



September 8, 2020

Request for Proposals for Equipment Installment Financing

The City of Gastonia, North Carolina (the “City”) desires to enter into an installment financing agreement (the “Agreement”) pursuant to N.C.G.S. §160A-20 in a principal amount not to exceed \$3,400,000 for the purpose of financing the cost of various vehicles and equipment purchases (collectively, the “Project”) and paying related financing costs. The City is soliciting proposals to provide the necessary financing for the Project, subject to the terms and conditions set forth in this Request for Proposals.

A. Pertinent Information

1. The Project consists of various governmental vehicles and equipment expected to include, but is not limited to, the items designated on the attached vehicle and equipment list.
2. Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, will serve as bond counsel to the City for this financing. Legal documentation necessary for the financing is expected to be prepared by Womble Bond Dickinson (US) LLP. By submitting a proposal, the winning bidder waives any conflict of interest that might arise in connection with Womble Bond Dickinson (US) LLP’s representation of the City as bond counsel in connection with the proposed financing.
3. The City’s general obligation bonds are currently rated “Aa2” by Moody’s Investors Service, “AA-” by S&P Global Ratings and “AA” by Fitch Ratings. The Agreement will not be rated.
4. The financing will be bank eligible under Section 265 of the Internal Revenue Code of 1986, as amended.
5. The City expects to amortize the debt within 59 months. The approval of the Local Government Commission will not be required.

B. Contract Specifications

1. The amount of the financing is not to exceed \$3,400,000.
2. The desired term of the financing is for 59 months. The City desires substantially level debt service payments.
3. Installment payments (principal and interest) are to be made either annually or semi-annually in arrears. Please submit debt service schedules for each payment term offered.
4. The interest rate shall be fixed for the entire term.
5. The interest rate(s) proposed must be guaranteed through November 13, 2020. The City desires to close on the financing during the week of November 9, 2020.
6. Prepayment terms shall be specified in the bid.
7. Installment payments under the Agreement will be subject to annual appropriation by the City Council of the City. The City's obligations under the Agreement will be secured by a security interest in all or a portion of the equipment being financed. No deficiency judgment may be rendered against the City for breach of a contractual obligation under the Agreement, and the taxing power of the City will not be pledged to secure repayment hereunder. The successful bidder will be required to prepare and file UCC-1 financing statements and take such other actions as necessary to perfect the security interest in the vehicles and equipment being financed.
8. The Agreement must not contain a non-substitution clause.

C. Submission of Proposal

Proposals can be emailed to crystal@cityofgastonia.com or mailed prior to the bid opening to the City of Gastonia Budget Administrator's office at 181 S. South Street, Gastonia, North Carolina, 28052. **All bids must be received by 12:00 Noon on Wednesday, September 23, 2020.**

If required, the City Council can formally accept the winning proposal at its regularly scheduled meeting on October 6, 2020, subject to final approval by the City Council at its regularly scheduled meeting on November 3, 2020.

At a minimum, proposals must specify the following information:

1. The term of the financing (i.e., 59 months).
2. The interest rate for the entire term.
3. The terms of repayment. Please attach sample debt service schedule(s).

4. Proposed terms for optional prepayment.
5. If there are any additional costs associated with this financing, including origination or placement fees, escrow fees, counsel fees and expenses, please list. State whether or not any of such fees or expenses will be capped.
6. Describe how the proceeds of the financing will be required to be held and invested pending expenditure to pay project and financing costs.

The City reserves the right to request additional information from and negotiate terms with 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 costs and additional costs), the City reserves the right to select the bidder that best meets the needs of the City.

You may contact Crystal Falls at (704) 866-6957 or crystalalf@cityofgastonia.com if further information is needed or if you have any questions regarding this Request for Proposals.

Thank you in advance for your consideration.

**VEHICLE AND EQUIPMENT
RENEWAL AND REPLACEMENT PROGRAM
Estimated Amounts
Fiscal Year 2020/2021**

Trucks	\$	225,000
Police Vehicles	\$	300,000
Equipment for Police vehicles	\$	60,000
Fire truck	\$	690,000
Equipment for Fire truck	\$	30,000
Off-road equipment	\$	420,000
Heavy-duty trucks	\$	1,100,000
Van	\$	40,000
Sport Utility Vehicle (SUV)	\$	75,000
Debt issuance costs	\$	20,000
Technology Equipment	\$	440,000
	\$	3,400,000