

Introduced by \_\_\_\_\_ Council Bill No. R 250-13

**A RESOLUTION**

authorizing an Addendum to the Lease/Purchase Master Agreement with IBM Credit LLC for the replacement of two servers in the Information Technologies Department that support the financial management and utility billing systems.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City Manager is hereby authorized to execute an Addendum to the Lease/Purchase Master Agreement with IBM Credit LLC for the replacement of two servers in the Information Technologies Department that support the financial management and utility billing systems; the City Counselor is hereby authorized to execute an Opinion of Legal Counsel and the City Manager, or the Manager's designee, is hereby authorized to file an Information Return for Small Tax-Exempt Issues in connection therewith. The form and content of the Addendum shall be substantially as set forth in "Exhibit A" attached hereto and made a part hereof.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor and Presiding Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
City Counselor

**ADDENDUM TO LEASE/PURCHASE SUPPLEMENT – MISSOURI SCHOOL DISTRICTS**

THIS ADDENDUM TO LEASE/PURCHASE SUPPLEMENT (this "Addendum"), which is entered into as of \_\_\_\_\_ between IBM CREDIT LLC ("Lessor") and **City of Columbia** ("Lessee"), is intended to modify and supplement the Lease/Purchase Supplement No. LD0029126 (the "Supplement") to the Lease/Purchase Master Agreement between Lessor and Lessee dated \_\_\_\_\_ (the "Master Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Supplement and the Master Agreement.

The Master Agreement is hereby amended to include the following:

Lessee represents, warrants and covenants at the time of entering into each Supplement that (i) the payments pursuant to the Supplement shall be payable from the capital projects fund, and (ii) sufficient funds necessary to pay make Rental Payments required under the Supplement have been appropriated to the capital projects fund for the fiscal year that includes the date of this Agreement.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

LESSOR:

IBM CREDIT LLC

By: \_\_\_\_\_  
Authorized Officer

LESSEE:

**City of Columbia**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment A **Required disclosure letter to Public Sector End User**

Required disclosure letter to Public Sector End User: (may be transmitted via email)

End User Name \_\_\_\_\_

End User Address \_\_\_\_\_

City, State Zip \_\_\_\_\_

Date \_\_\_\_\_

SUBJECT: Disclosure of possible IBM Global Financing (“IGF”) Business Partner fee payments for marketing activities related to IGF lease or financing transactions or Asset Recovery Services (“ARS”) offerings.

Dear \_\_\_\_\_ [End user signatory on lease or ARS contract]

In accordance with IGF’s policy to pay fees for certain marketing activities performed by resellers to the public sector, we are disclosing that we may receive a fee from IGF for such marketing activities in relation to \_\_\_\_\_ [DESCRIBE LEASE/FINANCING OR ARS OFFERING TRANSACTION USING A ROF DEAL QUOTE # OR IGF LEASE SUPPLEMENT #]. In addition, we do not hold a contract with you to advise you about the selection of products or services.

We will also provide a copy of this disclosure to IGF for its records.

Regards,

### LESSEE'S CERTIFICATE

Re: Lease/Purchase Supplement No. LD0029126 to Lease/Purchase Master Agreement No. 1949327LP between IBM Credit LLC and CITY OF COLUMBIA ("Lessee").

The undersigned, being the duly elected, qualified and acting \_\_\_\_\_ of the Lessee do hereby certify, as of \_\_\_\_\_, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held \_\_\_\_\_ by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Lease/Purchase Supplement and any related documents entered into pursuant to the Lease/Purchase Master Agreement (the "Lease/Purchase Supplement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
And/ Or		

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Lessee at which the Lease/Purchase Supplement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Lease/Purchase Supplement and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of the Lease/Purchase Supplement have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Non-appropriation Event (as such terms are defined in the Lease/Purchase Master Agreement (the "Master Agreement")) exists at the date hereof with respect to this Lease/Purchase Supplement or any other Lease/Purchase Supplements under the Master Agreement.

5. The acquisition of all of the Property under the Lease/Purchase Supplement has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Lease/Purchase Supplement and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. Lessee represents and warrants that the Property is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

8. Bank Qualified Tax-Exempt Obligation under Section 265 (Consult tax counsel for applicable provisions.).

\_\_\_\_ Lessee hereby designates this Lease/Purchase Supplement as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the Commencement Date of this Lease/Purchase Supplement falls, in an amount not exceeding \$10,000,000.

*or*

\_\_\_\_ Not applicable

9. Has Lessee ever terminated a lease or financing contract prior to the expiration of its term (including all permitted renewal terms) due to nonappropriation or other provision permitting Lessee to terminate in Lessee's discretion?

Yes \_\_\_\_ No \_\_\_\_ If yes, then please describe the circumstances of such termination:

\_\_\_\_\_  
\_\_\_\_\_.

10. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Lease/Purchase Supplement or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Lease/Purchase Supplement, or the validity of the Master Agreement or the Lease/Purchase Supplement, or the payment of principal of or interest on, the Lease/Purchase Supplement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Lease/Purchase Supplement; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Lease/Purchase Supplement.

<b>Lessee: CITY OF COLUMBIA</b>
By:
Title:
<b>SIGNER MUST NOT BE THE SAME AS THE EXECUTING OFFICIAL(S) SHOWN ABOVE.</b>

**Certificate of Acceptance**  
Exhibit 4

Customer Number: 1949327

Name and Address  
FINANCE PURCHASING DIV  
701 E BROADWAY  
COLUMBIA, MO 65201-4465IBM Office Address  
6303 BARFIELD RD NE  
ATLANTA, GA 30328 - 4233812  
ATTN: URSULA RODRIGUEZAgreement Number: 1949327LP  
Supplement No: LD0029126

Email:

Tel No.:

Fax No.: - -

Attn:

Customer Reference:

Email: UAGUIAR@BR.IBM.COM

Tel No: 800-819-8206

Fax No: 845-264-6268

Attn: URSULA RODRIGUEZ

Location Customer	Accepted Item Type	Model	Plant Order or MES No.	Contract Serial No. Description	Manufacturer's Serial No. (if applicable)
1949327	3573	L2U		TS3100 Tape Library	
1949327	7226	1U3		7226 Multi Media Enclosu	
1949327	8202	E4D		IBM POWER 720	
1949327	9992	003		H043720	
1949327	9994	001		REMARKTD IBM SW/SW BRAND SVC	
				H043721	
				VENDOR SOURCED PRODUCTS/SVCS	

The undersigned ("Customer") is a customer under the agreement referenced above ("Agreement") with either IBM Credit LLC or International Business Machines Corporation (in either case, "Us" or "We"). Customer represents and certifies that Customer has accepted the items listed above or itemized on an attachment ("Accepted Item(s)") to this Certificate of Acceptance ("COA") on the date indicated below. Customer authorizes us to pay Customer's supplier for the Accepted Item(s). Amounts due under the Agreement shall commence upon the date Customer indicates below unless we have otherwise noted on the Supplement.

If Customer is subject to procurement or appropriation laws or regulations, Customer represents and certifies that our direct payment to Customer's supplier for the Accepted Item(s) will be in full compliance with any and all relevant state laws and regulations or any other legal requirements relating to Customer's procurement or appropriation activities.

In order for this COA to be effective, we must be provided with the serial numbers if applicable for each Accepted Item. Customer authorizes us to complete or update any item identification information on the referenced Agreement or Supplement to the Agreement for any accepted item without Customer's further action or consent.

Delivery of an executed copy of this COA by facsimile, email or any other reliable means shall be deemed to be as effective for all purposes as delivery of a manually executed copy. Customer understands that we may maintain a copy of this COA in electronic form and agrees that a copy produced from such electronic form or by any other reliable means (for example, photocopy, image or facsimile) shall in all respects be considered equivalent to an original. By signing below, Customer represents and warrants that Customer's name as set forth in the signature block below is Customer's exact legal name and the information identifying Customer's state of organization is true, accurate and complete in all respects.

Accepted by: CITY OF COLUMBIA  
CustomerBy: \_\_\_\_\_  
Authorized Signature\_\_\_\_\_  
Name (Type or Print)

Date Customer accepts item(s) listed above. Must be filled in by Customer.

Date: \_\_\_\_\_ (MM/DD/YYYY)

State of Organization: MO**PLEASE RETURN TO IBM OFFICE ADDRESS, FAX NUMBER OR EMAIL ADDRESS LISTED ABOVE  
WITHIN 10 DAYS OF RECEIPT**

# LEASE/PURCHASE SUPPLEMENT

Date Prepared: 11/22/13

Page 1 of 2

**Address of Customer**  
FINANCE PURCHASING DIV  
701 E BROADWAY  
COLUMBIA , MO 65201-4465

**Installed at Location**  
FINANCE PURCHASING DIV  
701 E BROADWAY  
COLUMBIA , MO 65201-4465

**Customer No:** 1949327  
**IBM CSO Location:** YQ4  
**Lease Payment**  
**Master Agreement No:** 1949327LP  
**LPMA Amendment Nos:**  
**Quote Validity Date:** 12/31/13  
**Referenced Quote Letter No:** Q0327350104

**Supplement No:** LD0029126  
**Referenced Purchase Agreement No:**  
**Referenced License Agreement No:**  
**Referenced Trade-In Agreement No:**  
**Associated Supplement No:**  
**Addendum No:**

**Single Equipment Location**  
**IBM/LPMA Customer Number**  
1949327/1950188

**CSO Location Address**  
IBM CREDIT LLC  
6303 BARFIELD RD NE  
ATLANTA , GA 30328 - 4233812  
ATTN: URSULA RODRIGUEZ  
800-819-8206

**Customer Reference**

Estimated Installation Date or  
Intended Financing Date or  
Effective Date of Additional  
License

Line NO.	Location Customer Number IBM/LPMA*	Machine or LPM Type/Model Feature	IBM Plant Order or MES or Serial Number	Description	Purchase Price or One-Time Charges or Other Amount	Credit State and Local Taxes	(From IBM Trade-In Agreement) and/or Down Payment	Amount Financed	Interest Rate	Payment Amount	Term (Number of Payment Periods) Option			Planning Date
001	1949327 1950188	3573/L2U		TS3100 Tape Library	11,899.20			11,899.20	1.59	**	G	36		1/01/14
002	1949327 1950188	7226/1U3		7226 Multi Media Enclosure	1,520.00			1,520.00	1.59		G	36		1/01/14
003	1949327 1950188	8202/E4D		IBM POWER 720	25,515.30			25,515.30	1.59		G	36		1/01/14
004	1949327 1950188	9992/003	H043720	REMARKTD IBM SW/SW BRAND SVC	21,862.74			21,862.74	1.74		S'	36		1/01/14
005	1949327 1950188	9994/001	H04372	VENDOR SOURCED PRODUCTS/SVC	\$0,450.00			10,450.00	2.96		T'	36		1/01/14

\*\* Please see Payment Schedule Attached

<b>TOTAL FROM ALL PAGES:</b> PURCHASE PRICE OR ONE TIME CHARGES OR OTHER AMOUNT	\$71,247.24	<b>PAYMENT PERIOD</b> 1. Monthly <input checked="" type="checkbox"/> Annual <input type="checkbox"/> 2. Other (specify): Schedule attached (check): <input checked="" type="checkbox"/>	<b>Fiscal year</b> Start Date 02/01 Month/Day	<b>Supplier Name</b> ARROW ENTERPRISE COMPUTING Supplier Customer no. 8660922	<b>Interest</b> Commencement	<b>Total Payment</b> (all pages) **	<b>Rates shown</b> reflect waiver of LPMA prepayment fee provisions

THE LEASE/PURCHASE MASTER AGREEMENT ("AGREEMENT") REFERENCED ABOVE SHALL BE INCORPORATED HEREIN BY REFERENCE. LESSEE HEREUNDER SHALL BE BOUND TO THE TERMS AND CONDITIONS OF THE AGREEMENT AS LESSEE. THE AGREEMENT, THIS SUPPLEMENT AND ANY APPLICABLE ATTACHMENTS OR ADDENDA ARE THE COMPLETE, EXCLUSIVE STATEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREIN. THESE DOCUMENTS SUPERSEDE ANY PRIOR ORAL OR WRITTEN COMMUNICATIONS BETWEEN THE PARTIES. BY SIGNING BELOW, LESSEE REPRESENTS AND WARRANTS THAT LESSEE'S NAME AS SET FORTH IN THE SIGNATURE BLOCK BELOW IS LESSEE'S EXACT LEGAL NAME AND THE INFORMATION IDENTIFYING LESSEE'S STATE OF ORGANIZATION IS TRUE, ACCURATE AND COMPLETE IN ALL RESPECTS. BY SIGNING BELOW, BOTH PARTIES AGREE TO THE TERMS REPRESENTED BY THIS AGREEMENT AS IT MAY BE AMENDED OR MODIFIED. DELIVERY OF AN EXECUTED COPY OF ANY OF THESE DOCUMENTS BY FACSIMILE OR OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. LESSEE ACKNOWLEDGES THAT WE MAY MAINTAIN A COPY OF THESE DOCUMENTS IN ELECTRONIC FORM AND AGREES THAT COPY REPRODUCED FROM SUCH ELECTRONIC FORM OR BY ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL.

\*TAX ON FINANCE CHARGE

(WHEN APPLICABLE THIS TAX IS  
PAYABLE WITH FIRST INSTALLMENT)

Accepted by:  
CITY OF COLUMBIA  
Lessee

IBM CREDIT LLC  
Lessor

By: \_\_\_\_\_ By: \_\_\_\_\_  
Authorized Signature Authorized Signature

Name (Type or Print) Title Date Name (Type or Print) Title Date  
State of Organization: MO



## Additional Terms and Conditions

### OPTION CODES

- OPTION I - Taxable Lease/Purchase for Machine or a Modification for a State and Local Lessee
- OPTION IG - Tax-Exempt Lease/Purchase for a Machine or a Modification for a State and Local Lessee
- OPTION S - Taxable Lease/Purchase for an IBM Program or Service for a State and Local Lessee
- OPTION S' - Tax-Exempt Lease/Purchase for an IBM Program or Service for a State and Local Lessee
- OPTION T - Taxable Lease/Purchase for a non-IBM Program or Service for a State and Local Lessee
- OPTION T' - Tax-Exempt Lease/Purchase for a non-IBM Program or Service for a State and Local Lessee

**Each Supplement shall consist of Property that solely qualifies for tax-exempt interest treatment under the Internal Revenue Code [ Option Codes IG, S', T'] (a "Tax-Exempt Supplement") or solely Property that does not qualify for tax-exempt interest treatment under the Internal Revenue Code [ Option Codes I, S, T] (a "Taxable Supplement").**

### Additional Documentation

In addition to this Lease/Purchase Supplement, and as a requirement to entering into of this Lease/Purchase Supplement, Lessee shall provide in completed and executed form, acceptable to Lessor, the additional documents attached to this Lease/Purchase Supplement that may include:

- a. Exhibit 1 - Payment Schedule for this Supplement
- b. Exhibit 2 - Opinion of Counsel to the Lessee
- c. Exhibit 3 - Lessee's Certificate
- d. Exhibit 4(a) - Certificate of Acceptance, or
- e. Exhibit 4(b) - Acknowledgement of Commencement Date for Property Supplied by IBM
- f. Exhibit 5 - Form 8038-G or 8038-GC (Tax-Exempt Supplement only)
- g. State Addendum, if applicable and attached
- h. Prepaid Maintenance Certification of Maintenance Provider (Tax-Exempt Supplement only)
- i. Prepaid Maintenance Certification of Maintenance Vendor (Tax-Exempt Supplement only)

## Supplement Number LD0029126

The Lease Payment schedule for this Supplement sets forth the scheduled Lease Payments under this Supplement. The Commencement Date for this Supplement is set forth in the Lease Payment Schedule.

With respect to Financed Items consisting of prepaid maintenance, Lessee accepts the terms of the prepaid maintenance and agrees to look solely to the maintenance provider for provision of such maintenance in accordance with the terms of the contracts with the maintenance provided for said maintenance. Acceptance for purposes of this Supplement shall be the date of acceptance by Lessee in the Certificate of Acceptance.

Lessee agrees that it will timely assist in the completion and execution of the Form 8038-G or Form 8038-GC and that upon said execution, Lessor is authorized and directed to file said form with the appropriate office of the Internal Revenue Service.

Capitalized terms set forth in this Supplement or in the attachments, but not defined herein or therein, shall have the meaning set forth in the Lease/Purchase Master Agreement. The complete terms and conditions of the Lease/Purchase Master Agreement are incorporated by reference.

The interest rates applicable to this Supplement that provide for Tax-Exempt Lease/Purchase are based on many factors including Lessee's underlying obligation qualifying to pay interest that is treated as exempt by the Internal Revenue Service (IRS) from federal income tax under Section 103(a) of the Internal Revenue Code (Code), as well as many proprietary factors including pricing assumptions made by Lessor as to whether Lessor anticipates being able to recognize any benefits of this tax exemption.

The interest rates applicable to this Supplement may reflect fees or other consideration Lessor receives from Lessee's Suppliers that is passed on to Lessee in the form of lower rates.

For a Taxable Supplement, the following provisions of the Lease/Purchase Master Agreement shall not be applicable: (i) Part 3, paragraph (f), (ii) Section 14.2.

Lessor reserves the right to reject any invoice that is: (i) not for information technology Equipment or related software or services, or (ii) dated more than 90 days prior to the date Lessor receives authorization from Lessee to finance.



# EXHIBIT 1

## Payment Schedule

Re: Lease/Purchase Supplement No. LD0029126 to Lease/Purchase Master Agreement between IBM Credit LLC and CITY OF COLUMBIA.

### Commencement Date

The Commencement Date shall be the date of acceptance of the Property as set forth in the Acceptance Certificate executed by the Lessee and filed with the Lessor.

### Payment Schedule

Total Principal Amount: \$71,247.24  
Schedule Interest Rate: 1.84180%  
Prepayment Fee Rate: 0.00%

Payment No	Payment Due Dates	Lease Payments	Principal Component	Interest Component	Prepayment Price (After making pmt for said Due Date)
1	3/1/2014	\$2,035.68	\$1,935.02	\$100.66	\$69,312.00
2	4/1/2014	\$2,035.68	\$1,927.26	\$108.42	\$67,385.00
3	5/1/2014	\$2,035.68	\$1,933.67	\$102.01	\$65,451.00
4	6/1/2014	\$2,035.68	\$1,933.30	\$102.39	\$63,518.00
5	7/1/2014	\$2,035.68	\$1,939.53	\$96.15	\$61,578.00
6	8/1/2014	\$2,035.68	\$1,939.35	\$96.33	\$59,639.00
7	9/1/2014	\$2,035.68	\$1,942.39	\$93.29	\$57,697.00
8	10/1/2014	\$2,035.68	\$1,948.34	\$87.34	\$55,748.00
9	11/1/2014	\$2,035.68	\$1,948.47	\$87.21	\$53,800.00
10	12/1/2014	\$2,035.68	\$1,954.24	\$81.44	\$51,846.00
11	1/1/2015	\$2,035.68	\$1,954.58	\$81.10	\$49,891.00
12	2/1/2015	\$2,035.68	\$1,957.64	\$78.04	\$47,933.00
13	3/1/2015	\$2,035.68	\$1,967.96	\$67.72	\$45,966.00
14	4/1/2015	\$2,035.68	\$1,963.78	\$71.90	\$44,002.00
15	5/1/2015	\$2,035.68	\$1,969.07	\$66.61	\$42,033.00
16	6/1/2015	\$2,035.68	\$1,969.93	\$65.75	\$40,063.00
17	7/1/2015	\$2,035.68	\$1,975.03	\$60.65	\$38,088.00
18	8/1/2015	\$2,035.68	\$1,976.10	\$59.58	\$36,112.00

EXHIBIT 1  
Payment Schedule - Page 2

Payment No	Payment Due Dates	Lease Payments	Principal Component	Interest Component	Prepayment Price (After making pmt for said Due Date)
19	9/1/2015	\$2,035.68	\$1,979.19	\$56.49	\$34,132.00
20	10/1/2015	\$2,035.68	\$1,984.01	\$51.67	\$32,148.00
21	11/1/2015	\$2,035.68	\$1,985.39	\$50.29	\$30,163.00
22	12/1/2015	\$2,035.68	\$1,990.02	\$45.66	\$28,173.00
23	1/1/2016	\$2,035.68	\$1,991.61	\$44.07	\$26,181.00
24	2/1/2016	\$2,035.68	\$1,994.72	\$40.96	\$24,187.00
25	3/1/2016	\$2,035.68	\$2,000.29	\$35.39	\$22,186.00
26	4/1/2016	\$2,035.68	\$2,000.97	\$34.71	\$20,185.00
27	5/1/2016	\$2,035.68	\$2,005.12	\$30.56	\$18,180.00
28	6/1/2016	\$2,035.68	\$2,007.24	\$28.44	\$16,173.00
29	7/1/2016	\$2,035.68	\$2,011.20	\$24.48	\$14,162.00
30	8/1/2016	\$2,035.68	\$2,013.53	\$22.15	\$12,148.00
31	9/1/2016	\$2,035.68	\$2,016.68	\$19.00	\$10,132.00
32	10/1/2016	\$2,035.68	\$2,020.34	\$15.34	\$8,111.00
33	11/1/2016	\$2,035.68	\$2,022.99	\$12.69	\$6,088.00
34	12/1/2016	\$2,035.68	\$2,026.46	\$9.22	\$4,062.00
35	1/1/2017	\$2,035.68	\$2,029.33	\$6.35	\$2,033.00
36	2/1/2017	\$2,035.68	\$2,032.50	\$3.18	\$0.00

<b>Lessee:</b>	CITY OF COLUMBIA
<b>By:</b>	
<b>Name:</b>	
<b>Title:</b>	

Huber & Associates, Inc.  
 1400 Edgewood Drive,  
 Jefferson City, MO 65109  
 Phone: 573-634-5000  
 Fax: 573-634-5500  
 Web: www.teamhuber.com



## Power 7 Server

### Prepared For:

### Quote Information:

<b>Name:</b>	John Johnson	<b>Quote #:</b>	CC006901
<b>Company:</b>	City of Columbia	<b>Date Created:</b>	10/08/2013
<b>Address:</b>	701 E. Broadway-ST Floor	<b>Date Expires:</b>	11/07/2013
<b>City, State Zip:</b>	Columbia, MO 65201	<b>Rep:</b>	Cathy Cook
<b>Phone # / Fax #:</b>	5738747210 /	<b>Email:</b>	ccook@teamhuber.com
<b>Email:</b>	John@GoColumbiaMO.com	<b>Phone:</b>	5736345000

State of Missouri Contract C209049002

Config. 397443r3  
 IBM Special Bid 1350896  
 2LPAR - Using Existing HMC

Description	Item	Qty	Price	Ext. Price
<b>Power Hardware</b>				
Power 720	8202-E4D-0000	1	\$287.30	\$287.30
Mirrored System Disk Level, Sp	8202-E4D-0040	1	\$0.00	\$0.00
RISC to RISC Data Migration	8202-E4D-0205	1	\$0.00	\$0.00
i Operating System Partition S	8202-E4D-0267	1	\$0.00	\$0.00
IBM i 7.1 Specify Code	8202-E4D-0567	1	\$0.00	\$0.00
Power 720 4 core Express Edit	8202-E4D-0777	1	\$0.00	\$0.00
SAN Load Source Specify	8202-E4D-0837	1	\$0.00	\$0.00
Primary OS IBM i	8202-E4D-2145	1	\$0.00	\$0.00
Rack Indicator Not Factory In	8202-E4D-4650	1	\$0.00	\$0.00
PowerVM Standard Edition	8202-E4D-5227	4	\$0.00	\$0.00
PCIe2 LP 4 port 1GbE Adapter	8202-E4D-5260	1	\$255.85	\$255.85
PCIe LP 2x4 port SAS Adapter	8202-E4D-5278	2	\$636.65	\$1,273.30
System Pwr Sup -1925W	8202-E4D-5532	2	\$340.00	\$680.00
Sys Console Ethernet No IOP	8202-E4D-5557	1	\$0.00	\$0.00
PCIe Riser Card (Gen2)	8202-E4D-5685	1	\$1,700.00	\$1,700.00
8 Gigabit PCI Express Dual Por	8202-E4D-5735	4	\$2,974.15	\$11,896.60
SATA Slimline DVD RAM Drive	8202-E4D-5771	1	\$254.15	\$254.15
4 Gigabit PCI Express Dual Por	8202-E4D-5774	1	\$2,124.15	\$2,124.15
PCIe2 4 port 1GbE Adapter	8202-E4D-5899	1	\$255.85	\$255.85
Power Cable Drawer to IBM P	8202-E4D-6458	2	\$11.90	\$23.80
IBM Rack mount Drawer Bezel	8202-E4D-7134	1	\$85.00	\$85.00
IBM/OEM Rack mount Drawer Rail	8202-E4D-7145	1	\$169.15	\$169.15
Language Group Specify US En	8202-E4D-9300	1	\$0.00	\$0.00

Huber & Associates, Inc.  
 1400 Edgewood Drive,  
 Jefferson City, MO 65109  
 Phone: 573-634-5000  
 Fax: 573-634-5500  
 Web: www.teamhuber.com



**Power 7 Server**

Description	Item	Qty	Price	Ext. Price
<b>Power Hardware</b>				
New IBM i License Core Counter	8202-E4D-9441	1	\$0.00	\$0.00
Other IBM i License Core Count	8202-E4D-9448	3	\$0.00	\$0.00
Storage B P 8 SFF RAID IOA	8202-E4D-EJ01	1	\$1,530.00	\$1,530.00
16GB (2x8GB) Memory DIMMs 1066	8202-E4D-EM4B	4	\$722.50	\$2,890.00
4-core 3.6 GHz Proc. Module	8202-E4D-EPCK	1	\$697.00	\$697.00
One processor Activ for EPCK	8202-E4D-EPDK	2	\$552.50	\$1,105.00
One Zero-priced Act for EPCK	8202-E4D-EPEK	2	\$0.00	\$0.00
S H b	8202-E4D-ESC6	1	\$288.15	\$288.15

**Power Hardware Subtotal**

**\$25,515.30**

<b>Power Software</b>				
SYSTEM PROGRAM ORDER	5692-A6P-0000	1	\$0.00	\$0.00
DVD PROCESS NO CH	5692-A6P-1101	1	\$0.00	\$0.00
VIOS EXPANSION PACK	5692-A6P-1404	1	\$0.00	\$0.00
VIRTUAL I/O	5692-A6P-2201	1	\$0.00	\$0.00
DVD/CD-ROM	5692-A6P-3435	1	\$0.00	\$0.00
INFOPRINT SERVER/400	5722-IP1-0000	1	\$0.00	\$0.00
EPOE UPG REG FEATURE P10	5722-IP1-2010	1	\$0.00	\$0.00
ENGLISH U/L SBCS	5722-IP1-2924	1	\$0.00	\$0.00
CD-ROM (OS/400)	5722-IP1-5829	1	\$0.00	\$0.00
IBM WEB ENABLEMENT FOR I5/OS	5722-WE2-0000	1	\$0.00	\$0.00
ePoE Registration - V7.0	5722-WE2-2501	1	\$0.00	\$0.00
ENGLISH U/L SBCS PRIMARY	5722-WE2-2924	1	\$0.00	\$0.00
WEBSPPHERE EXPRESS V7.0	5722-WE2-5909	1	\$0.00	\$0.00
INACTIVATE SOFTWARE KEYS AND E	5733-NKY-0000	1	\$0.00	\$0.00
WEBSPPHERE DEV STUDIO (57XX-WDS)	5733-NKY-2509	1	\$0.00	\$0.00
DB2 QUERY (57XX-ST1)	5733-NKY-2511	1	\$0.00	\$0.00
BACKUP & RECOVERY MEDIA SERVICES (57XX-B	5733-NKY-2521	1	\$0.00	\$0.00
PERFORMANCE TOOLS (57XX-PT1)	5733-NKY-2525	1	\$0.00	\$0.00
DB2 WEB QUERY FOR	5733-NKY-2582	1	\$0.00	\$0.00
Web Enablement for i5/OS (5722-WE2 V7.0)	5733-NKY-2586	1	\$0.00	\$0.00
PERFORMANCE TOOLS MANAGER (57XX-PT1)	5733-NKY-2610	1	\$0.00	\$0.00

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**Power 7 Server**

Description	Item	Qty	Price	Ext. Price
<b>Power Software</b>				
MEDIA AND STORAGE EXTENSIONS (57XX-SS1)	5733-NKY-2619	1	\$0.00	\$0.00
ILE COMP PROC (5761-WDS)	5733-NKY-2648	1	\$0.00	\$0.00
HERT COMP PROC (5761-WDS)	5733-NKY-2649	1	\$0.00	\$0.00
ADTS PROCESSOR (5761-WDS)	5733-NKY-2650	1	\$0.00	\$0.00
ILE COMP USER (5761-WDS)	5733-NKY-2652	1	\$0.00	\$0.00
HERT COMP USER (5761-WDS)	5733-NKY-2653	1	\$0.00	\$0.00
ADTS USER (5761-WDS)	5733-NKY-2654	1	\$0.00	\$0.00
ENGLISH U/L SBCS PRIMARY	5733-NKY-2924	1	\$0.00	\$0.00
SW KEY 1ST MT DIGIT V5	5733-NKY-4001	9	\$0.00	\$0.00
SW KEY 2ND MT DIGIT V5	5733-NKY-4002	4	\$0.00	\$0.00
SW KEY 3RD MT DIGIT V5	5733-NKY-4003	10	\$0.00	\$0.00
SW KEY 4TH MT DIGIT V5	5733-NKY-4004	6	\$0.00	\$0.00
SW KEY 1ST CPU DIGIT V5	5733-NKY-4005	1	\$0.00	\$0.00
SW KEY 2ND CPU DIGIT V5	5733-NKY-4006	10	\$0.00	\$0.00
SW KEY 3RD CPU DIGIT V5	5733-NKY-4007	14	\$0.00	\$0.00
SW KEY 4TH CPU DIGIT V5	5733-NKY-4008	3	\$0.00	\$0.00
SW KEY 5TH CPU DIGIT V5	5733-NKY-4009	5	\$0.00	\$0.00
SW KEY 6TH CPU DIGIT V5	5733-NKY-4010	12	\$0.00	\$0.00
SW KEY 7TH CPU DIGIT V5	5733-NKY-4011	12	\$0.00	\$0.00
OTHER MEDIA MEDIA FEATURE	5733-NKY-5809	1	\$0.00	\$0.00
IBM DB2 WEB QUERY FOR SYS I	5733-QU2-0000	1	\$0.00	\$0.00
EPOE REGISTRATION - WEB QUERY	5733-QU2-2001	1	\$0.00	\$0.00
EPOE UPG BASE REG P30	5733-QU2-2030	1	\$0.00	\$0.00
ENGLISH U/L SBCS PRIMARY	5733-QU2-2924	1	\$0.00	\$0.00
OTHER MEDIA DB2 WEB QUERY SUPPLY	5733-QU2-5849	1	\$0.00	\$0.00
NUMBER OF USER ENTITLEMENTS	5733-QU2-6345	8	\$0.00	\$0.00
IBM SW MA FOR I5/OS 3 YR REG	5733-SP3-0000	1	\$0.00	\$0.00
SWMA for i5/O P05 SWMa 3Y 7X24	5733-SP3-0003	1	\$283.72	\$283.72
IBM SW Maintenance for IBM i and Selected Products, 3-Year Extended Registration	5733-SPO-0000	1	\$0.00	\$0.00
3 Mo S PP w/3 yr Ext SWMA Rgst	5733-SPO-0001	1	\$2,509.20	\$2,509.20
XML TOOLKIT	5733-XT2-0000	1	\$0.00	\$0.00
OTHER MEDIA XML TOOLKIT V1R2	5733-XT2-5819	1	\$0.00	\$0.00
POWERVM STANDARD EDITION	5765-PVS-0000	1	\$0.00	\$0.00

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**Power 7 Server**

Description	Item	Qty	Price	Ext. Price
<b>Power Software</b>				
PowerVM Std Edition PPrc Sm Us	5765-PVS-0001	4	\$238.00	\$952.00
IBM BACKUP, RECOVERY AND MEDIA	5770-BR1-0000	1	\$0.00	\$0.00
OTHER MEDIA 7.1 LANG GRP 1 SUPPLY	5770-BR1-5817	1	\$0.00	\$0.00
EPOE UPG REG P30	5770-BR1-6030	1	\$0.00	\$0.00
IBM PERF TOOLS FOR I	5770-PT1-0000	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP	5770-PT1-5817	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP	5770-PT1-5917	1	\$0.00	\$0.00
P30 ePoE Registration Performance Tools	5770-PT1-6030	1	\$0.00	\$0.00
P30 ePoE Registration Manager feature	5770-PT1-6130	1	\$0.00	\$0.00
IBM QUERY FOR I	5770-QU1-0000	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP	5770-QU1-5817	1	\$0.00	\$0.00
P30 ePoE Registration	5770-QU1-6030	1	\$0.00	\$0.00
IBM I	5770-SS1-0000	1	\$0.00	\$0.00
IBM i per Core (E4B)	5770-SS1-1525	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP 1 BASE SU	5770-SS1-5817	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 MACHINE	5770-SS1-5870	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 M&S EXTE	5770-SS1-5911	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 PSF/400	5770-SS1-5916	1	\$0.00	\$0.00
PER PROC EPOE REG FOR IB	5770-SS1-6000	1	\$0.00	\$0.00
EPOE UPG REG-BASE	5770-SS1-6001	1	\$0.00	\$0.00
EPOE UPG REG - M&S EXTEN	5770-SS1-6101	1	\$0.00	\$0.00
EPOE UPG REGUS-PSF1-55	5770-SS1-6201	1	\$0.00	\$0.00
KEY/EPOE UNLIM USERS	5770-SS1-6398	1	\$0.00	\$0.00
IBM I ACCESS FOR WINDOWS	5770-SS1-7010	1	\$0.00	\$0.00
IBM I	5770-SS1-0000	1	\$0.00	\$0.00
BASIC OTC OTC STAMPED MED	5770-SS1-1383	1	\$118.00	\$118.00
IBM I PER PR BILLING	5770-SSA-0000	1	\$0.00	\$0.00
BASIC OTC I LIC W/90 DAY O	5770-SSA-1549	1	\$1,840.90	\$1,840.90
IBM I PER USER BILLING	5770-SSC-0000	1	\$0.00	\$0.00
BASIC OTC UNLIMITED USERS	5770-SSC-1568	1	\$15,375.00	\$15,375.00
IBM DB2 QUERY MANAGER AND	5770-ST1-0000	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP	5770-ST1-5817	1	\$0.00	\$0.00
P30 ePoE Registration	5770-ST1-6030	1	\$0.00	\$0.00
IBM RATIONAL DEVELOPMENT STUDI	5770-WDS-0000	1	\$0.00	\$0.00

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**Power 7 Server**

Description	Item	Qty	Price	Ext. Price
<b>Power Software</b>				
OTHER MEDIA I 7.1 LANG GRP	5770-WDS-5817	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP	5770-WDS-5917	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP	5770-WDS-5927	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP	5770-WDS-5937	1	\$0.00	\$0.00
ePoE Registration Rational Dev Studio	5770-WDS-6001	1	\$0.00	\$0.00
ePoE Registration ILE Compilers	5770-WDS-6101	1	\$0.00	\$0.00
P30 ePoE Registration ILE Compilers	5770-WDS-6130	1	\$0.00	\$0.00
ePoE Registration Heritage Compilers	5770-WDS-6201	1	\$0.00	\$0.00
P30 ePoE Registration Heritage Compilers	5770-WDS-6230	1	\$0.00	\$0.00
ePoE Registration Appl Dev ToolSetUpg	5770-WDS-6301	1	\$0.00	\$0.00
P30 ePoE Registration Appl Dev ToolSet	5770-WDS-6330	1	\$0.00	\$0.00
USER ENTITELMENT-ILE COMP	5770-WDS-6345	40	\$0.00	\$0.00
USER ENTITELMENT-HERIRAGE	5770-WDS-6346	40	\$0.00	\$0.00
USER ENTITLEMENT-ADTS	5770-WDS-6347	40	\$0.00	\$0.00
IBM I ACC FAMILY	5770-XW1-0000	1	\$0.00	\$0.00
BASIC OTC P05 I ACC FAMIL	5770-XW1-0974	1	\$0.00	\$0.00
OTHER MEDIA I 7.1 LANG GRP	5770-XW1-5817	1	\$0.00	\$0.00
POWERVM STANDARD EDITION SW MAINTENANCE:	5773-PVS-0000	1	\$0.00	\$0.00
PowerVM S PPrc Sml U SWMa3YReg	5773-PVS-1015	4	\$154.98	\$619.92
PowerVM S PPrc Sml U SWMa3Y724	5773-PVS-1017	4	\$41.00	\$164.00

**Power Software Subtotal**

**\$21,862.74**

<b>DVD-RAM</b>				
Multi-media Enclosure	7226-1U3-0000	1	\$1,040.00	\$1,040.00
DVD-RAM SATA Sled w/1-DVD-RAM Drive	7226-1U3-1420	1	\$360.00	\$360.00
DVD-RAM SATA Drive Only	7226-1U3-1422	1	\$120.00	\$120.00
Attached to i5 OS & OS/400 System	7226-1U3-9400	1	\$0.00	\$0.00
Attached to AIX System	7226-1U3-9600	1	\$0.00	\$0.00
Rack Device to PDU Cord	7226-1U3-9848	1	\$0.00	\$0.00

**DVD-RAM Subtotal**

**\$1,520.00**

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**Power 7 Server**

Description	Item	Qty	Price	Ext. Price
<b>Tape Library</b>				
TS3100 TAPE LIBRARY	3573-L2U-0000	1	\$3,200.00	\$3,200.00
13 M LC/LC FIBRE CHANNEL CABLE	3573-L2U-6013	1	\$147.20	\$147.20
RACK MOUNT KIT	3573-L2U-7002	1	\$319.20	\$319.20
Ultrium 5 Fibre Channel Drive	3573-L2U-8244	1	\$5,769.60	\$5,769.60
ATTACHED TO IBM AIX SYSTEM	3573-L2U-9600	1	\$0.00	\$0.00
2.8M POWER CORD 125V US/CAN	3573-L2U-9800	1	\$0.00	\$0.00
RACK TO PDU LINE CORD	3573-L2U-9848	1	\$0.00	\$0.00

**Tape Library Subtotal \$9,436.00**

<b>Maintenance</b>				
IBM Hardware Maintenance - 3 Year 24x7 - Includes 8202-E4D, 7226-1U3, 7226-1U3 and 3573-L2U	MAINT - IBM HWMA	1	\$2,834.13	\$2,834.13

**Maintenance Subtotal \$2,834.13**

<b>Services</b>				
Huber Installation and Configuration Services for Power Hardware/Software and Tape Library	SE - Infrs & Train Onsite	1	\$10,450.00	\$10,450.00

**Services Subtotal \$10,450.00**

Summary	
Power Hardware	\$25,515.30
Power Software	\$21,862.74
DVD-RAM	\$1,520.00
Tape Library	\$9,436.00
Maintenance	\$2,834.13



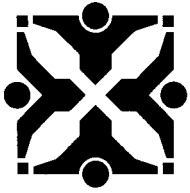
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**Power 7 Server**

Summary		
	Services	\$10,450.00
	Total	\$71,618.17

Taxes, shipping, handling and other fees may apply.



# CITY OF COLUMBIA, MISSOURI

LAW DEPARTMENT

## OPINION OF LESSEE'S COUNSEL

IBM Credit LLC  
6303 Barfield Road NE  
Atlanta, GA 30328-4233

RE: Supplement No. LD0029126 to Lease/Purchase Master Agreement between IBM Credit LLC and City of Columbia.

To Whom It May Concern:

I have acted as counsel to City of Columbia, Missouri ("Lessee"), in connection with Supplement No. LD0029126, dated as of \_\_\_\_\_, 2013 (the "Supplement"), between City of Columbia, as lessee, and IBM Credit LLC ("IBM Credit"). I have examined such certified proceedings and other papers as I deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Supplement.

As to questions of fact material to my opinion, I have relied upon the representations of Lessee in the Supplement and in the proceedings and other certifications of public officials furnished to me without undertaking to verify the same by independent investigation.

Based upon the foregoing, I am of the opinion that:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has each of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Supplement and to perform its obligations thereunder.
3. The execution, delivery and performance of the Supplement by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Supplement, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Lessee has acquired or has arranged for the acquisition of the equipment subject to the Supplement, and has entered into the Supplement, in compliance with all applicable purchasing laws.
6. No consent or approval of any other governmental authorities or agencies is required for the execution, delivery and performance by Lessee of the Supplement.

7. The Supplement has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

8. As of the date hereof, based on such inquiry and investigation as I have deemed sufficient, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Supplement or of other agreements similar to the Supplement; (b) questioning the authority of Lessee to execute the Supplement, or the validity of the Supplement, or the payment of principal of or interest on, the Supplement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Supplement; or (d) affecting the provisions made for the payment of or security for the Supplement.

9. The Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder.

This opinion may be relied upon by IBM Credit, its successors and assigns.

Very truly yours,

By: \_\_\_\_\_  
Nancy Thompson, City Counselor

Dated: \_\_\_\_\_

**Information Return for Small Tax-Exempt  
Governmental Bond Issues, Leases, and Installment Sales**

► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

**Part I Reporting Authority**

Check box if Amended Return ☐

1 Issuer's name <b>CITY OF COLUMBIA</b>		2 Issuer's employer identification number (EIN)				
3 Number and street (or P.O. box if mail is not delivered to street address) <b>701 E BROADWAY</b>		Room/suite				
4 City, town, or post office, state, and ZIP code <b>COLUMBIA, MO 65201-4465</b>		5 Report number (For IRS Use Only) <table border="1"><tr><td></td><td></td><td></td></tr></table>				
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information <b>Patrick A Smiley</b>		7 Telephone number of officer or legal representative <b>317 2499590</b>				

**Part II Description of Obligations** Check one: a single issue ☐ or a consolidated return ☐

8a Issue price of obligation(s) (see instructions)	8a <b>\$71,247.24</b>
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ► <b>02/01/2014</b>	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box	<input type="checkbox"/>
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions)	<input type="checkbox"/>
12 Vendor's or bank's name:	
13 Vendor's or bank's employer identification number:	

**Signature  
and  
Consent**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Signature of issuer's authorized representative

Date

Type or print name and title

**Paid  
Preparer  
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**What's New**

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at [www.irs.gov/form8038](http://www.irs.gov/form8038). Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

**Purpose of Form**

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

**Who Must File**

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

**Filing a separate return for a single issue.**

Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

**Filing a consolidated return for multiple issues.** For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

## When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

**Late filing.** An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

## Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

**Private delivery services.** You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

## Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

## Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

## Definitions

**Obligations.** This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to

multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

**Tax-exempt obligation.** This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

**Tax-exempt governmental obligation.** A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

**Private activity bond.** This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

**Issue.** Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

**Arbitrage rebate.** Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

**Construction issue.** This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

## Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

## Part I—Reporting Authority

**Amended return.** An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Return" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

**Line 1.** The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

**Line 2.** An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

**Lines 3 and 4.** Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

**Note.** The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

**Line 5.** This line is for IRS use only. Do not make any entries in this box.

## Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

**Line 8a.** The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

**Line 8b.** For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

**Lines 9a through 9h.** Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

**Lines 9i and 9j.** For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

**Line 9k.** Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

**Line 10.** Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

**Line 11.** Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

**Line 12.** Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

**Line 13.** Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

## Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

**Note.** If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

## Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature, and
- Give a copy of the return to the issuer.

## Paperwork Reduction Act Notice

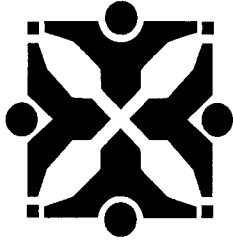
We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

<b>Learning about the law or the form</b>	4 hr., 46 min.
<b>Preparing the form</b>	2 hr., 22 min.
<b>Copying, assembling, and sending the form to the IRS</b>	2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File*.



Source: Information Services

Agenda Item No:

To: City Council  
From: City Manager and Staff

Council Meeting Date:

Re: Lease/Purchase Supplement NO. LD0029126

**EXECUTIVE SUMMARY:**

Staff has prepared for Council consideration a resolution authorizing the City Manager to execute Lease/Purchase Supplement No. LD0029126 to Lease/Purchase Master Agreement between IBM Credit LLC and the City of Columbia.

**DISCUSSION:**

This agreement will allow the City to replace two servers for the Columbia Information Technologies Department, that supports the current financial management, and utility billing systems. The March 1, 2014 payment will be paid from the Information Technologies (I.T.) Department's operating budget. IBM's price quote is valid through December 31, 2013.

**FISCAL IMPACT:**

Budget impact - Annual maintenance for current systems is \$19,220.52. Proposed system annual cost will be \$24,428.16. Additional funds in Information Technologies (I.T.) supplemental budget are allocated for Fiscal Year 2014 for the additional costs.

**VISION IMPACT:**

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

3.4 Goal: C City services will be efficient, effective, and expanded.

3.4.1 Strategy: Use available technology to increase and improve city services offered to the community.

**SUGGESTED COUNCIL ACTIONS:**

Approval of the resolution authorizing the City Manager to execute Lease/Purchase Supplement No. LD0029126 to Lease/Purchase Master Agreement between IBM Credit LLC and City of Columbia

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost		New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated	\$2,428.16	Duplicates/Expands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed		Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	Yes
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	3.4
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	3.41
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	