



FINANCE DEPARTMENT

May 17, 2018

The City of Fayetteville, North Carolina desires to enter into an installment financing agreement pursuant to N.C.G.S. §160A-20 in the principal amount not to exceed \$4,898,812 for the purpose of financing the purchase of various vehicles and equipment (see attached vehicle and equipment list which is preliminary and subject to change). The City of Fayetteville is soliciting your proposal to provide the necessary financing for these items subject to the terms and conditions set forth in this Request for Proposal.

A. Pertinent Information

1. The City's general obligation bonds are currently rated "Aa1" by Moody's Investors Service and "AA+" by S&P Global Ratings. This financing will not be rated.
2. This financing will be bank qualified under Section 265(b)(3) of the Internal Revenue Code. Therefore, the City desires to obtain bank qualified interest rate quotes.
3. Womble Bond Dickinson (US) LLP and The Charleston Group will serve as co-bond counsel to the City and will be responsible for preparing the financing documentation for this financing, subject to review by the winning bidder and its counsel.

B. Contract Specifications

1. The desired principal amount of the financing is not to exceed \$4,898,812. The final borrowing amount will be finalized prior to closing.
2. The desired term of the financing is 48 months.

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3. The City desires level installment payments to be made semiannually in arrears.
4. The interest rate shall be fixed for the entire term.
5. The interest rate proposed must be guaranteed for at least thirty (30) days. The City desires to close the transaction by June 30, 2018. A definitive closing date will be determined by mutual agreement with the winning bidder.
6. Prepayment terms shall be specified in the bid.
7. The City's obligations under the installment financing agreement will be secured by a security interest in the vehicles and equipment purchased with the proceeds of the financing. No deficiency judgment may be rendered against the City for breach of a contractual obligation under the installment financing agreement, and the taxing power of the City will not be pledged to secure repayment thereunder.
8. The Installment Financing Agreement must not contain a non-substitution clause.
9. The Installment Financing Agreement must be subject to annual appropriation.
10. The Installment Financing Agreement including any disputes regarding this agreement, shall be governed in all respects by, and interpreted in accordance with the laws of the State of North Carolina.
11. By submitting a bid, each bidder acknowledges that "E-Verify" is the federal E-Verify program operated by the U.S. Department of Homeland Security and other federal agencies which is used to verify the work authorization of newly hired employees pursuant to federal law and in accordance with Article 2, Chapter 64 of the North Carolina General Statutes and that all employers, as defined by Article 2, Chapter 64 of the North Carolina General Statutes, must use E-Verify and after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with North Carolina General Statute §64-26(a). The winning bidder shall be required to certify that it will comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes that any subcontractors currently

employed by or subsequently hired by such winning bidder will comply with any and all E-Verify requirements.

C. Submission of Proposal

Submission of proposals may be hand delivered, mailed or emailed to Jay Toland, Acting Chief Financial Officer, and must be received at or prior to 5:00 p.m. on Monday, June 4, 2018. Emailed proposals should be sent to Jay Toland at JToland@ci.fay.nc.us. A copy of your proposal should also be sent by email to Paul Billow at paul.billow@wbd-us.com and Jonathan Charleston at jcharleston@charlestongroup.com, but failure to do so shall not affect the validity of your bid.

Proposals must specify at a minimum the following information.

1. The proposed interest rate, which shall be fixed for the entire term.
2. The terms of repayment. Please attach a sample amortization schedule assuming a borrowing amount of \$4,898,812 and a closing date of June 28, 2018.
3. Proposed terms for optional prepayment.
4. Specify any requirements for how the proceeds of the financing will be held and invested pending disbursement to pay for financed items.
5. A list of all financing costs to be charged by the lender in connection with the proposed financing, including any origination or placement fees, escrow fees, counsel fees or other fees and expenses. State whether or not any fees or expenses will be capped.

The City of Fayetteville reserves the right to request additional information from the bidders and reserves the right to reject all proposals and to waive any irregularity or informality. Although the selection will be based substantially on lowest total financing cost (including both interest cost and upfront fees and expenses), the City reserves the right to select the bidder that best meets the needs of the City.

Should you have questions or need additional information, you may contact Jay Toland at JToland@ci.fay.nc.us or (919) 910-1452. Responses to questions or additional information requests may be shared with other prospective bidders.

Thank you for your consideration of this proposal.

Sincerely,

Jay Toland
Acting Chief Financial Officer
City of Fayetteville, North Carolina