



CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

TREASURY DIVISION
WEBB BUILDING
201 WEST COLFAX AVE.
DENVER, COLORADO 80202
720-913-9370

**John W.
Hickenlooper
Mayor**

Executive Summary

An ordinance to authorize the Manager of Finance to provide financing through a capital lease purchase transaction to acquire four aerial bucket trucks.

The Department of Finance is seeking approval to lease-purchase the acquisition of 3 aerial bucket trucks that will be provided by Tranwest and 1 hybrid bucket truck to be provided by OJ Watson, for a total of 4 aerial bucket trucks on behalf of the Department of Public Works.

The bucket trucks are being acquired to replace dated vehicles and will be used by Public Works employees to install signage and tree trimming in the City of Denver. The total cost of the trucks is \$747,700, however Public Works has budgeted \$144,700 in 2010 that will be used in lieu of the 2010 rental payment reducing the future lease payments on the principal portion of the equipment to \$603,000. The proposed structure will consist of a four-year lease purchase that will be provided by All American Investment Group (AAIG), which was selected through a competitive RFP process. Annual lease payments are anticipated to be \$165,142.86. The lease purchase transaction is subject to the annual appropriation by the City Council, and if the City makes all annual lease payments, the total amount paid to lease and acquire the proposed improvements will be approximately \$665,421.42. If approved by Council the anticipated closing date with AAIG for the financing is slated for June 1, 2010 with acquisition of the equipment occurring soon thereafter. The proposed capital lease structure would allow for the pre-payment of this lease at anytime without penalty.

This lease purchase ordinance request is being submitted in conjunction with an equipment ordinance request submitted by the Department of Public Works for the acquisition of the 3 bucket trucks from Transwest (no ordinance request is necessary for the hybrid truck that will be acquired from OJ Watson because it is less than \$500k). If approved, the equipment ordinance would allow for the acquisition of the vehicles through Transwest, while the lease purchase ordinance authorizes the lease purchase transaction with AAIG. 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.

Summary of Equipment

Vendor	Model	Cost
Transwest Trucking	Sixty Foot Hybrid Aerial Rear Mount Bucket Truck	\$ 181,363
Transwest Trucking	Thirty Seven Foot Hybrid Aerial Bucket Truck	\$ 168,566
Transwest Trucking	Thirty Seven Foot Hybrid Aerial Bucket Truck	\$ 168,566
OJ Watson	Hybrid Overhead Aerial Platform Sign Truck	\$ 229,205
	Total Cost of 4 Trucks	\$ 747,700
	Down Payment (Payment in Lieu of 1st year rental payment)	\$ (144,700)
	Total to be Financed over 4 years	\$ 603,000

