City of Fayetteville North Carolina

FINANCE DEPARTMENT

December 12, 2017

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 $3,228,495 for the purpose of financing the purchase of 800 megahertz radio equipment for the Fire & Police Departments and the Solid Waste Division of the Public Services Department, and to also include batteries and related accessories and financing issuance costs. 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 Standard & Poor's Ratings Services. This financing will not be rated.

2. This City's financing will be qualified under Section 265(b)(3) of the Internal Revenue Code. Therefore, the City desires to obtain non-bank qualified interest rate quotes.

3. Womble Carlyle Sandridge & Rice, LLP and The Charleston Group will serve as co-bond counsel to the City and will be responsible for preparing the financing documentation, subject to review by the winning bidder.

B. Contract Specifications

1. The desired principal amount of the financing is not to exceed $3,228,495.

2. The desired term of the financing is 48 months.

433 Hay Street
Fayetteville, NC 28301-5537
(910) 433-1683
www.FayettevilleNC.gov

3. The City desires level debt service 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 (45) days. The City desires to close the transaction by January 25, 2018.

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 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. In the event of any legal dispute arising out of or relating to this Installment Financing Agreement, the parties agree that such legal action will be brought in a court of competent jurisdiction in Cumberland County, North Carolina.

12. Bidder hereby 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. Bidder further acknowledges 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). Bidder hereby pledges, attests and warrants through execution of this Agreement that Bidder complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and further pledges, attests and warrants that any subcontractors currently employed by or subsequently hired by Bidder shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this Agreement.

13. Bidder does hereby represent and certify that it is not listed on a list created and maintained by the North Carolina Department of State Treasurer pursuant to Section 147-86.58 of the Iran Divestment Act of 2015, Article 6E, as amended, of Chapter 147 of the General Statues of North Carolina. The Bidder further represents and certifies that it will not utilize any subcontractor that is listed on any such list.

C. <u>Submission of Proposal</u>

The proposal should be clearly marked "Installment Financing Proposal 2018". A copy of your sealed proposal must be received by 5 pm on Thursday January 11, 2018. You may return the RFP to the email address shown below.

Debby Kerimian, Treasurer
DKerimian@ci.fay.nc.us

Proposals must specify at a minimum the following information.

1. The proposed interest rate(s), which shall be fixed for the term.

2. The terms of repayment. Please attach an amortization schedule.

3. Proposed terms for optional prepayment.

4. A list of all additional costs to be associated with this transaction, including escrow fees, counsel fees and expenses. State whether or not any fees or expenses will be capped.

5. Specify how the proceeds of the financing will be held and invested pending disbursement to pay for financed items.

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 of Fayetteville 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 Debby Kerimian at DKerimian@ci.fay.nc.us or by phone at 910-433-1683. Information will be shared with all prospective bidders.

Thank you for your consideration of this proposal.

Sincerely,

Debby K

Debby Kerimian
Treasurer
City of Fayetteville, North Carolina