

EL CAMINO REAL ALLIANCE

EXECUTIVE DIRECTOR RECOMMENDATION

BOARD MEETING DATE: April 28, 2022

AGENDA ITEM:

Discuss and vote to buy out the leased student laptops.

BRIEF SUMMARY OF THE ISSUE:

The technology and business departments have worked closely with Teqlease (our leasing partner) to obtain a competitive lease buyout quote with favorable terms, while assuring a cost-effective proposal. The FMV (fair market value) was negotiated to \$48 for all outstanding leased devices. Pre-negotiated FMV for the 2019-20 and 2020-21 were \$129 and \$112 respectively. This proposal also includes savings of \$4,902.21 on interest expense.

Based on our cost analysis, projections of our remaining lease payments, and factoring the audit cost (charges derived from lease returns averaging \$50,000 per/yr), ECRCHS will save approximately \$58,663.40 if early buyout is exercised. The funding source will **not** encumber the general fund budget as ECRCHS will be using categorical funding. (e.g. ESSER, CARES, etc. to cover the amount)

This will also allow ECRCHS to offer a student “buy-back” option. Which will allow students to purchase their devices for a marginal cost.

PERSONNEL INVOLVED:

David Hussey/Gregory Wood/Fernando Delgado/Ryan Guinto

FISCAL IMPLICATIONS (IF ANY):

Lease Buyout Option

Description	Cost	Device Count
	Lease paid (FMV payout open)	
Lease Cost 22'		1,162
Lease Cost 23'	\$107,602.07	900
Lease Cost 24'	\$221,612.30	950
Device Cost \$48ea	\$144,576.00	
Amount Due	\$473,790.37	
Total Savings \$59,000*		
*Savings based on projected device return cost using historical cost paid to lessor from prior year audit.		

IMPACT ON SCHOOL MISSION, VISION OR GOALS (IF ANY):

Sustaining the 21st Century Classroom Initiative that was initiated in 2018.

OPTIONS OR SOLUTIONS:

N/A.

EXECUTIVE DIRECTOR’S RECOMMENDATION:

Approve the buyout of remaining lease of student laptops

PROPOSED MOTION:

Motion to approve the lease buyout of student laptops.

—
