



April 23, 2024

The City of Fayetteville, North Carolina (the “City”) desires to enter into an installment financing agreement pursuant to N.C.G.S. §160A-20 in the principal amount of \$3,200,000* for the purpose of financing the purchase of various vehicles. The items are described in the attached Exhibit 1. The City 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. The City’s financing will be a Tax-Exempt, Non-Bank Qualified financing.
3. The Charleston Group will serve as bond counsel to the City and will be responsible for preparing the financing documentation, subject to review by the winning bidder. By submitting a bid, the bidder shall waive any conflict of interest that might arise from The Charleston Group serving as bond counsel to the City for this financing.

B. Contract Specifications

1. The desired principal amount of the financing is \$3,200,000*.
2. The desired term of the financing is approximately 48 months, with a final maturity of June 1, 2028.

* Preliminary, subject to change.

3. The City desires approximately level semi-annual payments of principal and interest each June 1 and December 1 beginning December 1, 2024 with a final maturity of June 1, 2028. The City has provided a preliminary amortization below which should be used in preparation of your bid.

Maturity Date	Principal*
12/1/2024	\$ 374,000
6/1/2025	377,000
12/1/2025	386,000
6/1/2026	395,000
12/1/2026	403,000
6/1/2027	412,000
12/1/2027	422,000
6/1/2028	431,000
Total	3,200,000
Wtd. Avg. Life	2.272 Years

*Estimated; subject to change

4. The interest rate shall be fixed for the entire term and shall be calculated on a 30/360 basis.
5. The interest rate proposed must be guaranteed for at least (30) days. The City Council will consider approving the financing at its June 10, 2024, meeting. The City desires to close the transaction on or around June 13, 2024.
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 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 will not contain a non-substitution clause.
9. The Installment Financing Agreement will be subject to annual appropriation.

10. The Installment Financing Agreement, including any disputes regarding this agreement, will 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 will agree that such legal action will be brought in a court of competent jurisdiction in Cumberland County, North Carolina.
12. By submitting a bid in response to this Request for Proposal, each bidder acknowledges and represents to the City and its Financial Advisor that (1) no official statement or other offering material will be furnished other than this Request for Proposal; (2) the bidder has knowledge and experience in financial and business matters and that it is capable of evaluating the merits and risks of making the commercial loan to be evidenced by the installment financing agreement and is financially able to bear the economic risk of holding the installment financing agreement; (3) no CUSIP number will be obtained for the installment financing agreement; and (4) the bidder intends to acquire the installment financing agreement solely for its own account as a vehicle for making a commercial loan and with no present intention to distribute or resale the installment financing agreement or any portion thereof.
13. Bidders must acknowledge 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. Bidders must further acknowledge 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). Bidders will represent through execution of the Installment Financing Agreement that it will comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and that any subcontractors currently employed by or subsequently hired by such Bidder shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of the Installment Financing Agreement.

C. Submission of Proposal

To be considered, a proposal must be received by 12:00pm on Tuesday, May 14, 2024. Email submission of the proposal to the following persons is preferred.

jodypicarella@fayettevillenc.gov
jcharleston@charlestongroup.com
cbamba@charlestongroup.com
vclarkson@charlestongroup.com
dcheatwood@firsttryon.com
chabliston@firsttryon.com

Proposals must specify at a minimum the following information.

1. The proposed interest rate(s), which shall be fixed for the term.
2. Proposed terms for optional prepayment.
3. A list of all additional costs to be paid by the City associated with this transaction, including escrow fees, counsel fees and expenses. State whether or not any fees or expenses will be capped.
4. Specify any conditions as to how the proceeds of the financing will be held and invested pending disbursement to pay for financed items.

The City 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.

EXHIBIT 1
DESCRIPTION OF ITEMS TO BE FINANCED

Department	Description	Fund	Estimated Quantity	Estimated Cost	Total
Development Services	Sedan	General Fund	5	41,206	206,030
Fire	Sedan	General Fund	6	45,661	273,966
Fire	Sedan	General Fund	1	41,208	41,208
IT	Sport Utility	General Fund	1	49,164	49,164
Police	Sport Utility	General Fund	1	36,050	36,050
Police	Sedan	General Fund	7	55,666	389,662
Police	Van	General Fund	3	52,788	158,364
Police	Van	General Fund	3	58,067	174,201
Police	Sport Utility	General Fund	18	58,100	1,045,800
Police	Pickup Truck	General Fund	2	73,903	147,806
Parks & Rec	Leaf Truck	General Fund	2	228,249	456,498
Parks & Rec	Backhoe	General Fund	1	169,956	169,956
Total					3,148,705