

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Fire Department
For reading: October 25, 2005

CITY CLERK'S OFFICE

APPROVED

Date: 11-8-05

ANCHORAGE, ALASKA
AO NO. 2005-158

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4 **AN ORDINANCE AUTHORIZING AN AWARD TO PURCHASE AN EMERGENCY RESPONSE**
5 **FIRE APPARATUS; EXECUTION OF A THIRD-PARTY LEASE-PURCHASE AGREEMENT;**
6 **AND THE APPROPRIATION OF LOAN PROCEEDS IN THE AMOUNT OF SIX HUNDRED**
7 **SEVENTY THREE THOUSAND FIVE HUNDRED SIXTY DOLLARS (\$673,560) TO THE**
8 **ANCHORAGE FIRE SERVICE AREA CAPITAL IMPROVEMENT FUND (431) FOR THE**
9 **EXPEDITED REPLACEMENT OF A FRONT LINE EMERGENCY RESPONSE FIRE**
10 **APPARATUS.**
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13 Whereas, one of the Anchorage Fire Department's front line ladder trucks was extensively damaged in a
14 recent vehicular accident and will be out of service for an extended period of time; and

15
16 Whereas, the department's ability to respond to a major emergency incident is severely reduced by the loss
17 of this emergency response apparatus; and

18
19 Whereas, the department has placed its only remaining reserve ladder truck in front line service; and

20
21 Whereas, the Administration deems it necessary and appropriate to expedite the purchase of a comparable
22 replacement emergency response fire apparatus to maintain the department's major incident response
23 capabilities at an acceptable level; and

24
25 Whereas, the Municipal Purchasing Officer has accepted the department's recommendation (reference:
26 Request for Proposals 25-P043) to award a contract for purchase of said emergency response apparatus to
27 Quality Equipment Sales and Service, LLC of Anchorage, Alaska in the amount of Six Hundred Seventy
28 Three Thousand Five Hundred Fifty Three Dollars (\$673,553); and

29
30 Whereas, the Administration has determined that the preferred method of acquisition for the purchase of
31 said emergency response apparatus is a third-party, lease-purchase financing agreement in an amount not to
32 exceed Six Hundred Seventy Three Thousand Five Hundred Sixty Dollars (\$673,560); and

33
34 Whereas, the Municipal Purchasing Officer issued a competitive bid solicitation (reference: Request for
35 Quote (RFQ) 25Q115) to prospective third-party financial institutions and recommends award of the
36 aforementioned lease-purchase financing agreement to Bank of America; now therefore,
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4 **THE ANCHORAGE ASSEMBLY ORDAINS:**

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6 **Section 1.** That the Municipality of Anchorage is authorized to prepare and execute a contract award in
7 the amount Six Hundred Seventy Three Thousand Five Hundred Fifty Three Dollars (\$673,553) to Quality
8 Equipment Sales and Service, LLC of Anchorage, Alaska for the purchase of an emergency response fire
9 apparatus in accordance with Title 7 of the Anchorage Municipal Code.

10
11 **Section 2.** That the Municipality of Anchorage is authorized to prepare and execute such financial
12 documents as necessary to affect a third-party, lease-purchase financial agreement for the acquisition of a
13 new emergency response fire apparatus for use within the Anchorage Fire Service Area.

14
15 **Section 3.** That the award and execution of said third-party, lease-purchase financial agreement shall
16 be issued to the lowest responsive and responsible bidder, Bank of America, in accordance with Title 7 of
17 the Anchorage Municipal Code.

18
19 **Section 4.** That the essential terms of said third-party, lease-purchase financial agreement shall be:

20
21 Term: Ten (10) years
22 Payments: Ten (10) annual payments of \$81,643.32
23 Effective Annual Interest Rate: 3.66%
24 Principal Amount: \$673,553
25 Interest Amount: \$142,880.20
26

27 **Section 5.** That an amount not to exceed Six Hundred Seventy Three Thousand Five Hundred Sixty
28 Dollars (\$673,560) in anticipated lease-purchase loan proceeds is appropriated to the Anchorage Fire
29 Service Area Capital Improvement Fund (431) to provide for the expedited replacement of a front line
30 emergency response fire apparatus.

31
32 **Section 6.** That this Ordinance shall become effective immediately upon passage and approval by the
33 Anchorage Municipal Assembly.

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36 PASSED AND APPROVED by the Anchorage Municipal Assembly this 8th day of November, 2005.

37
38 Anna L. Fairclough
39 Chair of the Assembly
40

41 ATTEST:

42 [Signature]
43
44 Municipal Clerk
45

46 **DEPARTMENTAL APPROPRIATION:**

47 Anchorage Fire Department: \$673,560
48

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2005-158 Title: An Ordinance Providing for Lease-Purchase of an Emergency Response Fire Apparatus
Sponsor: Anchorage Fire Department
Preparing Agency: Anchorage Fire Department
Others Impacted: None

-CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY05	FY06	FY07	FY08	FY09
Debt Service Payments	\$-0-	\$81.6	\$81.6	\$81.6	\$81.6

Operating Expenditures: -----

-TOTAL DIRECT COSTS:	\$-0-	\$81.6	\$81.6	\$81.6	\$81.6
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Add: 6000 Charges from Others:	N/A	N/A	N/A	N/A	N/A
Less: 7000 Charges to Others:	N/A	N/A	N/A	N/A	N/A

FUNCTION COST:	\$-0-	\$81.6	\$81.6	\$81.6	\$81.6
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REVENUES (Loan Proceeds):	\$673.5	N/A	N/A	N/A	N/A
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CAPITAL: (Apparatus Purchase)	\$673.5	N/A	N/A	N/A	N/A
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POSITIONS: FT/PT and Temp.	N/A	N/A	N/A	N/A	N/A
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PUBLIC SECTOR ECONOMIC EFFECTS:

The economic effect of this ordinance derives from the authorization to purchase, utilizing a third-party, lease-purchase financing agreement, one (1) emergency response fire apparatus from Quality Equipment Sales and Service, LLC of Anchorage, Alaska for the total purchase price of \$673,553. The unit was awarded under Request for Proposals (RFP) 25-P043. This equipment acquisition is being secured through a capital lease/purchase financing agreement with Bank of America (reference Request for Quotes (RFQ) 25Q115) in the full principal amount of \$673,553 at an annual simple interest rate of 3.66 % over a ten (10) year term. The total interest payable over the ten (10) year term is \$142,880.20. Payment of the total 10-year debt service requirement of \$816,433.21 is subject to annual appropriations by the Anchorage Assembly. The leasing firm will hold a security interest in the fire apparatus until such time that all payments have been made, with title passing to the Municipality upon final payment.

PRIVATE SECTOR ECONOMIC EFFECTS:

No direct financial impact, save the profit realized by the selected vendor and third-party financing entity are anticipated.

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. 784-2005

Meeting Date: October 25, 2005

1 **From:** Mayor

2
3 **Subject:** An ordinance authorizing an award to purchase an emergency response apparatus;
4 execution of a third-party lease purchase agreement; and the appropriation of an amount not
5 to exceed Six Hundred Seventy Three Thousand Five Hundred Sixty Dollars (\$673,560) in
6 anticipated loan proceeds to the Anchorage Fire Service Area Capital Improvement Fund
7 (431) for the expedited replacement of a front line emergency response apparatus.
8

9 Truck 3, a platform equipped, 100 foot ladder fire/rescue apparatus, was extensively damaged in a recent
10 vehicular accident. The responsible party's private insurance company is covering the full cost of the
11 necessary repairs. Current estimates suggest that Truck 3 will not be available for front line service for a
12 minimum of six (6) months. The department's only available reserve ladder truck is now in service. No
13 other comparable reserve trucks are available. In order to assure the availability of adequate emergency
14 response capabilities, should a major incident occur, the department deems it necessary and appropriate to
15 request Assembly approval for this consolidated, essentially three-part, ordinance.
16

17 In summary, the proposed ordinance facilitates the expedited purchase of this critical replacement
18 emergency response fire apparatus by authorizing through a single consolidated legislative action the
19 following:
20

- 21 • award of the apparatus purchase contract in the amount of \$673,553 to Quality Equipment Sales
22 and Service, LLC of Anchorage Alaska consistent with the issuance of Request for Proposals
23 (RFP) 25-P043; the Municipal Purchasing Officer's acceptance of the department's final award
24 recommendation; and the applicable requirements of Title 7 of the Anchorage Municipal Code;
25
- 26 • execution of a lease-purchase, third-party financing agreement with Bank of America (reference
27 Request for Quote (RFQ) 25Q115) for the full purchase price following the selection through a
28 competitive solicitation process of the lowest responsive and responsible bidder, in accordance
29 with the applicable requirements of Title 7 of the Anchorage Municipal Code; and
30
- 31 • appropriation of anticipated loan proceeds in an amount not to exceed Six Hundred Seventy Three
32 Thousand Five Hundred Sixty Dollars (\$673,560) to the Anchorage Fire Service Area Capital
33 Improvement Fund (431) to provide for the expedited replacement of a front line emergency
34 response fire apparatus.
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4 You will note that the requested "not to exceed appropriation authorization of \$673,560 exceeds the
5 apparatus purchase price and the anticipated loan principal amount by seven dollars (\$7). This discrepancy
6 reflects the generally applied budget policy which sets all appropriations to the next highest ten dollars
7 (\$10) increment. This excess appropriation authority will remain unexpended.
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9 It should also be noted that funding for replacement of the emergency response fire apparatus herein
10 described is included in the department's proposed 2006 Capital Improvement Budget which, contingent
11 on final Assembly approval, will go before the voters in April 2006. The requested lease-purchase
12 financing agreement is structured to allow for early payoff of the entire principal amount should the voters
13 approve the upcoming 2006 fire bond. The Administration has confirmed with municipal bond counsel
14 that this planned substitution of "like-kind" general obligation bond sale proceeds is indeed permissible
15 within the time frame over which all the related events will take place.
16

17 As regards the requested appropriation of the anticipated loan proceeds to the Anchorage Fire Service Area
18 Capital Improvement Fund (431) and the required fund certification for award of the apparatus purchase
19 contract to Quality Equipment Sales and Service, LLC, the following budget detail is presented for
20 approval:
21

22 **REVENUE AND EXPENDITURE INFORMATION:**

23

<u>Revenue</u>	<u>Account Name</u>	<u>Amount</u>
431-3567-9723	Loan Proceeds	\$673,560

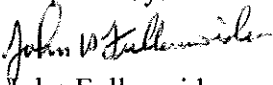
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<u>Expenditure</u>	<u>Account Name</u>	<u>Amount</u>
431-3567-5401	Machinery & Equipment > \$5,000	\$673,560


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30 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AO 2005-158 AUTHORIZING AN**
31 **AWARD TO PURCHASE AN EMERGENCY RESPONSE FIRE APPARATUS; EXECUTION OF**
32 **A THIRD-PARTY LEASE-PURCHASE AGREEMENT; AND THE APPROPRIATION OF LOAN**
33 **PROCEEDS IN THE AMOUNT OF SIX HUNDRED SEVENTY THREE THOUSAND FIVE**
34 **HUNDRED SIXTY DOLLARS (\$673,560) TO THE ANCHORAGE FIRE SERVICE AREA**
35 **CAPITAL IMPROVEMENT FUND (431) FOR THE EXPEDITED REPLACEMENT OF A**
36 **FRONT LINE EMERGENCY RESPONSE FIRE APPARATUS.**
37

38 Concur:
39 
40 Barton R. Mauldin
41 Purchasing Officer
42
43

Prepared by:

John Fullenwider
Fire Chief

44 Concur:
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46 Denis C. LeBlanc
47 Municipal Manager
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Fund Certification:

Jeffrey E. Sinz
Chief Fiscal Officer

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As regards providing the required multi-year fund certification for the proposed lease-purchase financing agreement with Bank of America, the following detail is presented for approval:

(10-YEAR LEASE-PURCHASE DEBT SERVICE)

131-3520-4105 BP 2006-2015	\$673,553.00
(AFSA Operating, LT Contracts Payable Principal, Subject to Appropriation)	
131-3520-4106 BP 2006-2015	\$142,880.20
(AFSA Operating, LT Contracts Payable Interest, Subject to Appropriation)	

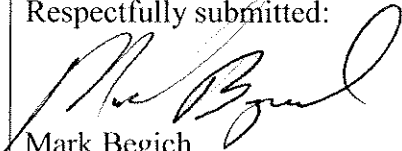
As regards the requested appropriation of anticipated loan proceeds to the Anchorage Fire Service Area Capital Improvement Fund (431), the following budget detail is presented for approval:

431-3567-9723-356710 BP 2005	\$673,560
(Lease-Purchase Loan Proceeds)	

As regards providing the required fund certification for award of the apparatus purchase contract to Quality Equipment and Sales, LLC, the following detail is presented for approval:

431-3567-5401-356710 BP 2005	\$673,560
(Anchorage Fire Service Area CIP)	

Respectfully submitted:



Mark Begich
Mayor

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

Ac 2005-158

1	SUBJECT OF AGENDA DOCUMENT AN ORDINANCE AUTHORIZING AN AWARD TO PURCHASE AN EMERGENCY RESPONSE FIRE APPARATUS; EXECUTION OF A THIRD-PARTY LEASE-PURCHASE AGREEMENT; AND THE APPROPRIATION OF LOAN PROCEEDS IN THE AMOUNT OF SIX HUNDRED SEVENTY THREE THOUSAND FIVE HUNDRED SIXTY DOLLARS (\$673,560) TO THE ANCHORAGE FIRE SERVICE AREA CAPITAL IMPROVEMENT FUND (431) FOR THE EXPEDITED REPLACEMENT OF A FRONT LINE EMERGENCY RESPONSE FIRE APPARATUS.	DATE PREPARED October 20, 2005
		Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM
2	DEPARTMENT NAME Anchorage Fire Department	DIRECTOR'S NAME John Fullenwider, Fire Chief
3	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY Lawrence A. Jones, Principal Admin. Officer	HIS/HER PHONE NUMBER 267-4938
4	COORDINATED WITH AND REVIEWED BY	INITIALS
7	Mayor	<i>[Signature]</i>
6	Municipal Manager	<i>[Signature]</i>
5	Finance	<i>[Signature]</i>
4	Office of Management & Budget	<i>[Signature]</i>
3	Purchasing	<i>[Signature]</i>
2	Municipal Attorney	<i>[Signature]</i>
1	Anchorage Fire Department	<i>[Signature]</i>
5	Special Instructions/Comments <i>Already submitted for publication by Title (Reference PACE Document No. 3408 for introduction on Tuesday, October 25, 2005. P.F. 6. Consent Agenda - Introductory)</i>	
6	ASSEMBLY HEARING DATE REQUESTED October 25, 2005	PUBLIC HEARING DATE REQUESTED November 8, 2005

2005 OCT 24 PM 4:27
 M.O.A.