

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 11/21/14

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. Title: (Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)

Authorizes the Manager of Finance to provide financing through a capital lease purchase transaction on behalf of the Department of Aviation to purchase new technology services equipment for Denver International Airport in a principal amount not to exceed \$1,809,844.

3. Requesting Agency: Department of Finance

4. Contact Person: (With actual knowledge of proposed ordinance/resolution.)

- Name: Michelle Wang
- Phone: 720-913-9353
- Email: michelle.wang@denvergov.org

5. Contact Person: (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)

- Name: Michelle Wang
- Phone: 720-913-9353
- Email: michelle.wang@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable:

This ordinance seeks approval to finance the acquisition of new technology services equipment through a capital lease purchase transaction on behalf of the City’s Department of Aviation for Denver International Airport in the principal amount not to exceed \$1,809,844. The equipment will be provided by various vendors and Banc of America Public Capital Corp (“Bank of America”) will serve as the lessor to the City. The proposed structure will consist of a 4-year lease purchase transaction with annual lease payments of \$461,563.46 which will be repaid from DIA’s Capital Fund; there is no impact to the City’s General Fund. The interest rate will be locked in at 1.1656% assuming closing prior to January 9, 2014, which translates to total interest cost of \$36,409.94.

Equipment will be purchased from 3 vendors under existing Master Purchase Orders already in place with each vendor, while this lease purchase ordinance request would allow for the funding of the equipment through a lease purchase transaction with Bank of America.

***Please complete the following fields: (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field – please do not leave blank.)*

- a. Contract Control Number: PLANE-201419198-00
- b. Duration: 4 year lease
- c. Location: Denver International Airport
- d. Affected Council District: District 11
- e. Benefits: Allows for the replacement of existing technology services equipment near the end of its useful life. This is essential equipment for DIA.
- f. Costs: Interest expense associated with the lease will not exceed \$36,409.94

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain. CW Faatz has expressed concerns about DIA incurring additional debt. We are not aware of any other concerns.

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____



Michael B. Hancock
Mayor

CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

CASH RISK AND CAPITAL FUNDING
201 WEST COLFAX AVE.
DENVER, COLORADO 80202
PHONE: (720) 913-5500

Executive Summary

An ordinance to authorize the Manager of Finance to provide financing through a capital lease purchase transaction on behalf of the Department of Aviation to purchase new technology services equipment for Denver International Airport in a principal amount not to exceed \$1,809,844.

The Department of Finance is seeking approval to fund the acquisition of new technology services equipment through a capital lease purchase transaction on behalf of the City's Department of Aviation for Denver International Airport. The total cost of the equipment to be financed will not exceed \$1,809,844.

The proposed financing structure will consist of a 4-year capital lease between the City and Bank of America, selected via a competitive bid process. Bank of America submitted the lowest bid of 1.1656% interest per annum, which translates to total interest cost for the City of \$36,410 through 2018. The annual lease payments of approximately \$461,564 will be repaid from DIA's Capital Fund (Fund 85). There is no impact to the City's General Fund. The City may prepay the lease at par without penalty after 2 years.

The new technology services equipment will be purchased from 3 vendors (World Wide Technology Inc, Accuvant, and Trestle Networks) under existing Master Purchase Orders already in place with each vendor, while this lease purchase ordinance request would allow for the funding of the equipment through a lease purchase transaction with Bank of America. Total principal and interest of \$1,846,254.

This ordinance request is being submitted to comply with the City's Charter which requires Council approval of any agreement in excess of \$500,000.

Description of the Equipment purchase:

New IT equipment is primarily related to network routers and switches and information security appliances and will have a useful life of 5 years. New equipment will replace existing equipment near the end of their useful lives.

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