



Legislation Text

File #: 18-1505, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 12-11-18

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

Name: Beth Strauss
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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed Equipment Lease Purchase Agreement between the City and County of Denver and JPMorgan Chase Bank, N.A. for the financing of turf equipment and golf carts for use at various city-owned parks and golf courses.

Approves a capital equipment lease agreement with JPMorgan Chase Bank, N.A. for \$6,985,228.54 and for five years for the financing of turf equipment and golf carts for use at various city-owned parks and golf courses, citywide (FINAN-201846542-00). The last regularly scheduled Council meeting within the 30-day review period is on 1-28-19. The Committee approved filing this item at its meeting on 12-18-18.

Affected Council District(s) or citywide? citywide

Contract Control Number: FINAN-201846542-00

Vendor/Contractor Name (including any "DBA"): JPMorgan Chase Bank, N.A.

Type and Scope of services to be performed:

This resolution seeks approval to finance the acquisition of turf equipment and golf carts

("Equipment") for the Department of Parks and Recreation ("Parks") and the Golf Enterprise ("Golf"). The turf equipment will replace existing equipment used by Parks and Golf at various City-owned parks and golf courses, and the golf carts will replace existing golf carts used by Golf at six City-owned golf courses (City Park, Evergreen, Kennedy, Overland, Wellshire and Willis Case). The Equipment will be financed through a capital lease purchase transaction in the principal amount not to exceed \$6,465,028. JPMorgan Chase Bank, N.A., 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 \$1,400,000, which will be repaid from the Golf Enterprise Fund Budget and Parks Administration Budget, that are subject to annual appropriation by City Council. The interest rate will be locked at 2.924% assuming closing prior to February 1, 2019, which translates to total interest cost of approximately \$520,300.

This capital lease purchase resolution request is being submitted in conjunction with two equipment procurement contract requests submitted by Parks and Golf for delivery of the Equipment by: 1) Pattlen Enterprises, Inc./LL Johnson; and 2) Textron Inc./E-Z-GO. 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 JPMorgan Chase Bank, N.A.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract: Five years

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term: \$6,985,228.54

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)