



**CITY OF MINERAL WELLS, TEXAS**

**REQUEST FOR PROPOSAL**

**VEHICLE, EQUIPMENT & COMPUTER EQUIPMENT/SOFTWARE  
LEASE-PURCHASE FINANCING**

The City of Mineral Wells, Texas (“City”) requests proposals from qualified and eligible financial institutions to provide financing services for the acquisition of vehicles, equipment and software under a master lease agreement.

Subject to the terms, conditions, provisions, and the enclosed specifications, responses to this solicitation will be received at the following location until 2:00 p.m. C.S.T., Tuesday, December 17, 2019:

City of Mineral Wells  
Attention: City Clerk  
P.O. Box 460  
115 S.W. 1<sup>st</sup> Street  
Mineral Wells, TX 76067

After which, only the names of the respondents will be publicly announced. Any responses received after the scheduled due date and time will be rejected. Proposals must be submitted in a sealed package marked on the outside with the Proposer’s name, address, and the Project name.

This solicitation does not commit the City of Mineral Wells to award a contract, to pay any costs incurred in the preparation of proposals submitted, or to procure or contract for the services. The City reserves the right to accept or reject or cancel in part, or in its entirety offers received as a result of this request if deemed to be in the best interest of the City to do so.

**PROJECT**

The City of Mineral Wells, Texas is accepting proposals for Lease-Purchase Financing of vehicles, equipment and computer software. The proceeds will be used to cover the cost of the following vehicles, equipment and software:

- Four (4) Police Department Patrol Vehicles - \$225,000
- One (1) Street Sweeper - \$250,000
- One (1) Street Crack Sealing Machine - \$60,000
- One (1) Sewer Line Inspection Camera - \$70,000
- One (1) High – Pressure Sewer Jet Truck - \$227,500
- Two (2) Heavy – Duty Pickups - \$90,000
- Four (4) Light – Duty Pickups - \$110,000
- One (1) Supervisory Control and Data Acquisition (SCADA) Computer System/Software - \$100,000.

**COST AND FINANCING**

The current projection of the costs and financing of the project are shown below:

Municipal Vehicles	\$ 902,500
Equipment	130,000
Computer System/Software	<u>100,000</u>
	<u>\$ 1,132,500</u>

Actual costs will be determined at the time of purchase, and could vary from the projected cost. The lease principal will be for the entire actual cost of the vehicles, equipment, and software. Some vehicles, equipment, and/or software may be purchased before the lease financing is awarded, with the cost being reimbursed to the City when funding is available.

**TAX EXEMPT LEASE PURCHASE**

- a. **This issue shall be "Institution-Qualified"** for taxation purposes in calendar year 2020 (as described in Section 265(b) (3) (B) of the Internal Revenue Code of 2009, as amended).
- b. The City shall enter into a tax-exempt lease purchase agreement with the Institution in order to provide financing for this Project.
- c. **Type/Security:** The obligation of the City to pay lease rental payments shall be subject to annual appropriations by the Mineral Wells City Council.
- d. **Interest Rate:** The City desires **fixed rate financing** for these Project purchases. Please include the lease rate factor in addition to quoted interest rate.
- e. The proposal should include an indicative date for the fixed rate quote, and the period that the Institution will "hold" such rate. **The City anticipates full delivery of the Project before June 1, 2020.**

- f. The City further requests the Institution to indicate its willingness to provide to the City the benefit of a commensurate decrease in the offered rate should market interest rates drop during the stated commitment period.

## TERMS AND CONDITIONS

The City of Mineral Wells is seeking a three (3) year lease on the Vehicles and Equipment in accordance with the *projected* schedule shown below:

Submit Proposed Terms and all Required Documents Deadline	December 17, 2019
Council Award Contract	January 7, 2020
Fund Escrow Account	January 17, 2020
First Semi-Annual Payment	August 31, 2020

- The payments are to be equal in amount and are to be charged on a semi-annual basis starting August 31, 2020, with subsequent billings on each February 28, until all payments are made on the Vehicles, Equipment and Computer Equipment/Software.
- The payment schedule is to be on the arrears basis, rather than on the advance basis.
- The City of Mineral Wells' obligation to make lease payments is subject to the annual availability of appropriations. Appropriations are included in the current budget, and the City of Mineral Wells will use its best efforts to obtain such appropriations in subsequent fiscal years.
- The lease agreement must include a standard non-appropriation of funds clause.
- The leased vehicles and equipment will become the property of the City of Mineral Wells at the end of the lease term upon making the final payment.
- The City of Mineral Wells will have the right to terminate the lease agreement by purchasing the leased equipment on any lease payment date by paying the principal balance and accrued interest.
- The City of Mineral Wells will be responsible for insuring the vehicles and equipment financed through this lease. No party will be named as "Additional Insured" on the insurance policy.

- The funding of the lease will be exactly the purchase price of the vehicles, appurtenances, and equipment. No over funding or under funding will be allowed.
- The total principal amount may be deposited into an escrow account, and the City of Mineral Wells will receive any and all interest earned on the escrow account.
- The lease may not be sold or transferred to a third party without the advance written permission of the City of Mineral Wells, which shall not be unreasonably withheld.
- No loan origination fee, documentation fee or any other fee will be allowed.
- The City will not pay escrow, investment or any other associated fees.
- The interest rate will be fixed for the entire life of the lease.
- The proposed interest rate will be firm for ninety (90) days following the opening of the proposals.
- **Pre-payment without Penalty:** The City wants a right of prepayment, upon reasonable notice to the Institution, without penalty for any loan received. *Please indicate, however, whether no right of prepayment (or, right of prepayment which vests after a fixed period of time), would yield a lower interest rate quote from the Institution for the desired term quotes described above.*
- All obligations, costs and responsibilities associated with ownership of the equipment shall be borne by the City whereby dispersing of such funds will be the sole responsibility of the City.
- Proposer is to provide the preferred method of closing on the Project. Indicate anticipated closing costs (if applicable) with closing method. Closing cost(s) will be considered in total financing cost calculations made by the City in award decision.
- Funds must be available no later than January 17, 2020, and the City of Mineral Wells intends to draw the entire principal amount no later than June 1, 2020.
- The institution making the successful proposal shall indemnify and hold harmless the City of Mineral Wells and its officers, agents and employees from any and all claims, demands, actions, causes of action, liabilities, damages, costs, expenses, and attorney fees, as and

when incurred by the City of Mineral Wells and all liability of any kind, descriptions, or character whatsoever or any other loss or detriment brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any act or fault of the successful proposing institution or its agent, employee, subcontractor, or supplier in the execution of, or performance under, any contract which may result from the award. The institution making the successful proposal shall pay any judgment with cost which may be obtained against the City of Mineral Wells resulting from such injury. The City of Mineral Wells reserves the right to employ legal counsel of its choice.

- A written addendum will be provided to all parties for any changes made to this request for proposal. The City of Mineral Wells will not be bound by any oral representation, clarification or change.
- As part of the bidding package, the City will require bidders to complete the Texas Ethics Commission Form 1295, which must be filed online [www.ethics.state.tx.us/File](http://www.ethics.state.tx.us/File).
- The venue for any disputes shall be Palo Pinto County, Texas.
- Any portion of the proposal considered confidential, such as trade secrets or financial information, must be clearly identified. Proposals will be opened in a manner that avoids disclosure of the contents to competing bidders and keeps the proposals secret during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for inspection. The City will honor the notations of trade secrets and confidential information and decline to release such information, initially, but please note that the final determination of whether a particular portion of a proposal is in fact a trade secret or commercial or financial information that may be withheld from the public inspection will be made by the Texas Attorney General or a court of competent jurisdiction. In the event a public information request is received for a portion of the proposal that is marked as being confidential information, the proposer will be notified of such request and will be required to justify their legal position in writing to the Texas Attorney General pursuant to Section 552.305 of the Government Code. In the event that it determined by opinion or order of the Texas Attorney General or a court of competent jurisdiction that such information is in fact not privileged and confidential under Section 552.110 of the Government Code and Section 252.049 of the Local Government Code, then such information will be available to the requester.
- In compliance with HB 89, bidders that submit a written response to this proposal acknowledge and affirm that it will abide by Chapter 2270 and that it does not nor will it

boycott Israel during the term of any contract with the City. In compliance with SB 252, by submitting a written response, the applicant acknowledges and agrees that the City of Mineral Wells, Texas will not enter in a contract with a company that does business with Iran, Sudan, or any known terrorist organization.

## **PROPOSAL REQUIREMENTS**

- Interest rate shall be stated in terms of Annual Percentage Rate (APR).
- An amortization schedule based on estimated principal that includes separate columns for the total payment, principal, interest, and payoff amount.
- A statement showing the total financial obligations such as interest arising from this lease to the City of Mineral Wells throughout the life of the lease.
- The lease agreement and any other documentation the lessor requires in connection with this lease that do not conflict with the terms and conditions of this request for proposal.
- The most recent financial statements of the leasing institution, including an unqualified opinion from a certified public accountant.
- At least three (3) references from local governments that have used the institution for leases of similar terms.
- A copy of the attached summary sheet for the proposal dated and signed by an official who is authorized to make binding commitments for the institution.

## **INSTRUCTIONS FOR PREPARING THE PROPOSAL**

- The proposal must be signed by an authorized officer or agent having the authority to bind the institution in a contract.
- Each proposal must be submitted in a sealed envelope bearing on the outside the name of the institution making the proposal and the phrase “Proposal to Finance Vehicles and Equipment Lease-Purchase.”
- No facsimile or e-mail transmissions will be accepted.
- Any proposal(s) received after the date and time stated for opening will not be considered.

- The institution making the successful proposal is required to execute and deliver all necessary contracts and documents within ten (10) calendar days of receiving notice of the acceptance of their proposal.
- Any ambiguity in the proposal will be interpreted in the way most favorable to the city.
- No changes, additions or deletions will be allowed after submission of the proposal.
- A proposing institution may withdraw their sealed proposal prior to the scheduled opening time provided that the request to withdraw is submitted to the City of Mineral Wells Finance Department in writing and approved by the Director of Finance.

## **OPENING AND AWARD**

Deadline for submission of a proposal is **2:00 p.m. C.S.T on Tuesday, December 17, 2019.**

Proposals submitted by mail or courier should be addressed to the following:

Peggy Clifton, City Clerk  
City of Mineral Wells  
P.O. Box 460  
115 SW 1st Street  
Mineral Wells, TX 76068

Proposal will be opened at the time stated above at the following address:

Council Chambers  
City of Mineral Wells City Hall Annex  
115 SW 1st Street  
Mineral Wells, TX 76067

Questions may be directed to John Moran, Director of Finance, (940) 328-7708 or [financedir@mineralwellstx.gov](mailto:financedir@mineralwellstx.gov). The City of Mineral Wells reserves the right to accept or reject any and/or all proposals.

The award will likely be included on the agenda of the City Council on January 7, 2020. The meeting will be held in the City Council Chambers in the City Hall Annex, 115 SW 1st Street, Mineral Wells, TX 76067.

The City anticipates awarding the financing to the qualified bidder offering not just the lowest cost of financing for the total Project, but to the bidder which provides the most advantageous terms of the lease thereby offering the best overall value to the City. Any and all Proposals may be rejected by the City. Should any proposal not conform to the terms and conditions in this proposal, the proposal shall be subject to rejection as non-responsive.

Any Proposal may be withdrawn by written request of the Proposer until the date and time established herein for opening of the Proposals. Any proposals not previously withdrawn, will, upon opening, constitute an irrevocable offer for 90 days (or until one or more of the Proposals have been duly accepted by the City, whichever is earlier) to provide the City the services solicited in this request for proposal.

Further, the City has the right to waive minor defects or variations from the exact requirements of the specifications in a proposal which do not affect the quality or schedule of the services being procured. If insufficient information is submitted in order properly to evaluate the proposal by a proposer, the City shall have the right to require such additional information as it may deem necessary after the proposal time and date, provided that the information requested does not change the quality or schedule of the services being procured.

**SUMMARY SHEET  
CITY OF MINERAL WELLS, TEXAS**

**PROPOSAL TO OBTAIN:**        **FOUR (4) POLICE DEPARTMENT PATROL VEHICLES.**  
   **TWO (2) HEAVY DUTY TRUCKS.**  
   **FOUR (4) LIGHT DUTY TRUCKS.**

**TERM: 36 MONTHS**

Proposed Interest Rate (APR), Bank Qualified: \_\_\_\_\_

Lease Rate Factor: \_\_\_\_\_

Total Interest Cost: \_\_\_\_\_

Payment Amount: \_\_\_\_\_

Total Payments over life of lease: \_\_\_\_\_

**Separate amortization schedules are required.**

**Institution Submitting Proposal**

Name of Institution: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email: \_\_\_\_\_

By signing this form, the undersigned represents that he/she has full authority to bind this institution to the terms contained in this proposal:

Name of authorized officer or agent: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SUMMARY SHEET  
CITY OF MINERAL WELLS, TEXAS**

**PROPOSAL TO OBTAIN:**            **ONE (1) STREET CRACK SEALING MACHINE.**  
**ONE (1) SEWER LINE INSPECTION CAMERA.**

**TERM: 36 MONTHS**

Proposed Interest Rate (APR), Bank Qualified: \_\_\_\_\_

Lease Rate Factor: \_\_\_\_\_

Total Interest Cost: \_\_\_\_\_

Payment Amount: \_\_\_\_\_

Total Payments over life of lease: \_\_\_\_\_

**Separate amortization schedules are required.**

**Institution Submitting Proposal**

Name of Institution: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email: \_\_\_\_\_

By signing this form, the undersigned represents that he/she has full authority to bind this institution to the terms contained in this proposal:

Name of authorized officer or agent: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SUMMARY SHEET  
CITY OF MINERAL WELLS, TEXAS**

**PROPOSAL TO OBTAIN: ONE (1) SUPERVISORY CONTROL AND DATA ACQUISITION COMPUTER/SOFTWARE SYSTEM, AKA SCADA.**

**TERM: 60 MONTHS**

Proposed Interest Rate (APR), Bank Qualified: \_\_\_\_\_

Lease Rate Factor: \_\_\_\_\_

Total Interest Cost: \_\_\_\_\_

Payment Amount: \_\_\_\_\_

Total Payments over life of lease: \_\_\_\_\_

**Separate amortization schedules are required.**

**Institution Submitting Proposal**

Name of Institution: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email: \_\_\_\_\_

By signing this form, the undersigned represents that he/she has full authority to bind this institution to the terms contained in this proposal:

Name of authorized officer or agent: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SUMMARY SHEET  
CITY OF MINERAL WELLS, TEXAS**

**PROPOSAL TO OBTAIN:**            **ONE (1) HIGH PRESSURE SEWER JET TRUCK**  
   **ONE (1) STREET SWEEPER**

**TERM: 72 MONTHS**

Proposed Interest Rate (APR), Bank Qualified: \_\_\_\_\_

Lease Rate Factor: \_\_\_\_\_

Total Interest Cost: \_\_\_\_\_

Payment Amount: \_\_\_\_\_

Total Payments over life of lease: \_\_\_\_\_

**Separate amortization schedules are required.**

**Institution Submitting Proposal**

Name of Institution: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email: \_\_\_\_\_

By signing this form, the undersigned represents that he/she has full authority to bind this institution to the terms contained in this proposal:

Name of authorized officer or agent: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_