

Windham School District

School Administrative Unit #95

Winfried Feneberg
Superintendent

Adam Steel
Director of Business, Finance, and Operations

Kori Alice Becht
Director of Curriculum, Instruction, and Assessment

Rosalyn Moriarty
Director of Student Services

Carol St. Pierre
Director of Human Resources

• 19 Haverhill Road, Windham, NH 03087 • Phone: (603) 425-1976 • Fax: (603) 425-1719 • www.windhamsd.org •

To: Winfried Feneberg, Superintendent

From: Adam Steel

RE: Apple Lease Purchase

Monday, June 09, 2014

Dear Winfried,

Executive Summary

The Board needs to authorize the lease-purchase of technology equipment to fund the one-to-one laptop program at WHS for next year and the replacement cycle for WHS teachers. Prior lease-purchase agreements have been through Apple with interest rates between 3.29 and 3.92%. A lease-purchase agreement has been negotiated through Municipal Leasing Consultants with an interest rate of 1.99% that will result in annual payments of \$75,272.73.

Background

To fund the one to one laptop program at WHS, the District enters into rolling lease purchases each year with four year terms such that the District makes four payments each year. Effectively, the District makes the 4th and final payment for the laptops assigned to the senior class, the 2nd of four payments for the junior class, etc.

Prior to my arrival, the District paid cash for the laptops using surplus funds from the prior fiscal year. FY15 marks the first fiscal year in which the District is making four payments and that the account (100.2225.00.734.214.000000.5) is fully funded.

The District also funds a replacement cycle for staff laptops at WHS through this process and replaces approximately ¼ of the teacher laptops each year.

Prior to this year, the technology director negotiated lease purchase agreements directly with Apple with interest rates ranging from 3.29 – 3.92%.

Proposed

Our technology director suggests we purchase 50 laptops for staff and 230 laptops for the freshman class. Given our projected enrollment of 225 students, 230 laptops is an appropriate number to purchase.

Total equipment costs will be \$292,392.80 and represents a bulk purchasing discount of 2% from Apple.

I enlisted Municipal Leasing Consultants to take our leasing request to the market to find qualified lenders. The best offer available to us has an annual interest rate of 1.99%, annual payments of \$75,272.73 for total payments of \$301,090.92.

I had budgeted \$60,000 for this expense in FY15 which represents the amount for student laptop purchases. The balance of \$15,272.73 will be expended from the generic technology equipment account (100.2225.00.734.299.000000.5).

Requested Board Actions

1. Motion: To authorize the lease purchase of computer equipment totaling \$292,392.80 through a lender identified through the proposal from Municipal Leasing Consultants dated June 6, 2014 with a term of four years, interest rate of 1.99%, and payments totaling \$301,090.92 and to further authorize the administration to carry out any other action necessary to carry out this vote.

Attachment(s)

1. MLC Lease Proposal
2. Apple Quotes



Municipal Leasing Consultants
7 Old Town Lane
Grand Isle, VT 05458-2325
Tel (802) 372-8435
Fax (802) 372-4775
www.PowerOfLeasing.com

June 6, 2014

Adam Steel
Business Administrator
Windham School District SAU #28
19 Haverhill Road
Windham, NH 03087

Via: asteel@windhamsd.org

Dear Adam,

Municipal Leasing Consultants, an independent woman-owned business, is pleased to present the following proposal to lease certain capital equipment pursuant to the following terms and conditions:

LESSOR: Municipal Leasing Consultants, its Agents or Assignee

LESSEE: Windham School District SAU #28, NH

EQUIPMENT: New Computer Equipment

EQUIPMENT COST: \$292,392.80

PAYMENT STRUCTURES: **Tax-Exempt Lease Purchase**
Four (4) Years – Annual
Four (4) Annual payments of \$75,272.73
First payment of \$75,272.73 due at funding and Annual thereafter
(i.e., $\$292,392.80 \times .257437 = \$75,272.73$)

RATE: **1.99%**

The preceding costs are estimates and thus, the payment amount would be changed in proportion to the actual cost. The Vendor(s) will be paid upon the Lessee's authorization and the execution of mutually acceptable documentation.

THE ABOVE QUOTES ARE FIXED FROM **JUNE 6, 2014 TO JULY 15, 2014** IN ANTICIPATION OF **CLOSING / FUNDING** BY THIS DATE. THEREAFTER, THE RATE WILL FLOAT AND NOT BE LOCKED IN UNTIL DOCUMENTS ARE PREPARED FOR CLOSING AND WILL BE BASED ON THE LIKE TERM SWAP RATES.

EQUIPMENT ACCEPTANCE DATE:

This proposal is based on both the assumption and the condition that any and all equipment will be delivered to and accepted by Lessee prior to June 6, 2015.

OPTION AT LEASE EXPIRATION:

At the lease expiration, the Lessee shall have the right to purchase the equipment for One dollar (\$1.00); assuming the lease is not in default and all terms and conditions of the lease have been met.

NET LEASE:

This lease will be a net lease transaction with maintenance, acceptable insurance coverage, taxes and any legal fees the responsibility of the Lessee.

LEASE AMORTIZATION SCHEDULE:

Amortization schedules with separate principal and interest cost breakdown will be provided with the final documentation.

WARRANTIES:

Lessor is bidding only as to the provision of lease purchase financing for the purchase cost of the equipment and will have no responsibility to the Lessee or any other person for the selection, furnishing, delivery, servicing or maintaining of the equipment. All equipment manufacturer or vendor warranties will be passed to the Lessee under the agreement.

NON-APPROPRIATION:

The lease payments shall be subject to annual appropriation for each fiscal year.

BANK OR NON-BANK QUALIFICATION:

Lessee reasonably anticipates the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2014 **will/will not** exceed ten million (\$10,000,000.00) dollars.

FINANCIAL STATEMENTS:

If applicable, Lessee shall furnish Lessor with its financial statement for the last three (3) fiscal years and its current year fiscal budget.

AUTHORIZED SIGNORS:

The Lessee's governing board shall provide MLC with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.

LEGAL OPINION:

The Lessee's counsel shall furnish MLC with an opinion of counsel letter covering this transaction and the documents used herein.

REIMBURSEMENT:

If Lessee intends to be reimbursed for any equipment cost associated with this agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.

DOCUMENTATION:

All documentation will be provided by Lessor, its Agents or Assignee, and must be satisfactory to all parties concerned.

ESCROW FUNDING:

If applicable, an interest bearing escrow account will be established to make disbursements. The proceeds of the lease will be deposited into an Escrow Account. This account has a \$250.00 fee and can be taken from the interest earnings. Interest earnings will accrue to the benefit of the Lessee.

PREPAYMENT OPTION:

The Lessee will have the option to prepay on any payment date for 102% of the remaining balance.

BASIS OF PROPOSAL:

This proposal is based upon financing being provided by Lessor and should not be construed nor relied upon as a commitment. Such a commitment is subject to formal credit review, approval and execution of mutually acceptable documentation. The contract, and not the proposal, will set forth the agreement between the parties.

We appreciate the opportunity to provide this proposal and look forward to working with you in the future. If the foregoing meets with the Board's approval, please date and sign the acceptance below and return the signed proposal to the undersigned via email or fax to 802/372-4775 and subsequently remit payment of \$550.00 for the Documentation Fee. Failure to consummate this transaction once credit approval is granted will result in a \$550.00 fee being assessed to the Board. Formal credit approval will be pursued upon receipt of the signed proposal, completed lease application, financials, and vendor quote or invoice. **Credit approval normally takes ten (10) to fourteen (14) business days.**

If you have any questions or need further information, please do not hesitate to contact me at 802/372-8435.

The foregoing is acknowledged and accepted as of the _____ day of _____, 2014.

Windham School District SAU #28, NH

By: _____

Title: _____

Sincerely,

Renee M. Piché

Renee M. Piché
President
renee.piche@powerofleasing.com

Apple Inc. Education Price Quote

Customer:	Kevin Verratti SCHOOL ADMINISTRATIVE UNIT 28 Phone: 6034251976 email: kverratti@windhamsd.org	Apple Inc:	Alicia Young 12545 Riata Vista Circle MS: 198-9IES Austin, TX 78727-6524 Phone: 512-674-6877 Fax: 800-590-0325 email: ayoung@apple.com
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Apple Quote: 2201533678
Quote Date: 22-May-2014
Quote Valid Until: 21-Jun-2014

Quote Comments:

Part Number	Details & Comments	Qty	Unit List Price	Unit Discount Price	Extended Disc. Price
1	<p>MacBook Air 5-pack w/APP (13"/1.4GHz i5/4GB/256GB flash storage/Intel HD Graphics 5000) w/AppleCare Protection Plan)</p> <p>MacBook Air (13.3"/1.4GHz i5/4GB/256GB flash storage/Intel HD Graphics 5000) Part Number: MF227LL/B Quantity: 50</p> <p>AppleCare Protection Plan - 11-inch and 13-inch MacBook Air/13-inch MacBook Pro - Auto Enroll Part Number: S3130LL/A Quantity: 50</p>	10	6,560.00	6,428.80	64,288.00
Edu List Price Total					65,600.00
<i>Total Discount</i>					<i>1,312.00</i>
Extended Discounted Sub Total					64,288.00
<i>eWaste Fee / Recycling Fee</i>					<i>0.00</i>
Extended Total Price*					64,288.00

*In most cases Extended discounted Total price does not include Sales Tax
*If applicable, eWaste/Recycling Fees are included. Standard shipping is complimentary

Complete your order by one of the following:

- This document has been created for you as Apple Quote ID 2201533678. Please contact your institution's Authorized Purchaser to submit the above quote online at <https://ecommerce.apple.com>. Simply go to the Quote area of your Apple Education Online Store, click on it and convert to an order.
 - If you are the Authorized Purchaser and need to register for access to the Apple Education Online Store, go to <http://myaccess.apple.com>. For registration assistance, call 1.800.800.2775, option 4, option 1.
- If you are unable to submit your order online, please send a copy of this quote with your Purchase Order via email to institutionorders@apple.com.
 - For more information, go to provision C below, for details.

THIS IS A QUOTE FOR THE SALE OF PRODUCTS OR SERVICES. YOUR USE OF THIS QUOTE IS SUBJECT TO THE FOLLOWING PROVISIONS WHICH CAN CHANGE ON SUBSEQUENT QUOTES:

- A. ANY ORDER THAT YOU PLACE IN RESPONSE TO THIS QUOTE WILL BE GOVERNED BY (1) ANY CONTRACT IN EFFECT BETWEEN APPLE INC. ("APPLE") AND YOU AT THE TIME YOU PLACE THE ORDER OR (2), IF YOU DO NOT HAVE A CONTRACT IN EFFECT WITH APPLE, CONTACT austincontracts@apple.com.
- B. ALL SALES ARE FINAL. PLEASE REVIEW RETURN POLICY BELOW IF YOU HAVE ANY QUESTIONS. IF YOU USE YOUR INSTITUTION'S PURCHASE ORDER FORM TO PLACE AN ORDER IN RESPONSE TO THIS QUOTE, APPLE REJECTS ANY TERMS SET OUT ON THE PURCHASE ORDER THAT ARE INCONSISTENT WITH OR IN ADDITION TO THE TERMS OF YOUR AGREEMENT WITH APPLE.
- C. YOUR ORDER MUST REFER SPECIFICALLY TO THIS QUOTE AND IS SUBJECT TO APPLE'S ACCEPTANCE. ALL FORMAL PURCHASE ORDERS SUBMITTED BY EMAIL MUST SHOW THE INFORMATION BELOW:
- o APPLE INC. AS THE VENDOR
 - o BILL-TO NAME AND ADDRESS FOR YOUR APPLE ACCOUNT
 - o PHYSICAL SHIP-TO NAME AND ADDRESS (NO PO BOXES)
 - o PURCHASE ORDER NUMBER
 - o VALID SIGNATURE OF AN AUTHORIZED PURCHASER
 - o APPLE PART NUMBER AND/OR DESCRIPTION OF PRODUCT AND QUANTITY
 - o TOTAL DOLLAR AMOUNT AUTHORIZED OR UNIT PRICE AND EXTENDED PRICE ON ALL LINE ITEMS
 - o CONTACT INFORMATION: NAME, PHONE NUMBER AND EMAIL
- D. UNLESS THIS QUOTE SPECIFIES OTHERWISE, IT REMAINS IN EFFECT UNTIL **21-Jun-2014** UNLESS APPLE WITHDRAWS IT BEFORE YOU PLACE AN ORDER, BY SENDING NOTICE OF ITS INTENTION TO WITHDRAW THE QUOTE TO YOUR ADDRESS SET OUT IN THE QUOTE.
- o APPLE MAY MODIFY OR CANCEL ANY PROVISION OF THIS QUOTE, OR CANCEL ANY ORDER YOU PLACE PURSUANT TO THIS QUOTE, IF IT CONTAINS A TYPOGRAPHIC OR OTHER ERROR.
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Date of last revision - April 16th, 2014

Apple Inc. Education Price Quote

Customer:	Kevin Verratti SCHOOL ADMINISTRATIVE UNIT 28 Phone: 6034251976 email: kverratti@windhamsd.org	Apple Inc:	Alicia Young 12545 Riata Vista Circle MS: 198-9IES Austin, TX 78727-6524 Phone: 512-674-6877 Fax: 800-590-0325 email: ayoung@apple.com
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Apple Quote: 2201532335
Quote Date: 22-May-2014
Quote Valid Until: 20-Jun-2014

Quote Comments:

Part Number	Details & Comments	Qty	Unit List Price	Unit Discount Price	Extended Disc. Price
1	<p>BJ380LL/B MacBook Air 5-pack w/APP (11"/1.4GHz i5/4GB/128GB flash storage/Intel HD Graphics 5000) w/AppleCare Protection Plan)</p> <p>MacBook Air (11.6"/1.4GHz i5/4GB/128GB flash storage/Intel HD Graphics 5000) Part Number: ME870LL/B Quantity: 230</p> <p>AppleCare Protection Plan – 11-inch and 13-inch MacBook Air/13-inch MacBook Pro – Auto Enroll Part Number: S3130LL/A Quantity: 230</p>	46	5,060.00	4,958.80	228,104.80
Edu List Price Total					232,760.00
<i>Total Discount</i>					<i>4,655.20</i>
Extended Discounted Sub Total					228,104.80
<i>eWaste Fee / Recycling Fee</i>					<i>0.00</i>
Extended Total Price*					228,104.80

**In most cases Extended discounted Total price does not include Sales Tax
If applicable, eWaste/Recycling Fees are included. Standard shipping is complimentary

Complete your order by one of the following:

- This document has been created for you as Apple Quote ID 2201532335. Please contact your institution's Authorized Purchaser to submit the above quote online at <https://ecommerce.apple.com>. Simply go to the Quote area of your Apple Education Online Store, click on it and convert to an order.
 - If you are the Authorized Purchaser and need to register for access to the Apple Education Online Store, go to <http://myaccess.apple.com>. For registration assistance, call 1.800.800.2775, option 4, option 1.
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 - o PURCHASE ORDER NUMBER
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 - o APPLE PART NUMBER AND/OR DESCRIPTION OF PRODUCT AND QUANTITY
 - o TOTAL DOLLAR AMOUNT AUTHORIZED OR UNIT PRICE AND EXTENDED PRICE ON ALL LINE ITEMS
 - o CONTACT INFORMATION: NAME, PHONE NUMBER AND EMAIL
- D. UNLESS THIS QUOTE SPECIFIES OTHERWISE, IT REMAINS IN EFFECT UNTIL **20-Jun-2014** UNLESS APPLE WITHDRAWS IT BEFORE YOU PLACE AN ORDER, BY SENDING NOTICE OF ITS INTENTION TO WITHDRAW THE QUOTE TO YOUR ADDRESS SET OUT IN THE QUOTE.
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- F. UNLESS SPECIFIED ABOVE, APPLE'S STANDARD SHIPPING IS INCLUDED IN THE TOTAL PRICE.

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