

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

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

Date of Request: July 22, 2019

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 provide financing through a capital lease purchase transaction, on behalf of the Department of Public Works, to purchase compost collection trucks in a principal amount not to exceed \$3,988,943.

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: Beth Strauss	Name: Beth Strauss
Email: beth.strauss@denvergov.org	Email: beth.strauss@denvergov.org

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

This resolution seeks approval to finance the acquisition of compost collection vehicles ("Equipment") for the Department of Public Works-Solid Waste Management Division ("Public Works"). The Equipment will be incremental to the City's existing fleet. The Equipment will be financed through a capital lease purchase transaction in the principal amount not to exceed \$3,988,943. Banc of America Public Capital Corp. ("BAPCC"), selected via a competitive bid process, will serve as the lessor. The proposed financing structure will consist of a 5-year lease purchase transaction with annual lease payments of approximately \$843,035, which will be repaid from the Planned Fleet Fund, that are subject to annual appropriation by City Council. The interest rate will be locked at 1.9122% assuming closing prior to November 1, 2019, which translates to total interest cost of approximately \$226,220.

This capital lease purchase resolution request is being submitted in conjunction with two equipment procurement contract requests submitted by Public Works for delivery of the Equipment by: 1) Kois Brothers Equipment; and 2) Rush Truck Center of Colorado. Approval of the equipment resolution request will allow for the procurement of the Equipment, while the lease purchase resolution request will allow for the funding of the Equipment through a lease purchase transaction with BAPCC.

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****

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR19 0759

Date Entered: _____

Key Contract Terms

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

Vendor/Contractor Name: Banc of America Public Capital Corp.

Contract control number: TBD

Location: Citywide

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): 5 years

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

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
N/A	\$4,215,161.78	\$4,215,161.78

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
N/A	N/A	5-year term (8/1/2024)

Scope of work: This resolution approves the financing of new compost collection vehicles for Public Works. The acquisition of the Equipment is in the following contracts: 1) PWADM2019-50898 (Kois Brothers Equipment); and 2) PWADM2019-50899 (Rush Truck Center of Colorado).

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: Planned Fleet Fund (11804)

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

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR19 0759

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 provide financing through a capital lease purchase transaction, on behalf of the Department of Public Works, to purchase compost collection trucks in a principal amount not to exceed \$3,988,942.50.

The Department of Finance is seeking approval to fund the acquisition of compost collection vehicles (“Equipment”) to be procured from Rush Truck Center of Colorado and Kois Brothers Equipment, through a capital lease purchase transaction on behalf of the Department of Public Works-Solid Waste Management Division (“Public Works”). The total cost of the Equipment to be financed will not exceed \$3,988,942.50.

The proposed financing structure will consist of a 5-year capital lease between the City and Banc of America Public Capital Corp. (“BAPCC”), selected via a competitive bid process. BAPCC submitted the lowest bid of 1.9122% interest per annum, which translates to total interest cost for the City of approximately \$226,220 through 2024. The annual lease payments of approximately \$843,035 are subject to annual appropriation by City Council and will be repaid from the Planned Fleet Special Revenue Fund. The City may prepay the lease at par, without penalty, on any payment date after an initial 12 months.

This lease financing agreement is part of a package that will consist of a total of three (3) resolutions, and it is requested that they be presented as a single project. The resolutions are:

- 1) The above financing agreement, which entails the capital lease financing with BAPCC; total principal and interest is approximately \$4,215,162.
- 2) Equipment procurement contract with Rush Truck Center of Colorado, the vendor for the side-loading compost collection vehicles that are being financed.
- 3) Equipment procurement contract with Kois Brothers Equipment, the vendor the rear-loading compost collection vehicles that are being financed.

Description of the Equipment purchase:

The compost collection vehicles will be incremental to the existing Public Works fleet. The financed Equipment will include 12 side-loading compost collection vehicles from Rush Truck Center of Colorado, and one rear-loading compost collection vehicle from Kois Brothers Equipment. The approximate useful life of the Equipment is 8 years for side-loading vehicles and 10 years for rear-loading vehicles. The estimated total cost to be financed for the compost collection vehicles is \$3,988,942.50, comprised of the following:

<u>Equipment</u>	<u>Financed Amount</u>
12 side-loading vehicles	\$3,684,670.50
1 rear-loading vehicle	\$304,272.00
TOTAL	\$3,988,942.50

To be completed by Mayor’s Legislative Team: