Question 1: Is HACC a 501C3 entity, or is the college funded by local government (a political subdivision)?

Answer 1: No to both questions. HACC is an Instrumentality of the Commonwealth of Pennsylvania.

Question 2: Must HACC have non-appropriation language in the lease, i.e., muni lease?

Answer 2: No

Question 3: What does HACC mean by an Operating Lease? Please provide your definition of an Operating Lease. Certainly, a FPO at $150 per unit may not allow this to be OBS for accounting purposes – is that a requirement and the intent?

Answer 3: HACC is looking for a Fair Market Value lease, where the monthly lease payment is an operating line on the budget. HACC does not want to capitalize the lease.

Question 4: In order to most effectively price the transaction and to ensure that we can most likely ultimately approve the transaction (and in an effort not to waste time for everyone involved) we will need to see financial statements prior to submitting a proposal. Can you please provide us with your last couple FYE & most recent quarter statements ASAP?

Answer 4: HACC will email two years of our financials upon request.

Question 5: The notification of intent (pg 22) and the RFP pg 24 both state a total of 1,967 pc’s but the RFP itself states 907 – which is correct? Please confirm total $ as well.

Answer 5: Please refer to Addendum #1 that was issued on May 15, 2007.

COST FOR THE PERSONAL COMPUTER AS DEFINED BELOW:

1) 794 ea - Optiplex 745 Standard Desktop $873.00/ea
2) 68 ea - Optiplex 745 w/20” Monitor $1,018.00/ea
3) 121 ea - Optiplex 745 w/removable hard drive $1,841.00/ea

TOTAL AMOUNT BEING FINANCED $985,147.00
**Question 6:** Not being familiar with HACC’s environment, can you please provide a broader perspective on the current environment –

- How does the new equipment fit into the product mix at this location, and overall (is the new transaction for all PC products at a given site? All PCs at all sites?)
- Is this incremental new equipment or replacement for existing?
- If replacement, was the previously equipment owned or leased? How old was the replaced equipment? Why is it being replaced? If leased, what was the original term, and is it being returned to the lessor?
- How has HACC handled leased PC products historically (overall, in addition to whatever lease may have immediately preceded this request)?
- What will the operating environment be for the equipment?

**Answer 6:**

- Current, the Dell PCs are populated across all HACC locations.
- 835 PCs are replacement – 72 PCs will be new
- HACC leases all PCs. The lease terms are always 36 months. The leases are coming to end of term. The original term was 36 months, and HACC has elected to purchase the PCs at end of term per the lease agreement.
- HACC has leased PCs.
- Windows XP

**Question 7:** We are providing a FINANCING vehicle only. CBI cannot coordinate nor ensure delivery timetables or take responsibility in any way for the provider’s delivery channel, capabilities and timeframes. That said, would our proposal be considered viable?

**Answer 7:** Once a Lessor is chosen and all contracts are executed between HACC and the Lessor, the Lessor will order the PCs from Dell with their internal purchase order to Dell. This order will be based on the delivery timetable defined in the RFP. The Lessor is expected to work with Dell to assure that the order is placed and expected delivery dates are conveyed to Dell. HACC requires the Lessor to take an active approach (not a passive approach) in assuring that orders are given to the right parties at Dell, confirm that Dell has received the order and understands the delivery requirements, and communicates this information to HACC.

**Question 8:** Given the all the equipment is to be delivered over the 2 week period covering the end of June & beg of July, what are the funding expectations to the vendor? Should funding be required in July, is interest only allowable on funds expended to cover carry costs from time of funding until commencement on Sept 1st?

**Answer 8:** The Lessor will be required to pay Dell upon Dell’s payment terms. Yes, HACC realizes that the PCs will be delivered the end of June – beginning of July. However, HACC requires that the commencement date of the lease to be September 1st. The term of the Lease should be September 1, 2007 to August 31, 2010 (36 months). The Lessor’s first bill should cover the period of September 1, 2007 thru November 30, 2007 (these dates should be clearly noted on the invoice). The invoice should arrive at HACC’s Accounts Payable department the beginning of August. HACC will not entertain “Interim Rent” billing.

**Question 9:** Payments are to be QUARTERLY IN ADVANCE correct? i.e. 1st payment due 9/1/07, 2nd payment due 12/1/07, etc. correct?
Answer 9: The term of the Lease should be September 1, 2007 to August 31, 2010 (36 months). The Lessor’s first bill should cover the period of September 1, 2007 thru November 30, 2007 (these dates should be clearly noted on the invoice). The invoice should arrive at HACC’s Accounts Payable department the beginning of August. HACC will not entertain “Interim Rent” billing.

Question 10: My finance dept. wanted to confirm that the quarterly payments will be made in advance?

Answer 10: The term of the Lease should be September 1, 2007 to August 31, 2010 (36 months). The Lessor’s first bill should cover the period of September 1, 2007 thru November 30, 2007 (these dates should be clearly noted on the invoice). The invoice should arrive at HACC’s Accounts Payable department the beginning of August. HACC will not entertain “Interim Rent” billing.

Question 11: Is the pre-determined FMV of $150 is for all configurations?
   - The $873 machine?
   - The $1,018 machine?
   - The $1,841 machine?

Answer 11: The pre-determined FMV should be $150 for all configurations.

Question 12: On the 121 computers (the third batch) that specify will have removable hard drives, can you clarify if those hard drives will be on the lease, or if HACC plans to use already owned hard drives for these computers? The quote provided with the RFP notes that batch of computers does not include standard hard drives, but doesn't make any mention of removable hard drives being included with them instead, so it looks like those units won't include a hard drive at all, standard or removable.

Answer 12: Some items were missed for this item by description only. The price of $1841.00 does not change. See corrected list below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Cost</td>
<td>DELL OPTIPLEX 745 STANDARD W/REMOVEABLE HARD DRIVE</td>
</tr>
<tr>
<td>Base Unit</td>
<td>$1,841.80</td>
</tr>
<tr>
<td>Processor</td>
<td>Optiplex 745 Minitower, Pentium D 945/3.4GHz, 2x2M, 800FSB (222-5849)</td>
</tr>
<tr>
<td>Memory</td>
<td>NTFS File System, Factory install (420-3699)</td>
</tr>
<tr>
<td>Keyboard</td>
<td>Dell USB Keyboard, No Hot Keys English, Black, Optiplex (310-8010)</td>
</tr>
<tr>
<td>Monitor</td>
<td>Dell UltraSharp 1707FP Flat Panel w/Height Adj Stand, 17.0 inch VIS, OptiPlex and Latitude (320-4565)</td>
</tr>
<tr>
<td>Video Card</td>
<td>PCIe, 256MB ATI Radeon X1300 Pro, Full Height, VGA adapter, Dual Monitor, Dell OptiPlex 745 Minitower (320-4967)</td>
</tr>
<tr>
<td>Hard Drive</td>
<td>CFI, Standard Option Not Selected (365-0354)</td>
</tr>
<tr>
<td>Floppy Disk Drive</td>
<td>No Floppy Drive with Optical Filler Panel, Dell OptiPlex 745 Minitower (341-3909)</td>
</tr>
<tr>
<td>Operating System</td>
<td>Windows XP Home, Service Pack 2 with Media, Dell OptiPlex 320-740 and 745, English, Factory Install (420-6286)</td>
</tr>
<tr>
<td>Mouse</td>
<td>Dell USB 2-Button Optical Mouse with Scroll, Black,</td>
</tr>
</tbody>
</table>
Question 13: Can you please clarify what HACC means when it states it will not pay any 'reconditioning fees' on returned equipment? It could have several meanings – we just want to be clear on what HACC’s full understanding and intent is and therefore we would like a much more specific explanation.

Answer 13: HACC will pay for damage only to the PC upon the return of the PCs at the end of the term, if HACC elects to use the return option. HACC will NOT entertain a “Reconditioning Fee” for each unit returned.