

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.

Please mark one: ☒ **Bill Request** or ☐ **Resolution Request** **Date of Request:** 09/08/14

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 Denver Fire Department and Public Works to acquire a Fire Training Simulator totaling a principal amount not to exceed \$1,142,016.

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 a Fire Training Simulator through a capital lease purchase transaction on behalf of the Denver Fire Department and Public Works in the principal amount of \$1,142,016. The equipment is a new steel structure to be designed and constructed by MW Golden Constructors, and Santander will serve as the lessor to the City. The proposed financing structure will consist of a five-year lease purchase transaction with annual lease payments of approximately \$237,649 that are subject to annual appropriation by City Council. The interest rate will be locked in at 1.46% assuming closing prior to October 31, 2014, which translates to total interest cost of \$46,225.30.

This capital lease ordinance is being submitted in conjunction with one (1) equipment procurement contract request submitted by the Denver Fire Department and Public Works for delivery of the equipment by MW Golden Constructors. Approval of the equipment ordinance request will allow for the procurement of the Fire Training Simulator, while the lease purchase ordinance request would allow for the funding of the equipment through a lease purchase transaction with Santander.

*****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:** FINAN-201418044-00
- b. **Duration:** 5 year lease
- c. **Location:** Roslyn Campus, 5440 Roslyn Street (City Owned Parcel)
- d. **Affected Council District:** District 11 (physical location of the Training Simulator). The Training Simulator will be used by Denver Fire Department for the benefit of all Denver residents / All Districts.
- e. **Benefits:** Allows for the replacement of existing Fire Training Simulator which is well beyond its useful life. This is essential training equipment for the Denver Fire Department.
- f. **Costs:** Interest expense associated with the lease will not exceed \$46,225.30

7. **Is there any controversy surrounding this ordinance?** *(Groups or individuals who may have concerns about it?)* **Please explain.** None.

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 Denver Fire Department and Public Works to acquire a Fire Training Simulator totaling a principal amount not to exceed \$1,142,016.

The Department of Finance is seeking approval to fund the acquisition of a Fire Training Simulator to be procured from MW Golden Constructors through a capital lease purchase transaction on behalf of the Denver Fire Department and Public Works. The total cost of the Fire Training Simulator to be financed will not exceed \$1,142,016.

The proposed financing structure will consist of a 5-year capital lease between the City and Santander, selected via a competitive bid process. Santander submitted the lowest bid of 1.46% interest per annum, which translates to total interest cost for the City of \$46,225.30 through 2019. The annual lease payments of approximately \$237,649 are subject to annual appropriation by City Council and will be repaid from a combination of the Capital Improvement Fund and the Rocky Mountain Fire Academy Special Revenue Fund. The City may prepay the lease at par without penalty on any payment date.

This lease financing agreement is part of a package that will consist of a total of two (2) ordinances, and it is requested that they be presented as a single project. The ordinances are:

- 1) The above financing agreement, which entails the capital lease financing with Santander. Total principal and interest of \$1,188,241.30.
- 2) Equipment procurement contract with MW Golden Constructors, the vendor for the Fire Training Simulator that is being financed.*

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.

* Note the total cost of the Fire Training Simulator, including related construction, earthwork, footings and foundation, is \$1,572,726. However, only \$1,142,016 of this consists of moveable equipment and will be financed under the capital lease financing agreement and delivered under the equipment procurement contract. The remaining \$430,710 will be under a Design Build Contract funded with existing capital improvement program funds.

Description of the Equipment purchase:

The Fire Training Simulator is a new steel structure that will be sited on the City's Roslyn Campus (5440 Roslyn Street) and will replace an existing Fire Training Simulator. The equipment will be designed and constructed by MW Golden Constructors and has a useful life of 20 years.

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Revised 08/16/10