



Request for Proposal

January 26, 2024

Installment Financing Agreement

Proposals due by: Friday, February 2, 2024 at 5:00pm

The City of Graham (the "City") is requesting proposals from financial institutions for a commercial loan to be used for the purchase of a DuraPack Python 28-yard body mounted on a 2025 Peterbilt 520 chassis. The estimated loan amount is based on projected need but is subject to change as the agreement is finalized. The following key assumptions are to be utilized in preparing your proposal:

Purchase Price: \$425,000

Amount to be Financed: Maximum amount to be financed is \$425,000. The final amount will be subject to Governing Body approval, which may occur at a meeting of the City Council by Tuesday, February 13, 2024. In accordance with the last audited financial statements for year ending June 30, 2023, the City had an available fund balance of \$13,354,783 and a total fund balance of \$15,806,829.

Audit: The City's audited financial statements and budget documents are available from the City's website at the following link: <https://www.cityofgraham.com/finance-faq/>

Authorization: The City is entering into the Agreement under the provisions of Section 160A-20 of the General Statutes of North Carolina, as amended. City Council is expected to approve the successful financing proposal and authorize the execution and delivery of the Agreement along with an intent to purchase. Approval is anticipated to occur by Friday, February 13, 2024 but could be delayed.

Debt Structure: The City anticipates a five (5) year period with annual payments. The City will consider a single fixed rate for the entire term of the amortization.

Optional Pre-payment: The City is seeking flexibility with respect to pre-payment provisions. The agreement should include the option to pay off this loan prior to maturity without penalty or additional fees. Specify the redemption structure(s) that would provide the City with flexibility at the lowest cost of funds.

Authorized Representatives/Documentation: The Mayor (Jennifer Talley), City Manager (Megan Garner), and City Attorneys (Bob Ward and Bryan Coleman) will serve as authorized representatives to the City in connection with the Agreement. The lender will prepare the necessary legal documentation for the City's review and approval. All loan documents must meet the requirements of N.C.G.S. Section 160A-20 and other applicable North Carolina statutes.

Closing Costs: None anticipated to be paid to or on behalf of the bank. Specify any exceptions.

Annual/Ongoing Costs: None anticipated to be paid to or on behalf of the bank. Specify any exceptions.

Increased Cost: The City will not consider any proposals that include future interest rate adjustments relating to the bank's increased costs, changes in tax rate, capital adequacy, capital requirements, etc.

Conditions: Please specify any conditions to the closing of the transaction (other than finalizing acceptable documents) and any rights reserved to withdraw the proposal.

Delivery: Delivery of the truck chassis is anticipated to take place in July 2024; after which point the body will be mounted. Final delivery of the truck is anticipated to be delivered to the City in the spring of 2025, more specifically by May 2025. The interest rate bid must be held firm until this date.

Ongoing Disclosure: In accordance with its customary practice, the City will post its annual financial statements to the City's website on an annual basis. The City will also provide these documents in electronic format to the bank upon request.

Award: The City reserves the right to request additional information from the bidders and to waive any irregularity or informality and to negotiate provisions and covenants directly with any bidder. The City also reserves the right to reject all proposals for any reason. 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. Final award is subject to the approval of City Council.

To be considered, a proposal must be received by 5:00p.m. on Friday, February 2, 2024. Email submission of the proposal to the following person is preferred and including "Sanitation Truck Financing RFP" in the subject line:

Melanie King
Finance Officer
City of Graham
mking@cityofgraham.com
336.570.6700