



**TOWN OF CARRBORO, NORTH CAROLINA  
REQUEST FOR PROPOSAL  
INSTALLMENT FINANCING FOR VEHICLES AND /OR EQUIPMENT**

**Date Issued: September 4, 2020  
Proposals Due: September 24, 2020**

The Town of Carrboro, North Carolina, is seeking proposals for \$1,871,923 in installment financing for the acquisition of vehicles. Proposals must be submitted by September 24, 2020, 3:00 PM Eastern Time.

The Finance Director expects to present a recommendation for award of the financing contract to the Town Council in October 2020. The successful proposer must be able to close on the financing within 30 days.

**A. Vehicles to be Acquired**

Below is a list of the vehicles to be acquired under this installment financing.

<b>DEPARTMENT</b>	<b>VEHICLES/EQUIPMENT</b>	<b>COST EST.</b>
Police	10 Patrol Vehicles	\$ 503,541
Police	2 Non-Patrol Vehicles	\$ 76,242
Fire & Rescue	Tanker Truck	\$ 350,000
Fire & Rescue	Ford Hybrid Explorer	\$ 49,000
Public Works	Sanitary Collection Trucks	\$ 646,436
Public Works	2 Pick-Up Trucks	\$ 64,000
Public Works	Boom Truck	\$ 155,000
Planning	Vehicle	\$ 27,703
<b>TOTAL COST</b>		<b>\$ 1,871,923</b>

**B. Contract Requirements and Specifications**

1. The financing will take the form of an Installment Financing Agreement pursuant to Section 160A-20 of the North Carolina General Statutes.
2. The financing will be exempt from the requirement to obtain prior approval from the North Carolina Local Government Commission.
3. The Town expects the financing to qualify as tax-exempt under Section 205 of the Internal Revenue Code of 1986.
4. The Town desires to make seven equal principal and interest payments annually on November 1 of each year commencing November 1, 2021 to and including November 1, 2027.
5. The interest rate shall be fixed for the seven year term of the financing.

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6. The interest rate(s) proposed must be guaranteed through November 30, 2020.
7. Pre-payment terms must be described fully and provide the Town with pre-payment flexibility.
8. The Town's obligations under the Installment Financing Agreement will be secured by a security interest in the vehicles and/or equipment being financed as negotiated between the Town and the successful proposer. The lender will have no recourse beyond the financed property or equipment in the case of a default.
9. No deficiency judgment may be rendered against the Town for breach of a contractual obligation under the Installment Financing Agreement, and the taxing power of the Town will not be pledged to secure repayment.
10. The Installment Financing Agreement must not contain a non-substitution clause and there must be a non-appropriation clause in the Installment Financing Agreement.
11. The terms of this Request for Proposal and your written response will be incorporated into the terms of the final financing agreement if your firm is the successful proposer.
12. Proposer must be a Pooling Method Financial Institution in accordance with Local Government Commission standards.

**C. Submission of Proposal**

Proposals must be submitted no later than 3 PM Eastern Time on September 24, 2020. Proposals received after this date and time may not be considered. Written proposals are to be marked "Vehicle and Equipment Financing Proposal" and submitted to:

Town of Carrboro  
ATTN: Finance Director  
301 West Main Street  
Carrboro, NC 27510

Proposals may also be submitted by email to: [AMcAdoo@townofcarrboro.org](mailto:AMcAdoo@townofcarrboro.org) or may be faxed to (919) 968-7745.

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**D. Content of Proposals**

Proposals must clearly state and include the following:

1. Term of the financing
2. Interest rate
3. Terms of repayment
4. Debt service schedule
5. List of all costs and the total costs associated with this transaction, including any origination or placement fees, escrow fees, counsel fees and expenses. State whether or not any of such fees or expenses will be capped.
6. Proposed method for creating the lien or security interest in the collateral for the financing.
7. Additional statements: The proposer shall include the following statements:
  - a. The bank or financial institution agrees to the contract specifications set forth in Part B above and the Contract Requirements and Specifications of this Request for Proposal.
  - b. The Town can draw funds as needed for the Project, as opposed to drawing the full amount at closing.
  - c. Circumstances under which you may withdraw your proposal.
  - d. Any conditions to the closing of the transaction other than preparation of acceptable documentation. The Town will rely on there being no such conditions unless stated in the proposal
  - e. Any legal opinion(s) you will require at closing.
8. References: Proposals should include the names and contact information for three (3) references of municipalities in North Carolina that you have recently done a similar installment financing.

**E. Additional Information and Right to Reject Proposals**

1. The Town may request additional clarifying information from responders to this request for proposal.
2. The Town reserves the right to reject any and all proposals.
3. The issuance of this request for proposal in no way binds the Town to act on any proposal.
4. No commitment on the Town's part is final until the Town Council has approved the financing.

**F. Preparation of Financing Agreement Documents**

The Town's counsel (Robert Hornik Jr., Chapel Hill, North Carolina) is available, at the option of the successful proposer, to prepare all financing documents. Alternatively, the proposer may choose to use its own legal counsel and/or standard documents for

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transactions of this nature. Your proposal must state your preference on this matter.

**G. Town Financial Ratings and Statements**

The Town of Carrboro is currently rated AAA by Standard & Poor's Ratings Services, and Aa1 by Moody's Investors Service.

The Town's audited financial statements for the fiscal year ended June 30, 2019 are available and may be downloaded from the Town's website at <http://www.townofcarrboro.org/>.

**H. Selection Criteria – Evaluation of Proposals**

The selection of the successful responder will be based on the lowest total financing cost (including interest costs, upfront fees and all expenses) that best meet the needs of the Town.

If further information is needed or you have questions regarding this Request for Proposal, please contact Arche McAdoo, Finance Director at 919-918-7300.