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Invitation for Bid
for
Capital Lease Financing

Date: October 30, 2019

Invitation for Bid

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1 Introduction

The City of Safford, Arizona (City) is issuing this Invitation for Bid (IFB) to identify qualified firms to enter into a capital financing agreement for a capital purchase.

The City of Safford's Finance Department is seeking "Sealed Bid" proposals for: (1) a Lease/Purchase agreement for the purchase of a 2019 Caterpillar 826K Landfill Compactor. The term "Sealed Bid" proposal shall be referred to interchangeably as either a "bid" or a "proposal" in this IFB.

The estimated cost of the equipment lease is approximately \$772,307.

1.1 Background and Objectives

The City desires to finance capital purchases through a capital lease/purchase agreement for a 2019 Caterpillar 826K Landfill Compactor.

All payments by the City under the lease/purchase agreement will be subject to annual appropriation by the City Council, and the capital financing agreements will not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation. The estimated cost of this purchase is approximately \$772,307. The structure of the financing would be a 7-year or 10-year, equal quarterly principal and interest payments, level annual debt service.

The capital financing agreements will be structured as a tax-exempt capital lease. Attached for your information is: (1) a Term Sheet and Bid Form (Exhibit A); for information regarding the equipment to be purchased please go to <http://www.cityofsafford.us/bids.aspx> 2019 Caterpillar 826K Landfill Compactor. Also, each proposer must indicate any specific covenants or security features that will be required to obtain a financing commitment.

The City expects to select the most qualified, responsive, responsible and experienced respondent based on the review by the City and its evaluation/selection committee. The overall most responsive and responsible firm will be selected at the sole discretion of the City based on the review of and scoring of the respondents' overall submittals.

The Invitation for Bid (IFB) document may be obtained at:

Contact Person: Alma Flores Valles
Finance Officer

Address: 717 West Main Street
PO Box 272
Safford, Arizona 85548

Telephone: Phone: 928.432.4032
Fax: 928.348.3114

Or at the City's website: www.cityofsafford.us

1.2 Description of Capital Purchases

In issuing this IFB, the City is seeking to ensure the overall efficiency and operation of its Landfill operations by contracting with a firm that will provide capital leasing financing to purchase a 2019 Caterpillar 826K Landfill Compactor.

2 Terms and Conditions

The City will request information from a cross section of established companies known within the financial/banking industry. If any respondent has questions concerning the proposed capital projects, finds discrepancies or omissions in the

solicitation document or otherwise requires clarification, such matters should be submitted in writing no later than 4:00 p.m. Arizona time on Wednesday, November 6, 2019 to the Finance Office at the submittal address noted in this document and by email to aflores@saffordaz.gov. All responses to questions will be emailed.

Copies of all questions and answers, and any addenda to supplement the bid, will be sent by email to each respondent no later than four days prior to the proposal due date. Only formal written responses to properly submitted questions will be binding.

2.1 City Rights and Options

The City, at its sole discretion, reserves the following rights:

- To reject any and all proposals;
- To reduce the amount to be financed;
- To utilize alternative financing mechanisms;
- To disqualify any proposals not meeting the bid due dates;
- To disqualify any proposals not following the bid communication procedures;
- To supplement, add to, delete from and change this solicitation document;
- To determine which respondent, if any, should be selected for negotiations;
- To reject any or all information received pursuant to this bid;
- To supplement, amend, substitute or otherwise modify this bid at any time;
- To cancel this bid with or without the substitution of another bid or pre-qualification process;
- To request additional data or information after the submittal date, if such data or information is considered pertinent, in the City's sole view, to aid the review and selection process;
- To take any action affecting the bid or subject to this bid that would be in the best interests of the City;
- To require one or more respondents to supplement, clarify or provide additional information in order for the City to evaluate the bids submitted;
- To waive any defect or technicality in any bid received;
- To reject any portion of any submittal and/or reject all submittals, to waive any informalities or irregularities in the submittals or to re-advertise.
- Prospective bidders are able to bid on one or both of the requests.

2.2 Expense of Submittal Preparation

The City accepts no liability for the costs and expenses incurred by the respondents in responding to this IFB, preparing responses for clarification, attending interviews, participating in sessions or meeting and presentations required for the capital lease financing approval process. Each respondent that enters into the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that they cannot make any claims whatsoever for reimbursement from the City for the costs and expenses associated with the procurement process.

2.3 Information Disclosure to Third Parties

The public disclosure of the contents of each proposal submitted in response to this IFB is generally governed by City of Safford Ordinance. By responding to this IFB, respondents waive any challenge to the City's decisions in this regard.

If any submittal contains confidential technical, financial or other types of information, the respondent must clearly label the specific portions sought to be kept confidential and specify the exemption that the respondent is relying upon. If the City receives a public records request for information provided by a respondent, the City will notify the respondent. If the respondent informs the City that the respondent considers the requested information not subject to disclosure, the City will allow the respondent to obtain (at the respondent's sole cost) a judicial determination regarding whether the requested information should be released. Marking all or substantially all of, a response as confidential may result in the response

being considered non-responsive by the City.

Notwithstanding the foregoing, respondents recognize and agree that the City will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties.

2.4 Questions/Clarifications Request

No interpretation or clarification of the meaning of any part of this IFB will be made orally to any respondent. Respondents must request such interpretation or clarification in writing from the City. Requests for information or clarification of this IFB must be in writing by mail or fax (928-348-3114) addressed to Alma Flores Valles at the address provided in Section 4.1 of this IFB.

Responses to all requests for information will be provided to all respondents to the bid. No questions or requests for additional information will be after Wednesday, November 6, 2019 at 4:00 p.m. Any and all interpretations and supplemental instructions will be made in the form of written addenda which will be sent to all recipients of the bid. Any such clarifications or addenda shall become part of this IFB.

3 Master Lease Agreement

The successful bidder will be expected to submit the master lease documentation for review and approval by to the City Attorney. The City reserves the right to accept or make any changes in language and reserves the right to make final conforming changes to the documents.

4 Submittal of Proposals

4.1 General Instructions and Submittal Deadline

This IFB package contains all the information and forms necessary to complete and submit a proposal. Proposers are encouraged to review the IFB package in detail prior to commencing work.

Any person, firm, corporation or associations submitting a proposal shall be deemed to have read and understood all the terms, conditions, and requirements of this notice of solicitation. Conditional proposals will not be considered. All proposals must be signed by an authorized signatory; unsigned proposals may be rejected.

All responses and accompanying documentation will become the property of the City at the time proposals are opened. Proposals deemed to be non-responsive will be returned to the proposer.

Respondents are requested to submit three (3) sealed copies, Marked Sealed IFB for Capital Lease.

IFBs are due on Thursday, November 21st, 2019 by 3:00 p.m. Arizona time. No facsimile or email copies will be accepted. The "Sealed Bid" package should be clearly labeled "Invitation for Bid for Capital Lease Financing- Landfill Compactor" with the Firm's Name and Address.

IFBs must be received in the Office of the city Clerk and addressed to:

Contact Person: Alma Flores Valles, Finance Officer

Address: 717 West Main Street

PO Box 272

Safford, Arizona 85548

Telephone: Phone: 928.432.4032

Fax: 928.348.3114

Narrative pages are to be 8½x11 inches and all materials shall be bound into one volume. A clear and concise presentation of information is encouraged.

4.2 Cover Letter

The proposal must include a letter of transmittal attesting to its accuracy. The cover letter should provide the name, address and telephone and facsimile numbers of the respondent along with the name, title, address and telephone and facsimile numbers of the executive that has the authority to contract with the City.

5 Review and Evaluation

5.1 Evaluation Criteria

Evaluation criteria to be utilized in determining the successful proposer are listed below. The order of appearance does not signify relative importance. Although price will be the most important factor in this proposal evaluation, other items identified in this proposal may be a consideration of lesser importance. The City reserves the right to accept other than the lowest price, covenants, terms and conditions of a proposal, if it is deemed not in the best interest of the City.

Submissions received in response to the IFB will be evaluated based on the respondent's:

- Pricing (80 Points)

This will include a thorough and detailed review of the Bidder's pricing, covenants, terms and conditions. Although price will be a factor in proposal evaluation, it is specifically a consideration of lesser importance to other items identified in the proposal. The City reserves the right to accept other than the lowest price covenants, terms and conditions of a proposal, if it is deemed not in the best interest of the City.

Supplemental information and evaluation:

- Response to IFB Requirements (20 Points)

Each respondent's submission will be reviewed for completeness and responsiveness to the IFB requirements. Based on its review and evaluation of the qualifications, the City will select the most qualified respondent to begin negotiations. The solicitation will be based on the respondent's demonstrated ability to technically and financially perform the services outlined in this document. Specifically, qualifications will be evaluated based upon the criteria presented in the subsequent paragraphs.

5.2 Evaluation of IFBs

A committee comprised of various representative from the City and its departments will evaluate responsive and responsible proposals.

Each proposal will be reviewed against the terms of this IFB to determine if the IFB is complete and responsive and how well the respondent satisfies the evaluation criteria. The City may reject any submittal found to be incomplete, unresponsive or not in compliance with the format requirements set forth in this bid. A submittal may be determined to be unresponsive if any aspect is found to be unacceptable or contrary to the best interests of the City.

The City reserves the right to reject any all responses to the IFB and is under no obligation to enter into a capital financing agreement.

The City intends to select the most responsive respondent and to negotiate an Agreement, then price with this firm. However, should the negotiation with the most responsive respondent not produce an acceptable contract arrangement, the

City will request the next most responsive respondent to begin negotiations.

The responsibility for the final selection and negotiation rests solely with the City.

The City shall not be liable to any respondent for costs associated with responding to the IFB for the respondent's participation in any oral interview, or for any costs associated with the negotiations.

5.3 Competitive Negotiation

The City retains the right to negotiate the final capital lease/purchasing agreement(s) regarding price, covenants, terms and conditions, to be presented to the City Council of the City of Safford for approval, with one or more of the apparent most responsive bidders as solely determined by the City.

The City reserves the right to request clarification, to conduct discussions with bidders, to request revisions of proposals, and to negotiate price changes or waive minor informalities. During the discussion period, no information will be disclosed regarding either the contents of proposals or discussions. When the City Council makes an award, the solicitation file and the proposals are a matter of public record.

5.4 Best and Final Offer

The City may issue a written request for Best and Final Offers (BAFO). The request shall set forth the date, time and place for the submission of the BAFO. BAFOs shall be requested only once, unless the Finance Officer makes a written determination that it is advantageous to the City to conduct further discussions or change its requirements. The request for a BAFO shall inform proposers that if they do not submit a notice of withdrawal or a BAFO, their immediate previous offer will be construed as their Best and Final Offer.

5.5 Award of Capital Lease/Purchase Agreement(s)

Subject to the City Council approval, award will be made to the proposer whose proposal has been deemed most advantageous to the City in accordance with the evaluation criteria contained in the IFB.

Exhibit A

Term Sheet and Bid Form

TAX-EXEMPT LEASE PURCHASE TRANSACTION FOR EQUIPMENT PURCHASE

This term sheet is a summary of the terms for this financing and is not intended to be a complete description.

Lessee:	City of Safford
Total Transaction Size:	\$772,307*
Structure:	Tax-Exempt Capital Lease subject to annual Appropriations; Level Debt Service
Term:	Seven (7) or Ten (10) Years Quarterly Payments in Advance
Security:	Equipment
Use of Proceeds:	The proceeds will be used to finance the purchase of equipment for the Landfill Department. A description of the equipment is located at http://www.cityofsafford.us/bids.aspx 2019 Caterpillar 826K Landfill Compactor
Timing:	Bid Release: Tuesday, October 22, 2019 Bids Due: Tuesday, November 19, 2019 at 3:00 p.m. City of Safford Council Award: Monday, December 9, 2019

* *Subject to change*

Exhibit A-1

PRICING FOR EQUIPMENT

This section/document is to be used by the Proposer to specify proposed rates, covenants, terms and conditions for the Capital Lease Financing requested by the City.

The price, covenants, terms and conditions in this IFB are valid for 180 days from the date of submission.

I hereby certify that I acknowledge acceptance of the rates for the initial capital lease/purchase agreement period.

Printed Name of Authorized Individual

Name of Submitting Organization

Signature of Authorized Individual

Date

Exhibit B

AUTHORIZATION TO SUBMIT PROPOSAL AND REQUIRED CERTIFICATIONS

By signing below, the Proposer hereby certifies that:

- They have read, understand, and agree that acceptance by the City of the Proposer’s offer by the issuance of a master lease agreement or contract will create a binding contract;
- They agree to fully comply with all terms and conditions as set forth in the City’s master lease agreement, and amendments thereto, together with the specifications and other documentary forms herewith made a part of this specific capital lease agreement;

The person signing the Proposal certifies that he/she is the person in the Proposer’s organization responsible for, or authorized to make decisions regarding the prices, covenants, terms and conditions quoted.

The Bidder is a corporation or other legal entity.

No attempt has been made or will be made by the Proposer to induce any other firm or person to submit or not to submit a Proposal in response to this IFB.

_____ All amendments to this IFB issued by the City have been received by the person/organization below. All amendments are signed and returned with the Proposal.

_____ No amendments have been received.

The price, covenants, terms and conditions in this Proposal are valid for 180 days from the date of submission.

Firm Submitting Bid

Address

Telephone

City

State

Zip Code

Fax

Federal Tax ID Number

Email

Authorized Signature

Date

Printed Name and Title