



TOWN OF VERNON

OFFICE OF THE
TOWN ADMINISTRATOR

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Contract # 1009 – 07/06/2012
11:30 AM
REQUEST FOR PROPOSAL
TOWN OF VERNON, CONNECTICUT
CAPITAL LEASE FINANCING OF FIRE TRUCKS
AND
DPW VEHICLES & EQUIPMENT

The Town of Vernon, Connecticut is soliciting bid proposals for the financing of Fire Trucks; and Public Works Vehicles and Equipment; as follows:

- **Three (3) (new) Fire Trucks:** One Heavy Duty Rescue Truck and Two Pumpers – **Cost: \$1,505,000.00**
 - **Term of Lease Option** – Bidder must propose lease payments for ten (10) years.
- **One (1) (used) Wheeled Excavator; & One (1) (new) Loader Mounted Snow Blower** – **Cost: \$238,367.00**
 - **Term of Lease Option** – Bidder must propose lease payments for ten (10) years.
- **One (1) (new) Automated Side-Loader Refuse/Recycling Truck; & One (1) (new) Parks Maintenance Tractor** – **Cost: \$266,633.00**
 - **Term of Lease Option** – Bidder must propose lease payments for seven (7) years.
 - **Initiation of the Lease** – Estimated to be July 17, 2012; then upon delivery of equipment.
 - **Taxes** – The Town of Vernon, Connecticut is a tax-exempt entity and consequently shall not pay any taxes on leased vehicles.
 - This is a **Non-bank qualified borrowing**.
 - **Non-Appropriation Clause** – In the event that sufficient funds shall not be appropriated by the Town of Vernon, Connecticut, the Town may terminate this agreement at the end of the current term.
 - **Option to Purchase** – Upon giving at least (60) days notice, the Town has the option to pay the balance.
 - **Payment Plan** – Town shall make one (1) payment per year beginning three (3) months from the date of the acceptance of the vehicles and equipment. Date of first payment estimated to be January 10, 2013.

Bids must contain a repayment schedule including percentage rate(s) and total interest to be paid. The Town will award the contract based on rate, terms, total repayment and what the Town deems to be in its best interest. Respondents are to submit their bid proposal on their own form, and proposals should be clearly labeled **Contract # 1009 RFP, Financing of Fire Trucks and DPW Vehicles & Equipment**.

The selected firm must meet all municipal, state and federal Affirmative Action and Equal Employment Opportunity practices and requirements. MBEs/WBEs/SBEs are encouraged to apply. The Town reserves the right to reject any or all proposals in whole or part, to award any one service or group of services or all services, to negotiate with any or all companies submitting proposals, and to enter into an agreement with any company for any services mentioned in this RFP; if it is deemed to be in the best interest of the Town.

Please submit four (4) copies. All bid proposals must be received on or before **11:30 AM on July 6, 2012** in the Town Administrator's Office, Third Floor, 14 Park Place, Vernon, Connecticut 06066.

Questions about this proposal will be answered by John D. Ward, Town Administrator at 1-860-870-3665.

John D. Ward
Town Administrator

June 8, 2012

Contract # 1009 – 07/06/2012

11:30 AM

**REQUEST FOR PROPOSAL
TOWN OF VERNON, CONNECTICUT
CAPITAL LEASE FINANCING OF FIRE TRUCKS
AND
DPW VEHICLES AND EQUIPMENT**

SCOPE

The purpose of this Request for Proposal (“RFP”) is to solicit proposals from qualified financial institutions to enter into a tax-exempt capital lease agreement (the “Lease”) with the Town of Vernon, Connecticut for the financing of various capital purchases.

The proposed capital purchases include vehicles and equipment for the Department of Public Works, Fire Department and Parks Maintenance (see Schedule A-1). The estimated cost for the authorized items is approximately **\$2,010,000.00**. This financing is to be a non-bank qualified borrowing.

The Town invites interested parties to submit a proposal to finance the capital items giving your lowest available rate of interest and other conditions of such financing. The Town retains the option to increase or reduce the total amount to be financed by up to 10%. Titles to the vehicles will be in the name of the Town subject to the bidder’s rights under the Lease.

Some of this equipment has been purchased and paid for by the Town during the fiscal year and will be funded directly back to the Town. The remainder will be held in escrow until delivery and acceptance of the equipment.

The Lease will be designated as a tax-exempt obligation.

The Term of the Lease will be: seven (7) years and ten (10) years as specified in Schedule A-2; and an annual payment of principal and interest, at level debt service for the specified term.

Indicate for each loan phase: Applicable interest rate for loan amount for each of the two amortization schedules.

In addition, the Town will entertain an Alternate Proposal from respondents, designed to conserve costs, inclusive of pay-downs from the Town, not to exceed \$250,000.00.

Anticipated closing date on Lease: **Early July, 2012.**

BID SPECIFICATIONS

1. The Financing Company shall make a proposal to include that all interest rates are valid for thirty (30) days from the proposal date.
2. The proposal is based on a tentative closing date of July 12, 2012. The Town will be drawing down on Lease amount for a six-month period. This is due mainly to the time required for bidding and assembling equipment. For purposes of this proposal, the first payment would be due to the company January 10, 2013, and annually thereafter, at level debt service for the specified term.
3. The Financing Company shall establish an escrow account for the placement of the funds. That escrow account shall accrue interest to the benefit of the Town of Vernon.
4. There shall be a non-appropriation clause which would give the Town of Vernon the option to terminate the agreement at the end of the current term, in the event that sufficient funds are not appropriated.
5. The financing is a non-bank qualified borrowing; and tax exempt qualification.
6. Respondents to this RFP are advised to review Schedules A-1 through B.
7. Utilizing bidder's own form, the proposal shall include a one page amortization summary for financing based on a seven (7) year term for the automated side-loader and parks maintenance tractor.
8. Utilizing bidder's own form, the proposal shall include a one page amortization summary for financing, including percentage rate(s) and total interest to be paid, based on a ten (10) year term for the three fire trucks; wheeled excavator; and loader mounted snow blower.
9. Lease Agreement shall include an early payoff provision, whereas, upon giving a minimum of 60 days notice, the Town has the option to pay the balance of the Lease; the Lease Agreement shall also disclose early termination fees (if any).
10. Proposal is to provide all Terms and Conditions of the Lease.
11. Proposal is to disclose initial commitment fee at closing (if any).
12. All other expenses billable to the Town (if any).
13. Any financial reporting requirements of the Town.
14. Please submit four (4) copies of bid proposals.
15. The Town will award the contract based on rate, terms, total repayment and what the Town deems to be in its best interest.
16. **Alternate Proposal** – In addition, the Town will entertain an Alternate Proposal for a Master Leasing Agreement, including proposals that are structured with a “pay-down” not to exceed \$250,000.00.

CONTENTS OF PROPOSAL:

Inclusive of the “Bid Specification” criteria, the following items must be included in your proposal and packaged; and clearly marked with the Firm's Name and Address and “**Request for Proposal – Town of Vernon, Connecticut – Capital Lease Financing of Fire Trucks and DPW Vehicles & Equipment – Contract # 1009**”

A. Respondent's Contact Information

This section shall contain the name of the contact person, the address, and the telephone number of the firm submitting the proposal.

B. Professional Experience

This section shall contain all pertinent information relating to Respondent's organization and experience that would substantiate its qualifications and capabilities to satisfy the requirements of the RFP. Proposals should provide a straightforward, concise description of the Respondent's company, certifications, licenses, and experience with municipal capital lease agreements.

C. Original copies of all documents required to execute the financing

Respondents are required to submit their proposals with copies of all documentation required to execute financing. This includes, but is not limited to, all standard lease documents, equipment schedules, escrow agreements, proof of insurance, municipal guarantees, upfront payment requirements, and any security deposit requirements.

D. Four (4) printed copies of each Respondent's complete proposal package.

E. Email

Entire contents of the Respondent's proposal may be Emailed to: John Ward, Town Administrator at jward@vernon-ct.gov; AND copied to James M. Luddecke, Finance Officer and Treasurer at jluddecke@vernon-gt.gov

QUESTIONS & ANSWERS

Firms interested in responding to the RFP are specifically directed NOT to contact any employees or officials of the Town other than those specifically designated in this RFP. Unauthorized contact may be cause for rejection of proposals at the Town's sole and absolute discretion.

If you have questions regarding this RFP, Email your questions to jward@vernon-ct.gov or jluddecke@vernon-ct.gov by July 2, 2012.

A summary of the substantive information pertaining to this RFP will be posted on the Town's website at: <http://www.vernon-ct.gov/finance>

The Town's Comprehensive Annual Financial Report for the most recent year ended June 30, 2011; and the most recent Official Statement, are found on the Town's website: <http://www.vernon-ct.gov/finance>

SCHEDULE A-1 - Capital Item Description and Estimate

Quantity	Item Description / Year / Make / Model	Amount
1	Fire Dept. - Heavy Duty Rescue Truck New	\$ 505,000.00
1	Fire Dept. - Pumper New	\$ 500,000.00
1	Fire Dept. - Pumper New	\$ 500,000.00
1	DPW - Wheeled Excavator Used	\$ 129,167.00
1	DPW - Loader Mounted Snow Blower New	\$ 109,200.00
1	DPW - Automated Side-Loader Refuse / Recycling Truck 2012 Peterbilt 320	\$ 224,633.00
1	Parks Maintenance - Tractor for mowing New	\$ 42,000.00
GRAND TOTAL:		<u>\$ 2,010,000.00</u>

SCHEDULE A-2 - Capital Item Lease Term and Vendor

Quantity	Item Description	Amount	Lease Term	Vendor
1	Fire Dept. - Heavy Duty Rescue Truck	\$ 505,000.00	10-years	Pierce Mfg.
1	Fire Dept. - Pumper	\$ 500,000.00	10-years	Pierce Mfg.
1	Fire Dept. - Pumper	\$ 500,000.00	10-years	Pierce Mfg.
1	DPW - Wheeled Excavator	\$ 129,167.00	10-years	TBD
1	DPW - Loader Mounted Snow Blower	\$ 109,200.00	10-years	TBD
1	DPW - Automated Side-Loader Refuse / Recycling Truck	\$ 224,633.00	7-years	Town
1	Parks Maintenance - Tractor for mowing	\$ 42,000.00	7-years	TBD
GRAND TOTAL:		<u>\$ 2,010,000.00</u>		

TERM SHEET
TAX-EXEMPT CAPITAL LEASE PURCHASE TRANSACTION
FOR
TOWN OF VERNON, CONNECTICUT
For Fiscal Year 2012-2013

This term sheet is a summary of the terms for this financing and is not intended to be a complete description. Please refer to information provided in this RFP and its Schedules for additional information.

Schedule B

Lessee:	Town of Vernon, Connecticut
Total Transaction Size:	\$2,010,000.00 *
Structure:	Tax-Exempt Capital Lease Non-Appropriation Clause Level Debt Service
Method of Sale:	Non-Bank Qualified
Term:	7-year terms; and 10-year terms
Security:	The equipment
Use of Proceeds	The proceeds will be used to finance capital purchases such as; Three (3) fire trucks; Public Works excavator; loaded mounted snow blower; Automated side-loader refuse/recycling truck; and Parks Maintenance tractor.
Evaluation	The selected firm must meet all municipal, state and federal Affirmative Action and Equal Employment Opportunity practices and requirements. MBEs/WBEs/SBEs are encouraged to apply. The Town reserves the right to reject any or all proposals in whole or part, to award any one service or group of services or all services, to negotiate with any or all companies submitting proposals, and to enter into an agreement with any company for any services mentioned in this RFP; if it is deemed to be in the best interest of the Town.

*Subject to change