AGREEMENT.

21. LESSEE WARRANTIES. Lessee represents, warrants and covenants to Lessor with respect to each Lease that: (a) Lessee is an agency or department of, or a political subdivision of the state in which it is located; (b) Lessee has the power and authority to enter into each of the Fundamental Agreements; (b) all Fundamental Agreements are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their terms and do not violate or create a default under any instrument or agreement binding on Lessee; (c) there are no pending or threatened actions or proceedings before any court or administrative agency that could have a material adverse effect on Lessee or any Fundamental Agreement, unless such actions have been disclosed to Lessor and consented to in writing by Lessor; (d) Lessee shall comply in all material respects with all laws and regulations the violation of which could have a material adverse effect upon the Equipment or Lessee's performance of its obligations under any Fundamental Agreement; (e) each Fundamental Agreement shall be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws, and shall raise no presumption of fraud; (f) all financial statements, certificates or summaries relating to Lessee's financial condition, fiscal budget or the assessment and collection of taxes and other related information furnished by Lessee shall be prepared in accordance with generally accepted accounting principles in the United States in effect at that time and shall fairly present Lessee's financial position as of the dates given on such statements; (g) since the date of the most recent annual financial statement, there has been no material adverse change in the financial condition of, or the level of assessment or collection of taxes by, the Lessee; (h) the Equipment, subject to any Lease, is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority and will be used during the Term of such Lease only by Lessee and only to perform such function; (i) Lessee intends to use the Equipment for the entire Term of such Lease and all Equipment will be used for business purposes only and not for personal, family or household purposes; (j) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (k) there has been no material change in the budget for Lessee's current Fiscal Period since its adoption; (l) Lessee's obligations to pay Rent and any other amounts due under this Lease constitute a current expense and not a debt of Lessee under applicable state law; and (m) no provision of this Lease constitutes a pledge of the tax or general revenues of Lessee.

22. DEFAULT. Any of the following shall constitute a default by Lessee (a "Lessee Default") under this Master Agreement and all Leases: (a) Lessee fails to pay any Rent payment or any other amount payable to Lessor under this Master Agreement or any Schedule within 45 days after its due date; or (b) Lessee defaults on or breaches any of the other terms and conditions of any Material Agreement, and fails to cure such breach within 30 days after written notice thereof from Lessor; or (c) any representation or warranty made by Lessee in any Material Agreement proves to be incorrect in any material respect when made or reaffirmed; or (d) any change occurs in relation to Lessee's financial condition that, in Lessor's opinion, would have a material adverse effect on Lessee's ability to perform its obligations under this Master Agreement or under any Schedule or (e) Lessee becomes insolvent or fails generally to pay its debts as they become due; or (f) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency or receivership law is filed by or against Lessee (and, if such is proceeding is involuntary, it is not dismissed within 60 days after the thereof) or Lessee takes any action to authorize any of the foregoing matters; (g) any Equipment is levied against, seized or attached; or (h) any letter of credit or guaranty issued in support of a Lease is revoked, breached, canceled or terminated (unless consented to in advance by Lessor).

23. REMEDIES. If a Lessee Default occurs, Lessor may, in its sole discretion, exercise one or more of the following remedies: (a) declare all amounts due and to become due during Lessee's current fiscal year under any or all Leases to be immediately due and payable; or (b) terminate this Master Agreement or any Lease(s); or (c) take possession of, or render unusable, any Equipment wherever the Equipment may be located, without demand or notice and without any court order or other process of law in accordance with Lessee's reasonable security procedures, and no such action shall constitute a termination of any Lease; or (d) require Lessee to deliver the Equipment to a location specified by Lessor; or (e) declare the Stipulated Loss Value for any or all Equipment to be due and payable as liquidated damages for loss of a bargain and not as a penalty and in lieu of any further Rent payments under the applicable Lease or Leases; or (f) proceed by court action to enforce performance by Lessee of any Lease and/or to recover all damages and expenses incurred by Lessor by reason of any Lessee Default; or (g) terminate any other agreement that Lessor may have with Lessee; or (h) exercise any other right or remedy available to Lessor at law or in equity. Also, Lessee shall pay Lessor up to an amount not to exceed up to an amount not to exceed twenty five percent (25%) of the Total Cost shown in the applicable Schedule (i) for any and all costs and expenses that Lessor may incur to maintain, safeguard or preserve the Equipment, and other expenses incurred by Lessor in enforcing any of the terms, conditions or provisions of this Master Agreement (including reasonable legal fees and collection agency costs) and (ii) all costs incurred by Lessor in exercising any of its remedies hereunder (including reasonable legal fees). Upon repossession or surrender of any Equipment, Lessor will lease, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof to the amounts owed to Lessor under this Master Agreement; provided, however, that Lessee will remain liable to Lessor for any deficiency that remains after any sale or lease of such Equipment. Any proceeds of any sale or lease of such Equipment in excess of the amounts owed to Lessor under this Master Agreement will be retained by Lessor. Lessee agrees that with respect to any notice of a sale required by law to be given, 10 days' notice will constitute reasonable notice. With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment, Lessee acknowledges and agrees as follows: (i) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the Equipment or any other Collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any such disposition, and (iii) Lessor may convey the Equipment on an "AS IS, WHERE IS" basis, and without limiting the generality of the foregoing, may specifically exclude or disclaim any and all warranties, including any warranty of title or the like with respect to the disposition of the Equipment or other Collateral, and no such conveyance or such exclusion or such disclaimer of any warranty shall be deemed to have adversely affected the commercial reasonableness of any such disposition. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

24. PERFORMANCE OF LESSEE'S OBLIGATIONS. If Lessee fails to perform any of its obligations hereunder, Lessor may perform any act or make any payment that Lessor deems reasonably necessary for the maintenance and preservation of the Equipment and Lessor's interests therein; provided, however, that the performance of any act or payment by Lessor shall not be deemed a waiver of, or release Lessee from, the obligation at issue. All sums so paid by Lessor, together with expenses (including legal fees and costs) incurred by Lessor in connection therewith, shall be paid to Lessor by Lessee immediately upon demand up to an amount not to exceed twenty five percent (25%) of the Total Cost shown in the applicable Schedule.

25. PURCHASE OPTIONS. Lessee may elect, by delivering to Lessor at least 30 days' prior written notice, to purchase on any Rent payment date not less than all Units of Equipment then subject to the Lease (other than items of Software that may not be sold by Lessor under the terms of any applicable License Agreement) for an amount equal to the sum of the Rent then due, all other amounts due under the Lease and the Concluding Payment for such Equipment as of the designated Rent payment date; provided no Lessee Default shall have occurred and be continuing or no event has occurred which with notice or lapse of time could constitute a Lessee Default. In the event of such an election, Lessee shall pay such amount to Lessor, in immediately available funds, on or before the designated Rent payment date. If Lessee shall have elected to purchase the Equipment, shall have so paid the purchase price and shall have fulfilled the terms and conditions of this Master Agreement and the related Schedule, then (1) the Lease with respect to such Equipment shall terminate on the designated Rent payment date and, except as provided in Section 28, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to such Equipment, and (2) Lessor shall transfer all of its interest in such Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor.

26. ASSIGNMENT. Lessor shall have the unqualified right to sell, assign, grant a security interest in or otherwise convey any part of its interest in this Master Agreement, any Lease or any Equipment, in whole or in part, without prior notice to or the consent of Lessee. If any Lease is sold, assigned, or otherwise conveyed, Lessee agrees that Lessor's purchaser, assignee or transferee, as the case may be ("Assignee") shall (a) have the same rights, powers and privileges that Lessor has under the applicable Lease, (b) have the right to receive from Lessee all amounts due under the applicable Lease; and (c) not be required to perform any obligations of Lessor, other than those that are expressly assumed in writing by such Assignee. Lessee agrees to execute such acknowledgements to such assignment as may be reasonably requested by Lessor or the Assignee. Lessee further agrees that, in any action brought by such Assignee against Lessee to enforce Lessor's rights hereunder, Lessee will not assert against such Assignee any set-off, defense or counterclaim that Lessee may have against Lessor or any other person. Unless otherwise specified

by Lessor and the Assignee, Lessee shall continue to pay all amounts due under the applicable Lease to Lessor; provided, however, that upon notification from Lessor and the Assignee, Lessee covenants to pay all amounts due under the applicable Lease to such Assignee when due and as directed in such notice. Lessee further agrees that any Assignee may further sell, assign, grant a security interest in or otherwise convey its rights and interests under the applicable Lease with the same force and effect as the assignment described herein. Lessee may not assign, transfer, sell, sublease, pledge or otherwise dispose of this Master Agreement, any Lease, any Equipment or any interest therein. Lessee shall acknowledge each such assignment in writing if so requested and keep a complete and accurate record of all such assignments in a manner that complies with Section 149 of the Code, and regulations promulgated thereunder.

27. **FURTHER ASSURANCES.** Lessee agrees to promptly execute and deliver to Lessor such further documents and take such further action as Lessor may require in order to more effectively carry out the intent and purpose of this Master Agreement and any Schedule. Without limiting the generality of the foregoing, Lessee agrees (a) to furnish to Lessor upon request, a copy of the adopted annual budget relating to Lessee's ability to continue the Lease, its, officer's certificates, and (b) Lessee authorizes Lessor to file or obtain such documents as Lessor deems necessary to protect and/or evidence Lessor's interest in the Equipment.

28. **TERM OF MASTER AGREEMENT; SURVIVAL.** This Master Agreement shall commence and be effective upon the execution hereof by both parties and shall continue in effect until terminated by either party by 30 days' prior written notice to the other, provided that the effective date of the termination is after all obligations of Lessee arising hereunder and pursuant to any Schedule have been fully satisfied. Notwithstanding the foregoing, all representations, warranties and covenants made by Lessee hereunder shall survive the termination of this Master Agreement and shall remain in full force and effect. All of Lessor's rights, privileges and indemnities under this Master Agreement or any Lease, to the extent they are fairly attributable to events or conditions occurring or existing on or prior to the expiration or termination of such Lease, shall survive such expiration or termination and be enforceable by Lessor and Lessor's successors and assigns.

29. **AGREEMENT RESPECTING JURY TRIAL.** LESSEE AND LESSOR EXPRESSLY AGREE WITH RESPECT TO ANY ACTION OR PROCEEDING INSTITUTED BY LESSOR OR LESSEE IN CONNECTION WITH THIS MASTER AGREEMENT OR ANY FUNDAMENTAL AGREEMENT THAT ANY SUCH ACTION WILL BE RESOLVED BY THE COURT AND NOT BY A JURY.

30. **NOTICES.** All notices, requests, demands, waivers and other communications required or permitted to be given under this Master Agreement or any other Fundamental Agreement shall be in writing and shall be deemed to have been received upon receipt if delivered personally or by a nationally recognized overnight courier service, or by confirmed facsimile transmission, or 3 days after deposit in the United States mail, certified, postage prepaid with return receipt requested, addressed as follows (or such other address or fax number as either party shall so notify the other):

If to Lessor:

Hewlett-Packard Financial Services Company
420 Mountain Avenue, P.O. Box 6
Murray Hill, New Jersey 07974-0006
Attn: Director of Operations North America
Fax: (908) 898-4109

If to Lessee:

Attn: _____ ("Authorized Lessee Representative")
Fax: _____

31. **MISCELLANEOUS**

(a) **Governing Law.** THIS MASTER AGREEMENT AND EACH LEASE SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF EQUIPMENT LOCATION.

(b) **Credit Review.** Lessee consents to a reasonable credit review by Lessor for each Lease.

(c) **Captions and References.** The captions contained in this Master Agreement and any Schedule are for convenience only and shall not affect the interpretation of this Master Agreement or any Lease. All references in this Master Agreement to Sections and Exhibits refer to Sections hereof and Exhibits hereto unless otherwise indicated.

(d) **Entire Agreement; Amendments.** This Master Agreement and all other Fundamental Agreements executed by both Lessor and Lessee constitute the entire agreement between Lessor and Lessee relating to the leasing of the Equipment, and supersede all prior agreements relating thereto, whether written or oral, and may not be amended or modified except in a writing signed by the parties hereto.

(e) **No Waiver.** Any failure of Lessor to require strict performance by Lessee, or any written waiver by Lessor of any provision hereof, shall not constitute consent or waiver of any other breach of the same or any other provision hereof.

(f) **Lessor Affiliates.** Lessee understands and agrees that Hewlett-Packard Financial Services Company or any affiliate or subsidiary thereof may, as lessor, execute Schedules under this Master Agreement, in which event the terms and conditions of the applicable Schedule and this Master Agreement as it relates to the lessor under such Schedule shall be binding upon and shall inure to the benefit of such entity executing such Schedule as lessor, as well as any successors or assigns of such entity.

(g) **Invalidity.** If any provision of this Master Agreement or any Schedule shall be prohibited by or invalid under law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Master Agreement or such Schedule.

(h) **Counterparts.** This Master Agreement may be executed in counterparts, which collectively shall constitute one document.

(i) **Lessor Reliance.** Lessor may act in reliance upon any instruction, instrument or signature reasonably believed by Lessor in good faith to be genuine. Lessor may assume that any employee of Lessee who executes any document or gives any written notice, request or instruction has the authority to do so.

32. **DEFINITIONS.** All capitalized terms used in this Master Agreement have the meanings set forth below or in the Sections of this Master Agreement referred to below:

"Acceptance Certificate" means an Acceptance Certificate in substantially the form of Exhibit B, executed by Lessee and delivered to Lessor in accordance with Section 3.

"Acceptance Date" means, as to any Lease, the date Lessee shall have accepted the Equipment subject to such Lease in accordance with Section 3.

"Assignee" means any assignee of all or any portion of Lessor's interest in this Master Agreement, any Schedule or any Equipment, whether such assignee received the assignment of such interest from Lessor or a previous assignee of such interest.

"Authorized Lessee Representative" has the meaning specified in Section 30.

"Casualty Loss" means, with respect to any Equipment, the condemnation, taking, loss, destruction, theft or damage beyond repair of such Equipment.

"Casualty Value" means, as to any Equipment, an amount determined as of the date of the Casualty Loss or Lessee Default in question pursuant to a "Stipulated Loss Value Table" attached to the applicable Schedule.

"Claims" means all claims, actions, suits, proceedings, costs, expenses (including, without limitation, court costs, witness fees and attorneys' fees), damages, obligations, judgments, orders, penalties, fines, injuries, liabilities and losses, including, without limitation, actions based on Lessor's strict liability in tort.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning specified in Section 13.

"Concluding Payments" means the list of concluding payments on the attachment to the applicable Schedule.

"Daily Rent" means, as to any Lease, an amount equal to the per diem Rent payable under the applicable Schedule (calculated on the basis of a 360 day year and 30 day months).

"Equipment" has the meaning specified in Section 1.

"Equipment Location" means, as to any Equipment, the address at which such Equipment is located from time to time, as originally specified in the applicable Schedule and as subsequently specified in a notice delivered to Lessor pursuant to Section 12, if applicable.

"Fair Market Value" means the total price that would be paid for any specified Equipment in an arm's length transaction between an informed and willing buyer (other than a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell. Such total price shall not be reduced by the costs of removing such Equipment from its current location or moving it to a new location.

"Final Invoice Amount" has the meaning set forth in Section 2(c).

"First Payment Date" means, as to any Lease, the date the first Rent payment with respect to such Lease is due, as determined pursuant to the terms of the applicable Schedule.

"Fiscal Period" shall mean the fiscal year of Lessee, as it may be more particularly described in a Schedule.

"Fundamental Agreements" means, collectively, this Master Agreement, each Schedule and Acceptance Certificate and all other related instruments and documents.

"Hardware" means items of tangible equipment and other property.

"Lease" has the meaning specified in Section 2(a).

"Lessee" has the meaning specified in the preamble hereof.

"Lessee Default" has the meaning specified in Section 22.

"Lessor" has the meaning specified in the preamble hereof.

"License Agreement" means any license agreement or other document granting the purchaser the right to use Software or any technical information, confidential business information or other documentation relating to Hardware or Software, as amended, modified or supplemented by any other agreement between the licensor and Lessor.

"Master Agreement" has the meaning specified in the preamble hereof.

"Material Agreements" means, collectively, all Fundamental Agreements, all other material agreements by and between Lessor and Lessee, and any application for credit, financial statement, or financial data required to be provided by Lessee in connection with any Lease.

"Mobile PC Equipment" has the meaning specified in Section 12 hereof.

"Non-Appropriation" has the meaning specified in Section 7.

"Optional Additions" has the meaning specified in Section 11.

"PC Equipment" means, collectively, personal computers (e.g., workstations, desktops and notebooks) and related items of peripheral equipment (e.g., monitors, printers and docking stations).

"Purchase Documents" means, as to any Equipment, any purchase order, contract, bill of sale, License Agreement, invoice and/or other documents that Lessee has, at any time, approved, agreed to be bound by or entered into with any Supplier of such Equipment relating to the purchase, ownership, use or warranty of such Equipment.

"Rent" has the meaning specified in Section 4.

"Schedule" means, unless the context shall otherwise require a Schedule executed by Lessor and Lessee pursuant to Section 2(a).

"Seller" means, as to any Equipment, the seller of such Equipment as specified in the applicable Schedule.

"Software" means copies of computer software programs owned or licensed by Lessor, and any disks, CDs, or other media on which such programs are stored or written.

"State" means any of the states of the United States, its territories and possessions.

"Stipulated Loss Value" means, as to any Equipment, an amount specified for the applicable date of Casualty Loss or Default on the Stipulated Loss Value Table attached to each Table.

"Substitute Equipment" means, as to any item of Hardware or Software subject to a Lease, a substantially equivalent or better item of Hardware or Software having equal or greater capabilities and equal or greater Fair Market Value manufactured or licensed by the same manufacturer or licensor as such item of Hardware or Software subject to a Lease. The determination of whether any item of Equipment is substantially equivalent or better than an item of Equipment subject to a Lease shall be based on all relevant facts and circumstances, but shall minimally require, in the case of a computer, that each of processor, hard-drive, random access memory and CD ROM drive, if applicable, be equivalent or better.

"Supplier" means as to any Equipment, the Seller and the manufacturer or licensor of such Equipment collectively, or where the context requires, any of them.

"System Software" means an item of Software that is pre-loaded on an item of Hardware purchased by Lessor for lease hereunder for which the relevant Purchase Documents specify no purchase price separate from the aggregate purchase price specified for such items of Hardware and Software.

"Taxes" means all license and registration fees and all taxes (local, state and federal), fees, levies, imposts, duties, assessments, charges and withholding of any nature whatsoever, however designated (including, without limitation, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) other than taxes measured by Lessor's income.

"Term" means the term thereof as specified in the related Schedule.

"Total Cost" means as to any Lease, the total acquisition cost to Lessor of the Equipment subject to such Lease as set forth in the applicable Purchase Documents, including related delivery, installation, taxes and other charges which Lessor has agreed to pay and treat as a portion of such acquisition cost, if any.

"UCC" means the Uniform Commercial Code as enacted and in effect in any applicable jurisdiction.

"Unit of Equipment" means, as to the Equipment leased pursuant to any Schedule (a) each individual item of PC Equipment leased pursuant to such Schedule, and (b) all Equipment taken as a whole leased pursuant to such Schedule other than PC Equipment taken as a whole.

IN WITNESS WHEREOF, LESSEE AND LESSOR HAVE EXECUTED THIS MASTER AGREEMENT ON THE DATES SPECIFIED BELOW.

LESSEE:

By: _____

Name and Title

Date

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

Name and Title

Date

OFFICE OF COUNSEL ATTORNEY
By Michelle Wallace

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York. Attorney

HP Financial Services



Hewlett-Packard Financial Services Company
An HP Company
420 Mountain Avenue
P.O. Box 6
Murray Hill, NJ 07974
www.hp.com

January 27, 2009

Ruby,

In reference to Paragraph #18 RATE INDEXING of the State & Local Government Master Lease Purchase Agreement the rate index language is:

Notwithstanding anything to the contrary in this Master Agreement, Lessor will provide Lessee with an initial index rate based on a 2-Year U.S. Treasury Note Yield (the "Initial Index Rate") and base lease rate factors ("Base Lease Rates") for each type of Equipment in effect as of the date hereof for the calendar year in which the Master Agreement is executed and as of at least 15 days prior to the last business day of the calendar year for each succeeding calendar year of the Total Term of the Lease. Such Initial Index Rate and the Base Lease Rates (whether for the calendar year in which the Master Agreement is executed or for succeeding calendar years) will be effective for the entire applicable calendar year and will be set forth in the applicable Schedule if Lessee leases Equipment pursuant to Section 2.A of the Master Agreement or in the Advance Pricing Agreement and/or Consolidating Schedule if Lessee leases pursuant to Section 2.B therein. Adjustments to the Base Lease Rates will be calculated each calendar quarter based on the difference between the Initial Index Rate and the current 2-Year Treasury Note Yield as of the close of the first business day of the month preceding the following calendar quarter (the "Current T-Note Rate"), and such adjusted Base Lease Rates shall be effective for the entire following calendar quarter. For each 100 basis points change between the Current T-Note Rate and the Initial Index Rate, there will be a corresponding upward or downward adjustment of .00130 in quarterly Base Lease Rates and .00043 in monthly Base Lease Rates. Such adjustments will be prorated accordingly for any changes between the Current T-Note Rate and the Initial Index Rate of other than 100 basis points. The Base Lease Rates, as adjusted hereby, set forth in the Schedule or Advance Pricing Agreement and Consolidating Schedule, as the case may be, are provided to Lessee on the express condition that there is no Lessee Default which has occurred and which is continuing, and there has been no material adverse change in Lessee's financial, credit or operating condition (as determined by Lessor in its reasonable discretion) during any period in the applicable calendar year. The initial Base Lease Rates and adjusted Base Lease Rates provided by Lessor to Lessee do not include taxes.

Additionally the following language applies:

"Rates on a signed schedule will remain fixed through the term of that schedule. Term of schedule may be up to a period of thirty-six (36) months, unless a Nonappropriation shall have occurred. HPFS will provide rates on a calendar quarterly basis to be used for new schedules for the following quarter."

Let me know if you have any questions.

Thanks.

A handwritten signature in cursive script, reading 'Tina Alhashim'.

Tina Alhashim
Operations Manager



hp financial services

Michelle Wallace
Secretary

Exhibit A to Master Agreement

Master Agreement Number _____
Schedule Number _____

COUNTERPART NO. _____ OF _____. TO THE EXTENT THAT THIS SCHEDULE CONSTITUTES CHATTEL PAPER (AS DEFINED ON THE UCC), NO SECURITY INTEREST IN THIS SCHEDULE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT
SCHEDULE

Hewlett-Packard Financial Services Company¹ ("Lessor") and _____, an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Lease Purchase Agreement identified by the Master Agreement Number specified above (the "Master Agreement"). This Schedule (which shall be identified by the Schedule Number specified above) and the Master Agreement together comprise a separate Lease between the parties. The terms and conditions of the Master Agreement are hereby incorporated by reference into this Schedule. All capitalized terms used in this Schedule without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE.

A. Description of Items of Leased Equipment

Total Cost

B. Term: ____ Months.

2. RENT. See Attachment A.

ANNUAL RATE OF INTEREST _____

3. LATEST COMMENCEMENT DATE: _____. Lessor's obligation to purchase and lease the Equipment is subject to the Acceptance Date being on or before the Latest Commencement Date.

4. EQUIPMENT LOCATION: _____

5. SELLER: _____

6. APPROPRIATIONS: Monies for all Rent and other payments due under the Lease for the Fiscal Period ending _____ are available from Lessee's appropriated funds for such Fiscal Period and that appropriations and/or other funds have been encumbered or designated for the payment of all Rent and other payments that shall become due under the Lease in such Fiscal Period.

7. NON-ASSIGNABILITY BY LESSOR: Notwithstanding any other terms or conditions set forth in the Master Agreement to the contrary, Lessor hereby agrees that it shall not and will not sell, discount, factor, hypothecate or otherwise dispose of its interest in the Equipment or this Schedule or any Lease.

8. ADDITIONAL PROVISIONS:

(a) Cap amount for Sections 23 and 24: _____

9. FISCAL PERIOD: _____

LESSOR AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR THE EQUIPMENT DESCRIBED IN SECTION 1.A ABOVE. SUCH LEASE WILL BE GOVERNED BY THE MASTER AGREEMENT AND THIS SCHEDULE, INCLUDING THE IMPORTANT ADDITIONAL TERMS AND CONDITIONS SET FORTH ABOVE. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THIS SCHEDULE AND THE MASTER AGREEMENT, THE TERMS OF THIS SCHEDULE SHALL GOVERN. LESSEE HEREBY REPRESENTS AND WARRANTS THAT ON AND AS OF THE DATE HEREOF EACH OF THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE IN THE MASTER AGREEMENT ARE TRUE, CORRECT AND COMPLETE.

LESSEE:

By: _____

Name and Title

Date

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

Name and Title

Date

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

ATTACHMENT A

TO

SCHEDULE TO STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT

The first payment of Rent will be due [__ days after][on] the Acceptance Date and all payments will be due [monthly][quarterly][semi-annually][annually] thereafter.

<u>Rent Payment No</u>	<u>Rent</u>	<u>Interest</u>	<u>Principal</u>	<u>Concluding Payments</u>
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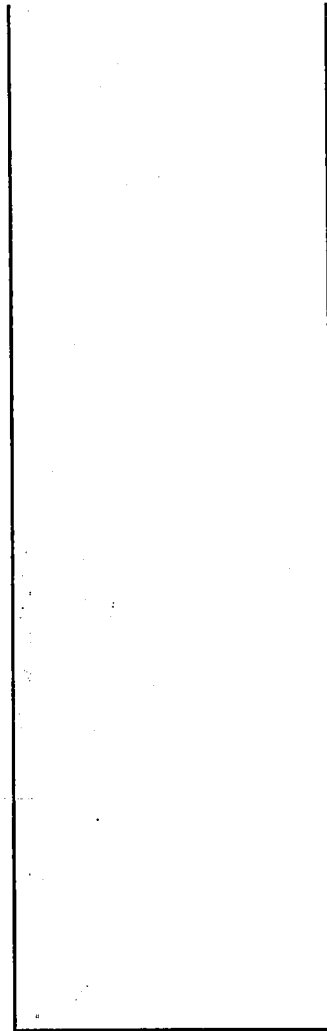
Stipulated Loss Value Table

INPUTS		<i>Assumes that ALL RENTS ARE CURRENT</i>
Term:	36	
SOFTCOSTS LRF:	0.03200	
Discount Rate:	3%	
ADVANCE (1) OR ARREARS (0):	1	<<< 3% is standard - Don't change unless negotiated ir

**36
Month EARLY TERM
Table**

Number of Payments Made	PV of SOFCOSTS Rental Stream	Total
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hp financial services

Exhibit B to Master Agreement

Master Agreement Number _____
Schedule Number _____

**STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT
ACCEPTANCE CERTIFICATE**

Hewlett-Packard Financial Services Company¹ ("Lessor") and _____, an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Lease Purchase Agreement (the "Master Agreement") and Schedule under such Master Agreement (the "Schedule") identified by the Master Agreement Number and Schedule Number, respectively, specified above. The Master Agreement and Schedule together comprise a separate Lease, that is being accepted and commenced pursuant to this Acceptance Certificate. All capitalized terms used in this Acceptance Certificate without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE ACCEPTANCE. Lessee hereby acknowledges that the Equipment described in Section 1 of the Schedule, or if different, the Equipment described in the attached invoice or other attachment hereto, has been delivered to the Equipment Location specified below, inspected by Lessee and found to be in good operating order and condition, and has been unconditionally and irrevocably accepted by Lessee under the Lease evidenced by the Master Agreement and the Schedule as of the Acceptance Date set forth below. Lessee authorizes Lessor to reduce the Rent payments on the Schedule to reflect the Final Invoice Amount set forth on the attached invoice(s) if such amount is different than the Total Cost on the Schedule.

2. LESSEE ACKNOWLEDGEMENTS. Lessee hereby agrees to faithfully perform all of its obligations under the Master Agreement and the Schedule and reaffirms, as of the date hereof, its representations and warranties as set forth in the Master Agreement. Lessee hereby acknowledges its agreement to pay Lessor Rent payments, as set forth in the Schedule, plus any applicable taxes, together with all other costs, expenses and charges whatsoever which Lessee is required to pay pursuant to the Master Agreement and the Schedule, in each instance at the times, in the manner and under the terms and conditions set forth in the Master Agreement and the Schedule, respectively.

3. EQUIPMENT LOCATION. The Equipment has been installed and is located at the following Equipment Location:

4. REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants that on and as of the date hereof each of the representations and warranties made by Lessee in the Master Agreement are true, correct and complete.

[LESSEE]

By: _____

Name and Title

Acceptance Date: _____

Michelle Wallace

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2009, by and between PINELLAS COUNTY, a political subdivision of the State of Florida, hereinafter referred to as the "County" and HEWLETT-PACKARD COMPANY, hereinafter referred to as the "Contractor".

WITNESSETH:

WHEREAS, County has previously determined that it has a need for THE PURCHASE OR LEASE OF COMPUTER EQUIPMENT; and

WHEREAS, County, after soliciting competitive proposals for such services pursuant to Pinellas County Request for Proposal, RFP No. 078-0335-P (hereinafter Request for Proposal or RFP), County has awarded this contract to Contractor; and

WHEREAS, Contractor has represented that it is able to satisfactorily provide the services according to the terms and conditions of the Request for Proposal, which are incorporated herein by reference, and the terms and conditions contained herein; and

NOW THEREFORE, in consideration of the above and mutual covenants contained herein, the parties agree as follows:

1. Services to be Performed. The Contractor hereby agrees to provide the County with THE PURCHASE OR LEASE OF COMPUTER EQUIPMENT, as requested and more specifically outlined in the Request for Proposal, this Agreement and all subsequent official documents that form the Contract Documents for this Agreement.

2. Term of Agreement/Renewal. Services performed pursuant to this Contract shall commence upon execution of this agreement and continue for a period of thirty-six (36) months, unless canceled or terminated as provided herein. The term of this Agreement may be renewed, by written agreement of the parties, for one (1) additional thirty-six (36) month period(s) after the initial contract period. This extension may be approved only if all prices, terms and conditions remain the same, and approval is granted by the County Administrator or Director of Purchasing.

3. Amendment of the Agreement. This Agreement may be amended only by mutual written agreement of the parties.

4. Assignment/Subcontracting. The Contractor shall provide the Services required by this Agreement. No assignment or subcontracting shall be allowed without the prior written consent of the County. In the event of a corporate acquisition and/or merger, the Contractor shall provide written notice to the County within thirty (30) business days of Contractor's notice of such action or upon the occurrence of said action, whichever occurs first. In that event, the County may terminate this Agreement in those instances in which a corporate acquisition and/or merger represents a conflict of interest or contrary to any local, state or federal laws.

5. Termination. Pinellas County reserves the right to terminate this Agreement, without cause, by giving thirty (30) days prior written notice to the Contractor of the intention to terminate.

Failure of the Contractor to comply with any of the provisions of this Agreement shall be considered a material breach of the Agreement and shall be cause for immediate termination of the Agreement at the sole discretion of Pinellas County.

In addition to all other legal remedies available to County, County reserves the right to terminate and obtain from another source any services which have not been provided within the period of time stated in the proposal, or if no such time is stated, within a reasonable period of time from the date of order or request, as determined by County.

In the event that sufficient budgeted funds are not available for a new fiscal period, the County shall notify the Contractor of such occurrence and the Agreement shall terminate on the last day of the then current fiscal period without penalty or expense to the County.

6. Compensation. County shall pay Contractor upon Contractor's completion of, and County's acceptance of, the services required herein, as specified in the Request for Proposal. Prices shall remain firm for the duration of the Agreement. All payments shall be made in accordance with the Local Government Prompt Payment Act, Fla. Stat. § 218.70, et. seq. Contract renewals will allow for price adjustments (Increase/Decrease) in an amount not to exceed the average of the Producer Price Index (PPI) for Industry: Electronic Computer Manufacturing, Series Id: pcu334111334111, for the twelve months prior to contract renewal.

7. Permits/ Licenses. Contractor must secure and maintain any and all permits and licenses required to complete this Agreement.

8. Audit. The Contractor shall retain all records relating to this Agreement for a period of at least three (3) years after final payment is made. All records shall be kept in such a way as will permit their inspection pursuant to Chapter 119, Florida Statutes. In addition, Pinellas County reserves the right to audit such records pursuant to Pinellas County Code, Section 2-176(j).

9. Minimum Insurance Requirements. The Contractor must maintain insurance in at least the amounts required in the Request for Proposal throughout the term of this contract. The Contractor must provide a Certificate of Insurance in accordance with Insurance Requirements, Section C of the Request for Proposal, evidencing such coverage prior to issuance of a purchase order or commencement of any work under this Agreement. Contractor shall ensure that any subcontractors or persons hired by subcontractors maintain the same level of insurance coverage as the Contractor.

10. Indemnification. Contractor shall indemnify, pay the cost of defense, including attorneys' fees, and hold harmless the County from all suits, actions or claims of any character brought on account of any injuries or damages received or sustained by any person, persons or property by or from the said Contractor; or by, or in consequence of any neglect in safeguarding the work; or by the use of unacceptable materials in the construction of improvements; or by or on account of any act or omission, neglect or misconduct of the said Contractor; or by, or on account of, any claim or amounts recovered under the "Workers' Compensation Law" or of any other laws, by-laws, ordinance, order or decree, except only such injury or damage as shall have been occasioned by the sole negligence of the County. The first ten dollars (\$10.00) of compensation received by the Contractor represents specific consideration for this indemnification obligation.

12. Governing Law. The laws of the State of Florida shall govern this Agreement.

13. Independent Contractor Status and Compliance with the Immigration Reform and Control Act of 1986. The Contractor is and shall remain an independent contractor and is neither agent, employee, partner, nor joint venturer of County. Contractor acknowledges that it is responsible for complying with the provisions of the Immigration Reform and Control Act of 1986 located at 8 U.S.C. 1324, et. seq., and regulations relating thereto, as either may be amended from time to time. Failure to comply with the above provisions shall be considered a material breach and shall be grounds for immediate termination of the Agreement, at the discretion of Pinellas County.

14. Severability. The terms and conditions of this Agreement shall be deemed to be severable. Consequently, if any clause, term, or condition hereof shall be held to be illegal or void, such determination shall not affect the validity or legality of the remaining terms and conditions, and notwithstanding any such determination, this agreement shall continue in full force and effect unless the particular clause, term, or condition held to be illegal or void renders the balance of the agreement impossible to perform.

15. Documents Comprising Agreement. The Agreement for THE PURCHASE OR LEASE OF COMPUTER EQUIPMENT, as well as the following documents, which are incorporated herein by reference.

- a. Final Negotiated Points;
- b. Master Lease Agreement and all of its addenda and attachments;
- c. Pinellas County's Request for Proposal and all of its addenda and attachments issued on _____, 2008;
- d. Contractor's Certificate of Insurance required under Section C of the Request for Proposal; and
- e. Contractor's Proposal.

If there is a conflict between the terms of this Agreement and the above referenced documents, then the conflict shall be resolved as follows: the terms of this Agreement shall prevail over the other documents, and the terms of the remaining documents shall be given preference in their above listed order.

IN WITNESS WHEREOF the parties herein have executed this Agreement for THE PURCHASE OR LEASE OF COMPUTER EQUIPMENT pursuant to RFP No. 078-0335-P as of the day and year first written above.

PINELLAS COUNTY, FLORIDA
by and through its Board of County
Commissioners

Chairman

ATTEST:
KEN BURKE

By: _____
Deputy Clerk

CONTRACTOR

President (Signature)

President (Printed Name)

[Corporate Seal]

ATTEST:

By: _____
(Attesting Witness' name/title)

APPROVED AS TO FORM:



Office of the County Attorney

BOARD OF COUNTY COMMISSIONERS

NANCY BOSTOCK
NEIL BRICKFIELD
CALVIN D. HARRIS
SUSAN LATVALA
JOHN MORRONI
KAREN WILLIAMS SEEL
KENNETH T. WELCH



Joseph Lauro, CPPO/CPPB
Director

January 13, 2009

Mr. James Brush, HP Contract Manager
Kathy Coker, FL STL Field Account Manager
Brandon Casement, HP Financial Services
Hewlett-Packard Company

Via: Email: james.brush@hp.com – kathy.coker@hp.com –
Brandon.casement@hp.com

RE: Negotiation of Contract
Request for Proposal(RFP) – Computer Equipment, Purchase or Lease
Contract No: 078-0335-P(RM)

Dear Mr. Brush, Ms. Coker and Mr. Casement:

This letter is to confirm our communications with Kathy Coker, Client Account Manager and Brandon Casement, HP Financial Services that HP has agreed on the following negotiation points and they will become part of this contract with HP. Please see items 16 and 17 listed below as they are directly related to HP Financial Services and the leasing portion of the contract and must be added as exhibit to the Master Lease Agreement documents. Please provide them on HP Financial Services letter head.

1. The County prefers the \$1,000 buyout option for any equipment leases entered into and is not interested in FMV lease options.

Response:

HP has read and agrees.

2. HP to provide a sample of a quarterly lease rate schedule based on the lease rate factor submitted by HP using the basic configuration for a desktop unit used in the RFP: Desktop (Basic) & 1745 Monitor & HP Silver flat panel Speaker Bar (DC5800CMT 2GB)

Response:

Please refer to the attached sample HP has provided.

The sample is exhibit A and B of the Master Lease Agreement.

3. HP to provide confirmation that a web based ordering system can be linked to Finance for leasing orders.

Response:

Yes. HP is going to use Pinellas's release order # as the Schedule #/PO. PO # will be PO + release order # so it can be tracked in OSS.

PLEASE ADDRESS REPLY TO:
400 South Ft. Harrison, Sixth Floor
Clearwater, Florida 33756
Phone: (727) 464-3311
FAX: (727) 464-3925
Website: www.pinellascounty.org/purchase

4. HP to provide confirmation that a release can be used for lease ordering purposes and subsequent releases directly related to the first release can be tied together.

Response:

HP will use the PO and release number as our schedule #. These appear on the invoices that are generated. Once the new release # is issued we will update that field in the Billing system.

5. HP to provide confirmation that an invoice per release per address is possible.

Response:

It is possible. HP will do 1 contract for every order. When the order is placed we will need the address information and any other information Pinellas wants to appear on the invoice.

6. HP to provide confirmation that HP can provide one (1) signature page for lease orders.

Response:

HP will provide one signature page for all of the schedules we do that month.

7. The County requests that HP break out the component prices for each system that was priced for the configurations provided.

Response:

HP has established separate pricing for monitors and CPUs per requested configuration and will post as separate products on the County website for purchase. See revised pricing matrix and discounts for family discounts on CPU and monitors.

8. BTS may want to purchase in various combinations. Example: 1 CPU and 2 monitors.

Response:

Based on HP's negotiated pricing, BTS will have flexibility to mix and match needed products. HP is happy to list individual products for purchase on County Website.

9. The 20% discount being offered on all other peripherals must be the lowest price available either on state contract promotion or to the general public. Otherwise departments will go and purchase these items on their Pcards.

Response:

Per email communications 1/8/09: You will be able to mix and match your 5800 CPU at 45% off and any HP monitor at 35% (All monitors now match State Contract discount) as well as to mix and match any 4600 CADD CPU at 50% off and 35% off any HP monitor CADD CPU and any monitor matching State Contract.

10. The County requests HP to define what discount % off is based on.

Response:

HP has established pricing based on ILP (Internet List Price). The Web link to see latest ILP can be found by clicking the following link:

<http://h18000.www1.hp.com/showroom/ipl.html>

11. HP to provide same discount pricing for upgrades to latest technology.

Response:

It's HP's policy is transition customers to new technology (i.e. chipset transitions) for like configurations at negotiated price(s) established in this RFQ. If market conditions don't allow for a like components to be included in new configurations, HP will inform the County of any pricing changes.

12. The County wants to negotiate the CADD pricing.

Response:

Please see revised family discount matrix below (includes HP xw4600 CADD CPU).

HP CADD workstation standard (xw 4600) is approved for Family discount at 50% (matches Stte Contract) Sample configuration pricing remains firm from original proposal dated September 11, 2008.

In addition to the bundled desktop, laptop and workstation (sample) configurations submitted in the Pinellas County Proposal No: 078-0335-P(RM) on September 11, 2008, HP will also provide family firm, fixed pricing discount-tier schedules for PSG line and accessories to include entire monitor line, point of sale, thin client, range of care packs and vPro technology:

- % Base System
- %HP Branded Products and Options
- Access to HP retail list price list and notices of list price changes

Per email communications 1/8/09: HP CADD workstation standard (xw 4600) is approved for Family discount at 50% (matches State Contract) Sample configuration pricing remains firm from original proposal dated September 11, 2008.

PINELLAS COUNTY (FL) LOCAL GOVERNMENT		BASED OFF LIST PRICE
PRODUCT LINE	DESCRIPTION	FAMILY DISCOUNT
DC5800	INTEL DESKTOP	45%
DC5850	AMD DESKTOP	30%
DC7900	INTEL DESKTOP	30%
DX2400	INTEL DESKTOPS	10%
POINT OF SALE	DESKTOP OPTIONS	20%
	RP5700	20%
	RP3000	20%
THIN CLIENTS	POS OPTIONS	20%
	DESKTOPS	20%
BLADE PC	OPTIONS	20%
	BC2000 & BC2500	20%
TFT	MONITORS	35%
LARGE SCREEN	TV'S	NA
NOTEBOOKS	6710B (INTEL)	40%
	6510B (INTEL)	40%
	6735B (AMD)	20%
	6535B (AMD)	20%
	2530P (INTEL)	20%
	6930P (INTEL)	20%
	8530P (INTEL)	20%
	8530W (INTEL)	20%
	8730W (INTEL)	20%
	6735B (INTEL)	20%
	6730S (INTEL)	20%
	6735S (INTEL)	20%
	THIN CLIENT NOTEBOOKS	20%
	6720T (INTEL)	20%

	2533T (INTEL)	20%
	PORTABLE OPTIONS	20%
TABLETS	2730P (INTEL)	20%
MINI NOTEBOOKS	2133 (INTEL)	10%
WORKSTATIONS	XW4550 (AMD)	25%
	XW4600 (INTEL)	50%
	XW6600 & XW8600 (INTEL)	30%
	XW9400 (INTEL)	35%
	WORKSTATION OPTIONS	30%
	BLADES	25%
	BLADES OPTIONS	25%

13. Although HP provided a white paper discussing HP's capabilities with a Buy-Back program, the County requires further details.

Response:

HP Trade in Program is available via web at http://www.hp.com/united-states/tradein/ait_main.html?jumpid=hpr_R1002_USEN

This web-based program provides on-line quotes for products of value and can also provide disposal options available to the County. We are happy to set up a conference call or webinar with a Program representative to answer any questions the County may have on this Program.

Please refer to the attached document, HP Financial Services Asset Recovery Services for additional information on how HP can help Pinellas manage existing equipment.

14. The County would want HP to manage any equipment recycling program for equipment that is no more than 5 years old. If HP can not administer such a program, the County will have to competitively bid that option.

Response: HP and HPFS would be happy to assist you with recycling your existing equipment. The white paper that is attached shows what the capabilities of this piece of our organization can do to help you with your disposition needs.

15. HP agrees that if HP is out of stock when an order is placed and can not fulfill the order within three (3) weeks, HP will provide the County with an equal or better product within ten (10) days at the same price.

As a strategic account for HP, Pinellas County will receive fair share allocation with other priority customers in the event that products would be put on allocation/backorder status. In addition, HP will proactively alert Pinellas County to any upcoming product shortages or allocations as soon as possible, allowing Pinellas County to make proper preparations and business decisions based on the situation. In the rare event that HP would experience product constraints, HP will offer product substitutions for readily available product that will meet or exceed Pinellas County's requirements. HP will also prioritize such orders to ensure minimal disruption to Pinellas County's daily business. In return, HP will ask Pinellas County for on-going forecasts to assure that deliveries are provided in a timely manner and to avoid backorder situations for un-forecasted products.

For more information on expected delivery from HP Direct, see matrix below:

Product Type	Definition	Order to Ship
DESKTOPS/MONITORS:		
Desktops	Product requiring no configuration or only simple services (i.e. asset tag, simple image load, etc.)	6 Days
Desktops (Custom)	Product requiring complex configuration (i.e. 3 rd party product) and/or complex services (special testing, etc.)	9 Days
WORKSTATIONS:		
Workstations	Product requiring no configuration or only simple services (i.e. asset tag, simple image load, etc.)	8 Days
Workstations (Custom)	Product requiring complex configuration (i.e. 3 rd party product) and/or complex services (special testing, etc.)	15 Days
NOTEBOOKS/TABLETS:		
Notebooks	Product requiring no configuration or only simple services (i.e. asset tag, simple image load, etc.)	14 Days
Notebooks (Custom)	Product requiring complex configuration (i.e. 3 rd party product) and/or complex services (special testing, etc.)	17 Days
HANDHELDS:		
Handhelds	All handheld configurations	5 Days
PRINTERS:		
Printers	Pick, pack and ship product requiring no configuration	3 Days
Printers (configured)	Product requiring additional configuration such as additional memory, asset tagging, special testing, etc.	6 Days
3RD PARTY:		
Peripherals 3 rd Party	Pick, pack and ship 3 rd Party Products (i.e. monitors, printers, etc.) requiring no configuration	5 Days
Peripherals 3 rd Party (configured)	Third party product requiring any additional configuration such as extra memory, asset tagging, special testing, etc.	8 Days

16. HP Finance will attach the rate language as provided by Brandon Casement on 1/12/09 as an exhibit to the Master Lease Agreement

17. HP Finance will attach a statement as an exhibit to the Master Lease Agreement that the rates on a signed schedule will remain fixed through the term of that schedule. HP Finance will provide rates on a calendar quarterly basis to be used for new schedules for the following quarter. The lease schedule term is for thirty-six (36) months.

General Assumptions:

- Cycle times are dependent upon an accurate customer supplied 90 day rolling line item level forecast (frozen from week 2 previous month)
- Cycle times are in business days. They exclude weekends and holidays
- Compliance goal is 90%
- Cycle time is defined as the duration, in business days, from receipt of a clean/credit-approved/valid order by the HP Customer Services Team, to the date the product is shipped via an HP carrier
- For orders received after the 2PM CST order cut-off time, add 1 business day
- First Article (Proof Of Concept) Units have been completed and accepted in writing, when applicable
- If an order consists of forecasted and non-forecasted product the entire order is considered non-forecasted, therefore the outlined cycle times do not apply
- For third party products from non-contracted vendor – custom quoted lead time

Delivery Assumptions:

- Ship complete order cycle time is the longest order line item product cycle time plus one business day
- For transit time shorter than standard ground (2-4 business days average depending upon delivery location from HP Distribution Center), consider alternate freight methods
- Cycle times do not apply to critical shortages or end of life products

18. The County requires additional information about the bonus point program. Somewhere in the conversations the subject of applying for credit came up. If there is a requirement for filling out a credit application, the County needs to see a hard copy of that application and any other agreement that requires signature of County authority.

Response:

Bonus Points Terms and Conditions: <http://h30196.www3.hp.com/Terms.aspx>

Bonus Points Program does not require any credit application from the County. After filling in on-line application, an email will be sent to County. Pinellas County will fax a return confirmation with the Bonus Points administrator name on County letterhead. A Bonus Program welcome letter is then emailed to County Program Administrator and points load automatically for redemption.

Please see additional comments below:

The County has agreed that a Certificate of Insurance is fine for now.

The County does not believe it is going to exercise the service options that would be provided by Insight Public Sector. Therefore, Insight's participation in the conference call is not required.

Response:

Agreed

County does not feel it is in the best interest of the County to offer an employee purchase program at this time.

Response:

Agreed

The County is also interested in working out details for an Equipment Loan Agreement for Computer Equipment in the event of a natural disaster.

Response:

Please include this contact list as part of Pinellas County Business Continuity Plan for emergency management. HP has a vast channel network that can ship product immediately and is ready assist Pinellas County in event of emergency or natural disaster.

1. Call or e-mail HP PSG Inside Sales Representative (ISR): Andrew Hussmann 719-592-6700 ext. 70103 from hours 8am EST – 5 PM EST or email Andrew.Hussmann@hp.com for laptops, desktops and monitors. For TSG (server/storage) product, please call ISR, Sharon Eckrich 1-800-277-8988 x 70178 or email sharon.eckrich@hp.com.

Or call/email HP PSG (laptop, desktop, monitor) Sales Representative: Kathy Coker 904-347-9816 by cell/904-794-5536 – O or kathy.coker@hp.com.

For TSG (server/storage) products, call Jose Quezada 1-407-348-8116 or email jose.a.quezada@hp.com.

For Imaging and Printing needs, please contact Tammy Malone 1- 813-774-7778 or email tammy.malone@hp.com.

Customers can also call 1-800-888-3224 and hit zero (0) for next available rep to request expedited materials needed.

Main number for HP can also be used to find any employee or resource by calling 800-752-0900.

After-hours numbers for HP service 1-800-HPINVENT – please select Purchase (for equipment orders) or Technical (for service response)

This page revised 1/13/09. Please replace page 6 of the original document with this page.

2. HP Inside Sales Rep will advise customer/partner of the available Built-to-Order (BTO) Desktop/Laptop configs that are already ready for immediate shipment from US Based Inventory in Houston/Indianapolis or in any HP channel partner location.
3. Available product can be marked for overnight deliveries.
4. Florida Order Entry and Processing will be notified by ISR of the impending order and expedite shipping can be added to the order instructions.
5. ISR will notify the Order/Logistics Escalation Team of the required Delivery Address and Locations needing the equipment.
6. ISR will communicate confirmations and anticipated arrival of products and deployment. This step and some of the above may involve partner as well where needed for coordinated response.

By signing this letter, you agree to the negotiations points listed above.

James Bush Contract Manager 1/14/09
Signature Title Date

Additionally, I have attached two (2) originals of the County's agreement and the Master Agreement that will become a part of the contract. Please execute all originals and return to my attention along with this letter signed and dated in original form.

Upon approval of the contract and execution of the documents by the Board of County Commissioners, I will return one (1) original agreement to you for your files.

Please contact me with any questions.

Sincerely,

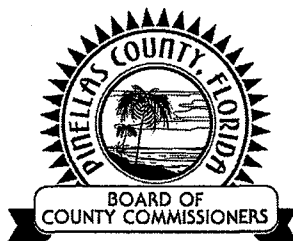
Ruby M. McKenzie

Ruby M. McKenzie, CPPB
Procurement Analyst

Cc: Ray Dilley, BTS Senior Manager

Attachments: Agreement

Master Lease Agreement documents



BOARD OF COUNTY COMMISSIONERS

DATE: October 21, 2008
AGENDA ITEM NO. 19.

Consent Agenda ☒

Regular Agenda ☐

Public Hearing ☐

County Administrator's Signature 

Subject:

Approval of Ranking of Firms - Computer Equipment Purchase or Lease
Contract No. 078-0335-P(RM)

Department:

Business Technology Services / Purchasing

Staff Member Responsible:

Paul Alexander / Joe Lauro

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE RANKING OF FIRMS AND AUTHORIZE STAFF TO NEGOTIATE WITH THE NUMBER ONE RANKED FIRM, HEWLETT-PACKARD COMPANY, PALO ALTO, CALIFORNIA FOR COMPUTER EQUIPMENT PURCHASE OR LEASE.

Summary Explanation/Background:

On July 25, 2008, the Purchasing Department, on behalf of Business Technology Services, (BTS) let a Request for Proposal (RFP) for a contract able to provide the flexibility and convenience of one-stop shopping (ability to purchase or lease) computer equipment that includes the following listed categories:

- Desktops
- Monitors
- Laptops
- Service Plans

Additional Hardware that may be purchased during the term of the contract is limited to:

- Mice
- Keyboards
- Docking Stations
- Port Replicators
- Carrying Cases
- Cables Necessary for Connecting Systems
- Auto/Air/AC Adapters
- Batteries

The evaluation committee consisted of staff members from BTS, Clerk of Courts, the Office of Management and Budget, and a member of the Purchasing Department acting as the facilitator. The committee met on September 19, 2008 and September 26, 2008, to evaluate and score the proposals.

The proposals were evaluated according to the following criteria:

Step One:

•	Qualifications	200 points
•	Technical Plan	250 points
•	Personnel/Management Plan	200 points
•	Cost Proposal	<u>200 points</u>

for a possible total of: 850 points

Step one ranking of firms is as follows:

1) Hewlett-Packard Company	753.00 points
2) Dell Marketing L.P. d/b/a Dell Inc.	603.50 points
3) Lenovo Inc. USA	578.00 points
4) Pomeroy IT Solutions, Inc.	543.00 points

Step Two:

Presentation and demonstration for a possible total of 150 points in step two of the evaluation for any proposer that scored at least 80% or more of the written proposal evaluation.

Hewlett-Packard Company, was the only company to score at least 80% or more of the written proposal evaluation.

Step two ranking of firms is as follows:

1) Hewlett-Packard Company	885.00 points
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At the direction of the Board, staff will begin negotiations with the number one ranked firm. Negotiations will be based on price and deliverables.

Fiscal Impact/Cost/Revenue Summary:

Funding is provided through using department's operating budgets.

PRELIMINARY ESTIMATED THIRTY-SIX (36) MONTH EXPENDITURE: \$6,000,000.00

The final negotiated contract with Hewlett-Packard Company will be presented to the Board for consideration at a later date.

Exhibits/Attachments Attached:

1. Contract Review
2. Evaluation Criteria Tabulation, Step One & Step Two

PINELLAS COUNTY EVALUATION CRITERIA TABULATION
SHEET

RFP TITLE: Computer Equipment - Purchase or Lease
RFP #: 078-0335-P (RM)

	COMPANY NAME						DEMONSTRATION										RANK
		EVALUATOR	EVALUATOR	EVALUATOR	EVALUATOR	EVALUATOR	TOTAL POINTS	TOTAL AVERAGE	RANK	EVALUATOR	EVALUATOR	EVALUATOR	EVALUATOR	EVALUATOR	TOTAL POINTS	TOTAL AVERAGE	
		Linda Benoit	Ray Dilley	Jim Russell	Chris Short	Terri Vincent	Before Demo	Before Demo	Before Demo	Linda Benoit	Ray Dilley	Jim Russell	Chris Short	Terri Vincent	After Demo	After Demo	After Demo
1	Dell Marketing L.P., d/b/a Dell Inc.	602.50	590.00	580.00	635.00	610.00	3017.50	603.50	2	0.00	0.00	0.00	0.00	0.00	3017.50	603.50	2
2	Hewlett- Packard Company	755.00	765.00	755.00	745.00	745.00	3765.00	753.00	1	127.50	135.00	135.00	127.50	135.00	4425.00	885.00	1
3	Lenovo Inc. USA	570.00	570.00	570.00	600.00	580.00	2890.00	578.00	3	0.00	0.00	0.00	0.00	0.00	2890.00	578.00	3
4	Pomeroy IT Solutions, Inc.	555.00	535.00	535.00	545.00	545.00	2715.00	543.00	4	0.00	0.00	0.00	0.00	0.00	2715.00	543.00	4

Date: September 19, 2008 and September 26, 2008