



April 3, 2019

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 \$2,555,000 for the purpose of financing certain vehicles for Fire, Police, and Parks and Recreation. The items are described in the attached Exhibit 1. 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. The City's financing will be a Tax-Exempt, Non-Bank Qualified financing.
3. Womble Bond Dickinson (US) LLP 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 Womble Bond Dickinson (US) LLP serving as bond counsel to the City for this financing.

B. Contract Specifications

1. The desired principal amount of the financing is not to exceed \$2,555,000.
2. The desired term of the financing is 48 months, with a final maturity of May 1, 2023.

3. The City desires level debt service installment payments to be made annually in arrears, commencing May 1, 2020. The City has provided a preliminary amortization below which should be used in preparation of your bid.

Maturity Date	Principal*
5/1/2020	\$ 616,000
5/1/2021	629,000
5/1/2022	646,000
5/1/2023	664,000
Total	\$ 2,555,000
Wtd. Avg. Life	2.48

*Estimated; subject to change

4. The interest rate shall be fixed for the entire term.
5. The interest rate proposed must be guaranteed for at least (45) days. City Council will consider approving the financing at its May 13th Council meeting. The City desires to close the transaction by May 21, 2019.
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. 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 Wednesday, April 24, 2019. Email submission of the proposal to the following persons is preferred.

JToland@ci.fay.nc.us

Paul.Billow@wbd-us.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. The terms of repayment. Please attach a sample 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 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	ESTIMATED QUANTITY	ESTIMATED COST
Fire	Fire Pumper	2	\$ 1,322,000
Fire	Sport Utility Vehicle	1	45,000
Parks and Recreation	Flatbed, Truck, 1 Ton, Crew Cab	2	83,000
Parks and Recreation	Flatbed Truck, 1 Ton, Dump	2	77,000
Police	Marked Sedan	25	912,500
Police	Marked Sedan K9	1	38,500
Police	Cargo Van	1	26,500
Police	4X4 Compact Sport Utility Vehicle	1	24,000
			<u>\$ 2,528,500</u>