

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: **7/30/2018**

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 equipment lease purchase with Banc of America Public Capital Group for the purchase a replacement Bell 407 GXP helicopter for the Denver Police Department.

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: Hannah Stewart |
| Email: Hannah.Stewart@denvergov.org | Email: Hannah.Stewart@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 a replacement helicopter and law enforcement customization equipment, to be used by Denver Police Department, through a capital equipment lease purchase transaction in the principal amount not to exceed \$4,108,537. Banc of America Public Capital Corp. was selected via a competitive bid process and will serve as the lessor. The financing structure will consist of a 10-year lease purchase with annual lease payments of approximately \$487,000, which will be repaid from the Police Capital Budget, subject to annual appropriation by City Council. The currently expected interest rate of 3.06% translates to total interest cost of approximately \$762,159.

This capital equipment lease purchase resolution request is being submitted in conjunction with an equipment procurement contract request submitted by the Department of Safety for delivery of the helicopter by Bell Helicopter Textron Inc. The cost of the helicopter is \$5,108,537. The financed amount is net of the trade-in of the old helicopter and funds in the 2018 Police Capital Budget for this replacement. Approval of the equipment resolution request will allow for the procurement of the helicopter, customizations and equipment, while the lease purchase resolution request would allow for the funding of the equipment through a lease purchase transaction with Banc of America Public Capital Corp.

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

7. City Council District: All

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

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: **RR18 0854**

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: FINAN-201842877-00

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): up to 10-year lease/purchase

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 | 4,870,696 | 4,870,696 |

| <i>Current Contract Term</i> | <i>Added Time</i> | <i>New Ending Date</i> |
|------------------------------|-------------------|-------------------------|
| N/A | N/A | 10-year term (2/1/2029) |

Scope of work:

This resolution approves the financing of a replacement helicopter for the Denver Police Department. The acquisition of the helicopter is in contract POLIC-201843211-00. The manufacturer is offering to apply an amount to the transaction from the trade in of the City's current helicopter. An estimate of \$500,000 is assumed although trade-in estimates informally obtained have been up to \$750,000. The estimated useful life of the new helicopter is up to 15 years. The acquisition includes \$2,008,537 of law enforcement customization. The City has \$500,000 in its 2018 budget to be deposited into an escrow account to be combined with the estimated trade-in value and the balance of the financing from Banc of America Public Capital Corp.

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: Banc of America Public Capital Corp and Police Capital Budget

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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