

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

**June 10, 2025**

**FROM**

**PETE MENDOZA, Director, Purchasing Department**

**SUBJECT**

Agreement with Lenovo Financial Services for Fair Market Value Lease Financial Services

**RECOMMENDATION(S)**

1. Approve **Agreement No. 25-423** (Master Lease Agreement No. 886435), including non-standard terms, with Lenovo Financial Services, for fair market value lease or purchase of computers, in the amount not to exceed \$5,000,000 per year, for a total contract period of March 10, 2025, through March 9, 2030.
2. Authorize the Purchasing Agent to execute Schedules and required documents for purchase or lease of information technology hardware under the Master Lease Agreement, subject to review by County Counsel.

(Presenter: Pete Mendoza, Director, 387-2073)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Improve County Government Operations.**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**FINANCIAL IMPACT**

This item will not result in the use of additional Discretionary General Funding (Net County Cost). Departments that require purchasing or lease financing services for information technology hardware are responsible for ensuring adequate funding in their current and future budgets.

**BACKGROUND INFORMATION**

The Purchasing Department (Purchasing) procures lease financing services for County departments, and these contracted services have been utilized by various departments across the County for approximately 20 years. County departments are responsible for carrying out essential public services, which require maintaining current technology and ensuring systems are secure. The ability to purchase or lease and replace computers regularly allows these departments to stay up to date with technology while avoiding large capital outlays that would otherwise be required for purchasing computers.

To assist departments in finding leasing services, Purchasing identified the California Department of General Services Golden State Smart Program (DGS GS \$Mart Program), which establishes a list of qualified information technology vendors through a market rate leasing options to help agencies obtain quotes for the products they require. Lenovo Financial Services (Lenovo) was awarded under the DGS GS \$Mart Program and entered into a Master Lease Agreement (MLA) that would be available to all County departments. On March 24, 2020 (Item

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No. 40), the Board of Supervisors (Board) approved Agreement No. 20-157 with Lenovo for a five-year term, effective March 24, 2020, through March 9, 2025.

Lenovo has provided leasing services for a variety of brand options to the County, meeting the needs of departments with rotating computer replacement schedules. These departments follow a replacement cycle to manage the peak workload associated with replacing, reconciling, and returning older computers. If a department requires a temporary lease extension, Lenovo adjusts the agreement to a month-to-month billing cycle, offering ample time to replace and return outdated equipment.

The agreement is Lenovo's standard agreement, which includes terms that differ from the standard County contract and omits certain County standard contract terms. While the parties negotiated certain contract terms to County Standard, Lenovo would not agree to all County standard terms. The non-standard and missing terms include the following:

1. The agreement does not require Lenovo to indemnify the County, as required by County Policies 11-05 and 11-07.
  - The County standard contract indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors or omissions of any person.
  - Potential Impact: Lenovo is not required to defend, indemnify or hold the County harmless from any claims, including indemnification for claims arising from Lenovo's negligent or intentional acts and intellectual property infringement. If the County is sued for any claim, the County may be solely liable for the costs of defense and damages, which could exceed the total agreement amount.
2. The agreement does not require Lenovo to meet the County's insurance standards as required pursuant to County Policy 11-07.
  - The County Policy requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department and set forth in the County standard contract.
  - Potential Impact: The agreement does not include County standard insurance requirements. This means that the County has no assurance that Lenovo will be financially responsible for claims that may arise.

Purchasing recommends approval of the agreement, including the non-standard terms, to provide leasing options to County departments. Leasing avoids a large capital outlay during refreshes.

Purchasing requests the Board's approval for a new five-year agreement, for a total contract period retroactively effective to March 10, 2025, through March 9, 2030 as County departments currently have leased equipment onsite with the option to purchase. Due to complications in finalizing the agreement prior to the expiration in March, Purchasing had to negotiate a new agreement.

Purchasing is requesting delegated authority from the Board for the Purchasing Agent to execute Schedules and other necessary documents related to the purchase or lease of information technology hardware under the agreement. Schedules are used when a department needs to execute a lease agreement.

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**PROCUREMENT**

To help county departments access market rate leasing options, Purchasing identified the California Department of General Services Golden State Smart Program (DGS GS \$Mart Program). The agreement allows all County departments to utilize the leasing terms for their equipment requirements.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Adam Ebright, Deputy County Counsel, 387-5455) on May 14, 2025; District Attorney (Claudia Walker, Chief of Administration, 382-7689) on May 15, 2025; Risk Management (Stephanie Pacheco, Staff Analyst II, 386-9039) on May 29, 2025; Purchasing (Leo Gomez, Purchasing Manager, 387-2063) on May 14, 2025; Finance (Kathleen Gonzalez, Administrative Analyst, 387-5412) on May 20, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 23, 2025.

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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Curt Hagman  
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: June 10, 2025



cc: Purchasing - Barajas w/agree  
Contractor - c/o Purchasing w/agree  
File - w/agree  
MBA 06/24/2025