



Town of Wethersfield

505 SILAS DEANE HIGHWAY
WETHERSFIELD, CONNECTICUT 06109

MICHAEL J. O'NEIL
FINANCE DIRECTOR

INVITATION TO BID

TAX-EXEMPT LEASE FINANCING

#2019-04
November 21, 2018

The Town of Wethersfield will be accepting bid proposals for **TAX-EXEMPT LEASE FINANCING** at the following location:

Finance Office, Second Floor
Wethersfield Town Hall
505 Silas Deane Highway
Wethersfield, Connecticut 06109

Proposal specification packages may be downloaded at www.wethersfieldct.gov under the Departments/ Finance/Open Bids link, on or after November 21, 2018.

Sealed bid proposals must be *submitted as one hard copy and one electronic copy (on a USB thumb drive)* on designated forms and in designated envelopes clearly marked with the bid title and opening date. Bids will be received by the Town of Wethersfield, Finance Department, 2nd Floor, Wethersfield Town Hall, 505 Silas Deane Highway, Wethersfield, CT 06109, **until 2:00 p.m. on December 5, 2018**, at which time they will be publicly opened and read aloud. Bids received after the date and time specified will not be accepted. Alternately, bid proposals may be submitted via electronic mail to Purchasing@WethersfieldCT.gov with a single, pdf document attached **if submitted between 12:00 p.m. and 2:00 p.m. on December 5, 2018**.

The Town of Wethersfield, after review of all factors, including the terms and conditions, qualifications and price, reserves the right to accept or reject any and all bids, or any part thereof, or waive defects in the same, or accept any proposal or combination of proposals deemed to be in the best interest of the Town. All bid documents must be completely filled out when submitted. Bids must be firm for a period of 30 days following the bid opening date. Bid withdrawal may be made only with the consent of the Town of Wethersfield.

Michael O'Neil
Finance Director
Town of Wethersfield

I. PURPOSE OF BID INVITATION

The Town of Wethersfield is soliciting bid proposals to provide tax-exempt lease purchase financing of the following equipment over the lease terms and estimated costs indicated below: Please note that the Town is looking for quotes on the Freightliner Plow Truck and Fire Pumper Trucks for two different terms.

- A. **Three (3) year lease term \$171,090.** **Police SUV Interceptors (4)**
 - a. No down payment
 - b. Payment frequency: Annual
 - c. Initial payment: 8/1/18

- B. **Three (3) year lease term \$196,526** **Freightliner Plow Truck (1)**
 - a. No down payment
 - b. Payment frequency: Annual
 - c. Initial payment: 8/1/18

And:

- C. **Five (5) year lease term \$196,526** **Freightliner Plow Truck (1)**
 - a. No down payment
 - b. Payment frequency: Annual
 - c. Initial payment: 8/1/18

- D. **Seven (7) year lease term \$1,163,606** **Sutphen Custom Fire Pumper Trucks (2)**
 - a. No down payment
 - b. Payment frequency: Annual
 - c. Initial Payment: 8/1/18

And:

- E. **Ten (10) year lease term \$1,163,606** **Sutphen Custom Fire Pumper Trucks (2)**
 - a. No down payment
 - b. Payment frequency: Annual
 - c. Initial payment: 8/1/18

SCHEDULE / TIMELINE

This timeline may be modified at the sole discretion of the Town if it is deemed to be in the Town’s interest. Changes will be posted as addenda on the Town’s website.

TASK	DATE
Issue Invitation to Bid	November 21, 2018
Deadline for Submission of Questions	November 30, 2018
Responses to Questions (Posted to Town website)	December 3, 2018
Deadline for Submission of Proposals	December 5, 2018

II. INSTRUCTIONS / GENERAL INFORMATION

Lease Requirements

Level annual payments to be made in arrears on August 1 each year until the loan is paid in full. Payment schedules will be issued by the lessor at closing. Each proposer shall indicate a fixed interest rate for each lease purchase.

The Town will assume all maintenance, insurance and all other costs with respect to the property during the lease terms.

At the conclusion of the lease purchase agreement, the Town shall own the items described above and financed by the agreement. Within five (5) days from receipt of the final payment, or any prepayment, the lessor shall release any security interest on the property financed under the lease agreement.

Prepayment

Please indicate if Town shall have the option to prepay all or any portion of the outstanding amount of the lease purchase agreement at any date without prepayment penalty. Upon any prepayment of less than the entire outstanding amount of the lease purchase agreement, the lessor shall provide the Town with a restated payment schedule reflecting such prepayment.

Obligation Subject to Appropriation

The obligation of the Town to make payments under the lease purchase agreement shall constitute a current expense of the Town and shall not in any way be construed to be a debt of the Town, nor shall anything contained in the contract constitute a pledge of the full faith and credit of the general tax revenues or other funds of the Town. All obligations of the Town under the terms of the lease purchase agreement are subject to annual appropriation by the Town's governing authority. The lease purchase agreement must include a non-appropriation clause. The Town may terminate the agreement without penalty if the necessary funds are not appropriated.

Escrow Account

It is the Town's intent to have the **option** to advance its own funds to purchase the assets listed above, and use the lease purchase agreement proceeds to reimburse itself. The Town reserves the right to require an interest-bearing escrow account with interest earnings accruing for the benefit of the Town. Proposers are asked to include information in their proposal response concerning escrow funding programs available, along with all associated fees, if any, to be paid by the Town if it should choose this option.

Interest Rate

The interest rate assigned to the lease purchase agreement shall be a fixed rate expressed in multiples of one-hundredth of one percent.

Legal Opinion and Tax Exemption

Execution and delivery of the lease purchase agreement will be subject to review and approval by the Town's legal counsel. The Town will pay for the cost of the review by legal counsel of all contract documents related to the agreements. All such documents shall be satisfactory to the Town and its legal counsel as to form and substance, within the sole discretion of the Town and its legal counsel.

The Town anticipates that: (1) the interest component of payments under the lease purchase agreement will be excluded from gross income for Federal income tax purposes, and (2) that the lease purchase agreement will be designated by the Town as a "qualified tax-exempt obligation" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Bond Rating and Financial Statements

The Town's general obligation debt is currently rated AA+/Stable by Standard & Poors and Aa2 by Moody's.

Audited financial statements for the fiscal year ended June 30, 2017 are posted on the MSRB Electronic Municipal Market Access system (EMMA). Audited financial statements for the fiscal year ended June 30, 2018 will be issued in December, 2018.

1. PROPOSAL REQUIREMENTS

To be considered for selection, the following information must be included in the proposal:

- Detail of total cost of financing, including signed Form 1 – Lease Purchase Financing Bid Form, included below.
- Entity qualifications to include the following:
 - Address and telephone number of the entity and location, if different from the main office
 - Identify entity's representative designated as the contact person for this financing
 - Experience in issuing various types of financings for a wide variety of asset types
 - Experience in municipal/government financing
- Fixed interest rate(s) – rate should be available for 30 days
- Amortization schedule based on lease term
- Detailed pre-payment terms
- Information concerning available escrow funding programs, along with applicable fees
- Detailed description of any other fees
- A statement as to whether the proposal is credit approved or subject to credit approval
- A draft lease agreement
- Submission of a fully executed "Non-Collusive Affidavit of Proposer". See Form 2 below.

III. PROPOSAL SUBMISSION

Proposals must be signed by an authorized member of the financing company, and the name, address and telephone number of a representative qualified to answer questions during the review process must be included.

Town of Wethersfield
Invitation to Bid – Tax-Exempt Lease Financing
#2019-04
Page 6

One hard copy and one electronic copy (on a USB drive) of the proposal must be submitted to:

Town of Wethersfield
Attn: Miguel Robles, Finance Department
505 Silas Deane Highway
Wethersfield, Connecticut 06109

Email: Purchasing@WethersfieldCT.gov
Phone: 860-721-2861
Fax: 860-721-2997

All proposals must be received by **2:00 p.m. on December 5, 2018**. Alternately, bid proposals may be submitted via electronic mail to Purchasing@WethersfieldCT.gov with a single, pdf document attached **if submitted between 12:00 p.m. and 2:00 p.m. on December 5, 2018**. Proposals submitted after the stated time and date may not be considered.

The Town reserves the right to accept or reject any and/or all proposals, to waive any and all informalities, defects or immaterial irregularities, and to request additional information or further clarification from proposing financing companies, and to negotiate with one or more bidders to further modify the proposals. The Town also reserves the right to reduce the amounts to be financed.

There is no guarantee that the Town will enter into a lease purchase agreement to fund the purchases noted above. The Town reserves the right to use other sources of funding for these purchases, and to negotiate the exact amount to be financed as well as the actual financing date with the successful proposer.

IV. EVALUATION CRITERIA

The successful proposer will be chosen using the following criteria:

- Completeness of proposal
- Lowest overall interest rate
- Ease of administration by the Town
- Prior lease purchase experience and reputation
- Such other information as may be required by the Town having a bearing on selection of the successful proposer

V. QUESTIONS

All questions about this Invitation to Bid must be submitted in writing to Purchasing@WethersfieldCT.gov no later than **noon (12:00 EDT) November 30, 2018**. All information given by the Town except by written addenda shall be informal and shall not be binding upon the Town nor shall it furnish a basis for legal action by a Proposer or prospective Proposer against the Town.

VI. TERMS AND CONDITIONS

Participation or Public Distribution

The Town has not prepared an official statement or other offering materials in connection with this invitation and does not intend to prepare such materials in connection with a lease purchase agreement. Any preparation of such materials shall be the sole responsibility of the successful proposer, however, the Town shall have the right, but not the obligation, to review and approve such materials prior to their distribution to potential purchasers.

Any intent to offer interests in the lease purchase agreement must be specified in the proposal response. Any offering of fractionalized interests, certificates of participation, or other distribution of interests under the lease purchase agreement shall be offered in compliance with Securities and Exchange Commission Rule 15c2-12. Proposer should consult with their legal counsel

Indemnification/Hold Harmless

The lessor agrees that it shall indemnify, defend, and hold the Town harmless from and against any and all liability in any manner of claims, lawsuits, and damages for any type losses caused or alleged to be caused, by acts or omissions of the successful offeror, its employees, and invitees on or about the premises and which arise out of the successful offeror's performance, or failure to perform as specified in the agreement.

Collusion

Any act or acts of misrepresentation or collusion shall be a basis for disqualification of any proposal or proposals submitted by such persons guilty of said misrepresentation or collusion. In the event that the Town enters into a contract with any respondent who is guilty of misrepresentation or collusion and such conduct is discovered after the execution of such contract, the Town may cancel said contract without incurring liability, penalty or damages.

Freedom of Information

The Town will not be liable for any costs incurred in the preparation of the response to this invitation. All submissions and materials shall become the property of the Town and will not be returned. Respondents to this invitation are hereby notified that all proposals submitted and information

contained therein and attached thereto shall be subject to disclosure under the Freedom of Information Act.

FORM 1 – LEASE PURCHASE FINANCING BID FORM

Please provide the following information about your financing proposal along with amortization schedules. Proposals should be for each of the options delineated herein.

	A.	B.	C.	D.	E.
	Police SUV	Freightliner	Freightliner	Sutphen	Sutphen
	Interceptors	Plow Truck	Plow Truck	Custom Fire	Custom Fire
	(4)	(1)	(1)	Pumper	Pumper
	3 years	3 years	5 years	Trucks (2)	Trucks (2)
	\$171,090	\$196,526	\$196,526	7 years	10 years
				\$1,163,606	\$1,163,606

Nominal Interest Rate	_____	_____	_____	_____	_____
Effective Interest Rate	_____	_____	_____	_____	_____
Total Interest Cost	_____	_____	_____	_____	_____
Escrow earnings rate	_____	_____	_____	_____	_____
Escrow fees	_____	_____	_____	_____	_____
Other fees (explain)	_____	_____	_____	_____	_____

Other relevant information:

Submitted by:

Authorized Signature:

_____ (date)

