



Legislation Text

File #: 22-0456, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 4/25/22

**Requesting Agency: Department of Finance
Division:**

**Subject Matter Expert Name: Kiki Turner
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Phone Number:**

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. to acquire fleet vehicles through a Lease on behalf of the Department of Transportation and Infrastructure, citywide.

Authorizes the Manager of Finance to enter into a capital lease purchase agreement with JPMorgan Chase Bank, N.A. for an amount not to exceed \$22,921,403.59 and for a 5-year term ending 9-30-2027 to finance the acquisition of fleet vehicles on behalf of the Department of Transportation and Infrastructure, citywide (FINAN-202262871). The last regularly scheduled Council meeting within the 30-day review period is on 6-6-22. The Committee approved filing this item at its meeting on 5-3-22.

Affected Council District(s) or citywide? Citywide

Contract Control Number: FINAN-202262871

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

Type and Scope of services to be performed: This resolution seeks approval of a lease purchase agreement for the acquisition of fleet vehicles ("Equipment") on behalf of Department of Transportation and Infrastructure ("DOTI"). The Equipment will be used to replace existing fleet that has reached the end of its useful life.

The Equipment will be acquired through a capital lease purchase transaction in the principal amount not to exceed \$21,250,000. The not to exceed principal amount includes a price increase which may occur prior to the anticipated closing on May 17th due to inflation and supply chain challenges. The City currently anticipates a principal amount of \$20,814,150.15 and full delivery of Equipment in Q1 2024, however contracts are still being negotiated with the vendors and the price will not exceed the parameters authorized in this ordinance. The final amount will be determined on or around filing of the procurement contracts (referenced below), currently anticipated on May 4th. JPMorgan Chase Bank, N.A. ("JPM"), selected via a competitive bid process, will serve as the lessor. The proposed leasing structure will consist of a 5-year lease purchase transaction with annual lease payments of up to approximately \$4,584,281, which will be repaid from the Planned Fleet Fund, that are subject to annual appropriation by City Council. The interest rate will be locked at 2.292% which translates to total interest cost of up to approximately \$1,671,404. Interest cost of \$1,671,404 plus not-to-exceed principal of \$21,250,000 results in a contract total of \$22,921,404.

This capital lease purchase resolution request is being submitted in conjunction with an equipment procurement contract request submitted by DOTI for delivery of the Equipment by 1) Front Range Fire Apparatus, Limited, 2) Hardline Equipment LLC, 3) Kois Brothers Equipment Co., Inc, 4) Neverest Equipment Co., 5) O.J. Watson Company, Inc., 6) Trans-West, Inc., 7) Wagner Equipment Co., and 8) Amrep Manufacturing Company, LLC. Approval of the equipment resolution requests will allow for the procurement of the Equipment, while the lease purchase resolution request will allow for the lease purchase of the Equipment through a transaction with JPM.

This resolution approves the lease purchase of fleet vehicles for DOTI. The acquisition of the Equipment is in the following contracts:

<u>VENDOR</u>	<u>CONTRACT #</u>
FRONT RANGE FIRE APPARATUS, LIMITED	DOTI-202262300-00
HARDLINE EQUIPMENT LLC	DOTI-202262301-00
KOIS BROTHERS EQUIPMENT CO., INC.	DOTI-202262302-00
NEVEREST EQUIPMENT CO	DOTI-202262303-00
O.J. Watson Company, Inc.	DOTI-202262306-00
TRANS-WEST, INC.	DOTI-202262314-00
WAGNER EQUIPMENT CO.	DOTI-202262316-00
AMREP MANUFACTURING COMPANY, LLC	DOTI-202262412-00

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? New

Was this contractor selected by competitive process or sole source? Competitive process

For New contracts

Term of initial contract: 5 years (9-30-2027)

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: \$22,921,403.59

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.)