

## ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

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**Date of Request: November 8, 2021**

Please mark one:       **Bill Request**                      or               **Resolution Request**

**1. Type of Request:**

- Contract/Grant Agreement**     **Intergovernmental Agreement (IGA)**     **Rezoning/Text Amendment**
- Dedication/Vacation**               **Appropriation/Supplemental**               **DRMC Change**
- Other:**

**2. Title:** (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Authorizes the Manager of Finance to enter into a capital lease purchase agreement, on behalf of the Department of General Services, to purchase Energy Conservation Measure Equipment via Energy Performance Contracting in a principal amount not to exceed \$15,000,000.

**3. Requesting Agency:** Department of Finance

**4. Contact Person:**

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Hannah Stewart	Name: Kiki Turner; Hannah Stewart
Email: <a href="mailto:Hannah.Stewart@denvergov.org">Hannah.Stewart@denvergov.org</a>	Email: <a href="mailto:Kiki.Turner@denvergov.org">Kiki.Turner@denvergov.org</a> ; <a href="mailto:Hannah.Stewart@denvergov.org">Hannah.Stewart@denvergov.org</a>

**5. General description or background of proposed request. Attach executive summary if more space needed:**

This resolution seeks approval to finance the purchase of energy conservation measure implementation equipment ("Equipment") via a capital equipment lease agreement on behalf of Department of General Services ("GS"). The Equipment provides for improvements that will result in energy conservation throughout various City facilities.

The amount of the Equipment to be purchased via the capital lease purchase transaction is \$14,811,869.22. JP Morgan Chase Bank, N.A. ("JPM"), selected via a competitive bid process, will serve as the lessor. The proposed leasing structure will consist of two components: a 5-year component consisting of equipment with a designated 5-year useful life and annual lease payments of approximately \$740,875.93 and a 15-year component of equipment with a designated 15-year useful life with annual lease payments of approximately \$854,031.94. The lease payments will be supported by the energy savings created by the equipment improvements and will be repaid from the Annual Capital Improvement Program, Utility Savings and Climate Protection Fund, subject to annual appropriation by City Council. The interest rate will be locked at 1.60% which translates to total interest cost of approximately \$1,702,990. If Council approves this resolution, the City targets closing the week of December 13, 2021.

This capital equipment lease purchase resolution request is being submitted in conjunction with the two equipment and services procurement contract requests submitted by General Services for delivery and installation of the Equipment by McKinstry Essention LLC and Ameresco, Inc. Approval of the equipment and services resolution requests will allow for the procurement of the Equipment and Services, while the lease purchase resolution request will allow for the lease purchase of the Equipment through a transaction with JPM.

**6. City Attorney assigned to this request (if applicable):** Laurie Heydman

**7. City Council District:** Citywide

**8. \*\*For all contracts, fill out and submit accompanying Key Contract Terms worksheet\*\***

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*To be completed by Mayor's Legislative Team:*

Resolution/Bill Number: RR21 1394

Date Entered: \_\_\_\_\_

## Key Contract Terms

**Type of Contract:** (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Capital Equipment Lease Purchase Agreement

**Vendor/Contractor Name:** JP Morgan Chase Bank, N.A.

**Contract control number:** TBD

**Location:** Improvements will be located Citywide (See location list attached to companion resolution requests referenced below)

**Is this a new contract?**  Yes  No **Is this an Amendment?**  Yes  No **If yes, how many?** \_\_\_\_\_

**Contract Term/Duration** (for amended contracts, include existing term dates and amended dates): 15-year Lease term

**Contract Amount** (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
<i>(A)</i>	<i>(B)</i>	<i>(A+B)</i>
N/A	\$16,514,858.73	\$16,514,858.73

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
N/A	N/A	15-year term (1/31/2037)

**Scope of work:** This resolution approves the lease purchase of Energy Conservation Measure Equipment via Energy Performance Contracting for Department of General Services. The acquisition of the Leased Equipment, direct purchase equipment, and related services are in the following contracts GENRL-202161178-00 (Ameresco Inc.) and GENRL-202161179-00 (McKinstry Essention, LLC). The acquisition of the direct purchase equipment will be through Purchase Order #PO-00107101.

**Was this contractor selected by competitive process?** Yes **If not, why not?**

**Has this contractor provided these services to the City before?**  Yes  No

**Source of funds:** Annual Capital Improvement Program, Utility Savings and Climate Protection Fund

**Is this contract subject to:**  W/MBE  DBE  SBE  XO101  ACDBE  N/A

**WBE/MBE/DBE commitments (construction, design, Airport concession contracts):** None

**Who are the subcontractors to this contract?** None

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Date Entered: \_\_\_\_\_



# 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

### **A resolution to authorize the Manager of Finance to enter into a capital lease purchase transaction, on behalf of the Department of General Services to purchase Energy Conservation Measure Equipment via Energy Performance Contracting in a principal amount not to exceed \$15,000,000.**

The Department of Finance is seeking approval finance the acquisition of Energy Conservation Equipment (“Equipment”) to be procured from McKinstry Essention LLC and Ameresco, Inc, through a capital lease purchase transaction on behalf of the Department of General Services (“General Services”). The expected total cost of the Equipment to be lease purchased is \$14,811,869.22.

The proposed lease purchase structure will consist of a 15-year capital lease, broken into 5-year and 10-year components that aligns with the useful life of the equipment being financed, between the City and JPMorgan Chase Bank, N.A. (“JPM”), selected via a competitive bid process. The capital equipment lease will provide a 1.60% fixed interest rate, which translates to total interest cost for the City of approximately \$1,702,990 through the final term of the lease. The annual lease payments of approximately \$740,876 in years 2023-2027 and approximately \$854,032 in years 2028-2037 are subject to annual appropriation by City Council and will be supported by energy savings generated by the Equipment improvement and repaid from the Annual Capital Improvement Program, Utility Savings and Climate Protection Fund. The City may prepay the lease at par, without penalty, on any payment date after an initial 12 months.

This lease purchase agreement is part of a package that will consist of a total of four (4) resolutions, and it is requested that they be presented as a single project. The resolutions are:

- 1) The above Lease Purchase Agreement, which entails the capital lease purchase with JPM; total lease payments (if all appropriations are made) are approximately \$16,514,859 submitted by the Department of Finance on behalf of General Services.
- 2) Equipment and Services procurement contract with McKinstry Essention LLC, the vendor for the energy conservation equipment that includes improvements to five Fire Stations, five Police Facilities, City and County Building, Denver Crime Lab, Lindsey-Flanigan Courthouse, Elections Building, Van Cise-Simonet Detention Center, and others. This resolution will be submitted by General Services.
- 3) Equipment and Services procurement contract with Ameresco, Inc., the vendor for the energy conservation equipment that includes improvements to 15 recreation centers/buildings and seven libraries. This resolution will be submitted by General Services.
- 4) Purchase Order for McKinstry Essention LLC, the vendor for the energy conservation equipment that includes improvements to for the DPD Traffic Operations Center. This resolution will be submitted by General Services.

For more details on the project and equipment being financed, please see the accompanying Equipment and Services Resolution Requests.

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