Council Meeting of
June 17, 2008

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Manager – Appropriate funds for the City of Torrance Computer Loan Benefit Program for purchase order with Dell Inc. Expenditure: $44,000

RECOMMENDATION

Recommendation of the City Manager that the City Council appropriate $44,000 from the Computer Loan Fund and approve a purchase order for the term July 1, 2008 through June 30, 2009 to Dell Inc. of Round Rock, TX, the approved vendor for the City of Torrance Computer Loan Benefit Program.

Funding

The Computer Loan Fund has existing funds to be used for this program. As employees pay back their loans each pay period, the monies are placed back in the Computer Loan Fund for future use in the computer benefit program.

BACKGROUND/ANALYSIS

With the 1999-2001 budget, City Council approved the creation of the employee Computer Loan Benefit Program including the establishment of a no interest computer loan revolving fund. This program enables employees to purchase a computer for personal use.

Eligible employees are selected through a twice-yearly drawing for immediate loans. Once employees are in the program, they have two methods by which to purchase their computer. The first method requires the employee to pay up front for the computer. The City then reimburses the employee's up front costs up to $2000, and the employee repays the no interest loan to the City over two years through payroll deduction.

The second method allows employees to purchase their computer through the approved City vendor, Dell Inc. The City has approved the computer systems available from the vendor. The employees simply select their computer, the vendor then invoices the City for the cost not to exceed $2000, and the employees repay the no interest loan to the City through payroll deduction. Since the inception of the program, 332 loans have been funded through the Computer Loan Benefit Program.

In order to continue providing employees with a no interest loan to purchase their computer, $44,000 from the Computer Loan Fund needs to be appropriated and a new purchase order with Dell Inc. needs to be approved.

The purchase order will indicate an expenditure authorization not to exceed $44,000. The Computer Loan Fund is replenished with each payment made by the employees toward their loan. In essence, replenishing the Computer Loan Fund in this manner creates a revolving funding source for the computer benefit program.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By _____
Jay Scharfman
Sr. Management Associate

CONCUR:

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LeRoy J. Jackson
City Manager