

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. For any questions please contact Skye Stuart.

All fields must be completed.
Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: December 4, 2017

Please mark one: Bill Request or Resolution Request

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, 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 Technology Services, to purchase a new citywide Project 25 Land Mobile Radio system in a principal amount not to exceed \$13,551,014.

3. Requesting Agency: Department of Finance

4. Contact Person: (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Beth Strauss
- **Phone:** (720) 913-5208
- **Email:** beth.strauss@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:** Beth Strauss
- **Phone:** (720) 913-5208
- **Email:** beth.strauss@denvergov.org

6. General description/background of proposed ordinance including contract scope of work if applicable:

This resolution seeks approval to finance the acquisition of a new citywide (excluding Denver International Airport) radio system, which will replace the City's current radio system since it is at end of life with a new, standard-based Project 25 (P25) system to support all City radio users. The new system also includes implementation services and new radios, which will also be financed through a capital lease purchase transaction on behalf of Technology Services in the principal amount not to exceed \$13,551,014. Banc of America Public Capital Corp, 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 \$2,835,728, which will be repaid from the TS Radio Capital Budget, that are subject to annual appropriation by City Council. The interest rate will be locked at 1.8821% assuming closing prior to December 31, 2017, which translates to total interest cost of approximately \$627,624.

This capital lease purchase resolution request is being submitted in conjunction with one (1) equipment procurement contract request submitted by Technology Services for delivery of the equipment and installation of the radio system by Motorola Solutions. Approval of the equipment resolution request will allow for the procurement of the radio system, 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.

****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-201738573-00
- b. **Contract Term:** 5-year lease
- c. **Location:** Citywide, excluding Denver International Airport
- d. **Affected Council District:** All
- e. **Benefits:** Allows for the purchase of a new radio system, which will replace the City's current radio system (which is at end of life) with a new, standard-based P25 system to support all City radio users.
- f. **Contract Amount (indicate amended amount and new contract total):** \$13,551,014 principal amount; interest expense associated with the lease will not exceed \$627,624.

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

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

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 Technology Services to purchase a new P25 Land Mobile Radio system which includes implementation services and radios, in a principal amount not to exceed \$13,551,014.

The Department of Finance is seeking approval to fund the acquisition of a new P25 Land Mobile Radio system to be procured from Motorola Solutions through a capital lease purchase transaction on behalf of Technology Services. The total cost of the new radio system and equipment to be financed will not exceed \$13,551,014.

The proposed financing structure will consist of a 5-year capital lease between the City and Banc of America Public Capital Corp, selected via a competitive bid process. Banc of America Public Capital Corp submitted the lowest bid of 1.8821% interest per annum, which translates to total interest cost for the City of approximately \$627,624 through 2022. The annual lease payments of approximately \$2,835,728 are subject to annual appropriation by City Council and will be repaid from the TS Radio Capital Budget. 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 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 Banc of America Public Capital Corp. Total principal and interest of approximately \$14,178,638.
- 2) Equipment procurement contract with Motorola Solutions, the vendor for the new radio system that is being financed. This contract with Motorola Solutions also includes future purchases of radios, parts, support, and software maintenance, over the next 10 years (2018-2027) in an amount of up to \$20,000,000, which will not be financed under the proposed capital lease purchase transaction; these purchases will be funded as part of Technology Services' annual budget process.

Description of the Equipment purchase:

The Equipment includes radio equipment to support five radio site locations and two master site locations, dispatch equipment to support Denver 911 primary and remote dispatch centers, and mobile and portable radios to support Denver Police, Fire and Sheriff personnel. The system and radios will be purchased from Motorola Solutions. The useful life of the Equipment is approximately 5-10 years for radios and 10-15 years for the radio system, and the cost to be financed is not to exceed \$13,551,014.