

# GENERAL

## Ordinance Fact Sheet

170966

Ordinance Number

### Brief Title

Authorizing lease purchase financing transaction for acquisition of IT equipment and installation services for the consolidation of the City and Police Department IT Operations

### Reason

Authorizing lease purchase financing transaction for acquisition of IT equipment and installation services for the consolidation of the City and Police Department IT Operations.

### Reason for Legislation

Authorizing the Director of Finance to accept a proposal of Banc of America Public Capital Corp ("BAPCC") to finance the acquisition of equipment, infrastructure and installation services for consolidating City and Police Department IT platforms and operations ("Project"); authorizing the execution of any and all documents and agreements necessary for the financing; estimating revenue and appropriating \$3,766,167.00 in the 3230 Fund; authorizing the Director of General Services to accept the proposal from various vendors and execute any and all agreements for the purchase, installation and implementation of the Project, designating requisitioning authorities; authorizing the Director of Finance to close project accounts; approving Lease Counsel in connection with the transaction; declaring the intent of the City to reimburse itself from the lease purchase proceeds for certain expenditures; and recognizing this ordinance as having an accelerated effective date.

### Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

Ordinance 170966 requests authorization to finance the project with one draw upon the Master Lease Purchase Agreement between the City and Banc of America Public Capital Corporation ("BAPCC") for the purpose of the One IT project in an amount not to exceed \$3,766,167. The lease term is expected to not exceed more than a five (5) year period.

The Project proposes the following:

- The City and the Police Department are consolidating IT platforms, software, maintenance and operations where feasible.
- The City will acquire primary and disaster recovery computer resources along with necessary backup equipment and software.
- The City will move existing computer room air conditioning equipment and implement new non-water based fire suppression in the consolidated facility
- The City will engage vendors to perform the moves, upgrades and consolidation of facilities to ensure minimal disruption of services

Is it good for the children?

Yes. Consolidation of City and Police information technology platforms and equipment will enhance communication inter-operability between the City and the Kansas City, Missouri Police Department.

How will this contribute to a sustainable Kansas City?

Reduction of redundant IT operations will save costs of operations to both the City and Kansas City, Missouri Police Department.

<b>Sponsor</b>	Randall J. Landes, Director of Finance Earnest Rouse, Director of General Services
<b>Programs, Departments, or Groups Affected</b>	Finance Department General Services Department
<b>Applicants / Proponents</b>	<b>Applicant</b>  City Department Finance Department General Services Dept/IT Division <b>Other</b>
<b>Opponents</b>	<b>Groups or Individuals</b>  None Known <b>Basis of opposition</b>
<b>Staff Recommendation</b>	<input checked="" type="checkbox"/> For  <input type="checkbox"/> Against  <b>Reason Against</b>
<b>Board or Commission Recommendation</b>	<b>By</b>  <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken  <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
<b>Council Committee Actions</b>	<input type="checkbox"/> Do pass  <input type="checkbox"/> Do pass (as amended)  <input type="checkbox"/> Committee Sub.  <input type="checkbox"/> Without Recommendation  <input type="checkbox"/> Hold

**Details**

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**Policy/Program Impact**

<b>Policy or Program Change</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>Operational Impact Assessment</b>	

**Finances**

<b>Cost &amp; Revenue Projections -- Including Indirect Costs</b>	Total estimated debt service, assuming a 2.18% federally tax-exempt interest rate over a five (5) year lease term, is \$3.990 million or \$798,100 on an annual basis.
<b>Financial Impact</b>	
<b>Fund Source (s) and Appropriation Account Codes</b>	Source of repayment for debt service is general municipal appropriations.

(Use this space for further discussion, if necessary)

**Applicable Dates:**

**Fact Sheet Prepared by:**

Name: Jim Kernsvaal

Date 11/27/2017

Title: Senior Accountant

**Reviewed by:**

Name: Douglas Buehler

Date 11/27/2017

Title: City Treasurer

**Reference Numbers**