

# CITY OF SAN ANTONIO

## Department of Finance

### Request For Bid For Tax-Exempt Equipment Lease/Purchase Financing

#### Term Sheet

The City of San Antonio, Texas (the "City") is requesting bids for a Tax-Exempt Equipment Lease/Purchase Financing. The City anticipates financing various costs of acquiring in car police video equipment and various emergency medical services equipment, (collectively, the "Equipment") as well as its costs of issuance for completing such transactions.

The City will select the firm that provides the interest rates producing the **lowest combined interest cost** to the City over the life of the Lease (defined herein) and whose terms and conditions for the proposed Lease is most consistent with the City's objectives. Each firm (the "Bidder") that responds to this Request For Bid ("RFB") must sign and submit the "Tax-Exempt Equipment Lease/Purchase Financing Sheet" (the "Bid Sheet") attached as Attachment I, along with all other required documentation and applicable information to the Office of the City Clerk, 2nd Floor of City Hall, 100 Military Plaza, San Antonio, Texas 78205 or Office of the City Clerk, P.O. Box 839966, San Antonio, Texas, 78283-3966 no later than **1:30 p.m., Central Time, on April 6, 2011**. The Bid Sheet and other required documentation ("Bid") may be submitted by mail or hand delivery. Failure to submit all required documentation and applicable information shall disqualify the submitted Bid from consideration. **Submission of a Bid by telephone, electronic or facsimile transmission will not be accepted.** Any Bid must be sealed and clearly labeled "Bid to Provide Tax-Exempt Equipment Lease/Purchase Financing (2011)". Bids received in the Office of the City Clerk after **1:30 p.m., Central Time, April 6, 2011** will not be accepted and will be returned unopened. The Bidder shall be solely responsible for choice of mode and timing of delivery. The City shall not be liable in any manner whatsoever for lost, misrouted, or late submissions. The Bids will be publicly opened and read following the Bid deadline at approximately 1:45 p.m., Central Time on April 6, 2011. The Bid opening and reading will be held in the Lonestar Conference Room of the City's Finance Department located at 111 Soledad Street, 5th Floor, San Antonio, Texas 78205.

Any changes or amendments regarding this RFB will be posted on the City's website at <http://www.sanantonio.gov/RFPListings/>. It is the Bidder's responsibility to access this site and ascertain whether any amendments have been made prior to submission of a Bid proposal. Individual questions received from Bidders and the City's responses to them will be posted on the City's website.

Any questions regarding this RFB shall be directed to the City's authorized contact person, Ms. Debra Reyes, Procurement Specialist III. It is suggested that all questions be sent by electronic submission. E-mail submissions will be accepted at [debra.reyes@sanantonio.gov](mailto:debra.reyes@sanantonio.gov). If electronic submission is not available, questions concerning this RFB shall be directed, in writing, to City of San Antonio, Purchasing & General Services Department, Attn: Debra Reyes, Procurement Specialist III, 111 Soledad, 11th Floor, San Antonio, Texas 78205. Questions may be submitted until 4:30 p.m., Central Time, April 1, 2011. Questions received after that time will not be answered.

Bidders are prohibited from communicating with: 1) elected City officials and their staff regarding the RFB from the time the RFB has been released until the contract is posted as a City Council agenda item; and 2) City employees from the time the RFB has been released until the contract is awarded. These restrictions extend to "thank you" letters, phone calls, emails, and any contact that results in the direct or indirect discussion of the RFB and/or Bid proposal submitted by Bidder. Violation of this provision by a Bidder and/or its agent may lead to disqualification of Bidder's Bid from consideration. City Council agendas are posted online at <http://www.sanantonio.gov/agenda/> and at the kiosk located west of City Hall, 100 Military Plaza, San Antonio, Texas. Any communication with any person other than the City's authorized contact person may result in the disqualification of the Bid submitted. This prohibition **does not** apply to communications with a City officer or employee regarding normal City business **not** concerning or related to this RFB or a Bid to be submitted in response to it. All Bids, once submitted, shall become the property of the City and will not be returned. Any information deemed to be proprietary or confidential by the Bidder should be clearly labeled "proprietary and confidential" on the page or pages where such information is contained. However, the City cannot guarantee that such information will be kept from

public disclosure, as information deemed proprietary or confidential by the Bidder may not be recognized as proprietary or confidential under Texas law.

**EQUIPMENT ACQUISITION  
(EXHIBITS I-II):**

The City will be acquiring the Equipment for (1) the Police Department (“Police Equipment”) (see Exhibit I, attached hereto) and (2) the Fire Department (“the “Fire-EMS Equipment”) (see Exhibit II, attached hereto).

Exhibits I-II, attached hereto, are referred to herein, collectively, as the “Equipment” and, individually, as the “Police Equipment” and the “Fire-EMS Equipment”, respectively.

The Equipment to be financed is necessary for the municipal operations of the City.

**LESSEE:**

City of San Antonio, Texas.

**FINANCING AMOUNT:**

The maximum anticipated financing amount is in the aggregate principal amount of approximately \$6,000,000 with amortization schedules of approximately sixty (60) months for the Police Equipment and approximately sixty (60) months for the Fire-EMS Equipment. The financing may include the costs of the Equipment and the City’s financing, legal, and related costs. There shall be no costs of issuance for the Lessor in this financing, including, specifically, any legal fees and related costs.

**FINANCING PERIOD:**

The financing period shall be one-time for each Equipment financing with an anticipated funding date of May 24, 2011.

It is anticipated that the Police Equipment and Fire-EMS Equipment will be financed under one lease agreement with two separate amortization schedules for this financing.

**SECURITY INTEREST:**

The City will retain legal title and possession of all Equipment identified on Exhibit I and II and purchased under the “Tax-Exempt Equipment Lease/Purchase Agreement” (the “Lease”) and the City will grant a perfected security interest in the acquired Equipment for the benefit of the lending institution. The Lease must comply with applicable federal and state laws, rules, and regulations, including, but not limited to, the Texas constitutional and statutory provisions regarding municipal finance and annual appropriations.

The Lease will also be secured by the City’s obligation to pay the lease payments due under the Lease, which are subject to annual appropriations.

**RATING/BOND INSURANCE:**

The Lease will not have a municipal bond rating and bond insurance will not be purchased by the City.

**INTEREST RATE/COST:**

The City will select the Bidder which provides the fixed interest rates for each of the two amortization schedules that together produce the **lowest combined interest cost** to the City over the life of the Lease and whose terms and conditions of the proposed Lease are most consistent with the City’s objectives. For purposes of this RFB, please refer to the debt structure referenced in RFB Attachment I for each of the respective Equipment lists. In the event of a tie, the

Bidders will be contacted for a best and final offer. If a tie exists after the best and final offers have been submitted, the City reserves the right to select the Bidder to provide this financing in its sole and unfettered discretion.

The Lease and financing will be presented to City Council for approval. The term for this one-time financing is anticipated to be approximately sixty (60) months for the Police Equipment and approximately sixty (60) months for the Fire-EMS Equipment with substantially level lease payments and an initial interest only payment.

The net effective interest rate must be in compliance with Chapter 1204, as amended, Texas Government Code. The City will not entertain a reset or variable rate component on the interest rate for either of the amortization schedules. Since this is a one-time financing, these interest rates shall not expire and will be fixed from the Bid submittal date through the anticipated funding date of May 24, 2011, with the interest rate relating to each amortization schedule remaining constant for the term of the Lease.

**STRUCTURE:**

The Lease is the controlling document for this one-time financing.

**LEASE PAYMENT TERMS:**

The Lease must include express provisions indicating that payments and obligations of the City are subject to the State of Texas Constitutional requirements of annual appropriations of funds by the City Council.

The financing options must be in compliance with the Public Property Finance Act, Chapter 271, Subchapter A, as amended, Texas Local Government Code (the "Act").

**Police Department**

This one-time financing for the Police Equipment is anticipated to include the Police Equipment included in Exhibit I anticipated to be acquired by the respective delivery dates provided in Exhibit I. For purposes of this RFB, please refer to the debt structure referenced in RFB Attachment I for the Police Equipment list. Delivery, inspection, and final acceptance of the Equipment by the City as evidenced in writing to the vendor and the financing provider is anticipated to occur between May 1, 2011 and October 31, 2011.

**Fire Department**

This one-time financing for the Fire-EMS Equipment is anticipated to include the Fire-EMS Equipment included in Exhibit II anticipated to be acquired by the delivery date provided in Exhibit II. For purposes of this RFB, please refer to the debt structure referenced in RFB Attachment I for the Fire-EMS Equipment list. Delivery, inspection, and final acceptance of the Equipment by the City as evidenced in writing to the vendor and the financing provider is anticipated to occur by July 31, 2011.

**OBJECTIVES:**

**I. NO INDEMNIFICATION, LIMITATION OF DAMAGES, OR ARBITRATION:**

The City strongly encourages Bidders **not** to submit a Lease containing terms: (1) requiring the City to indemnify Bidder, pay Bidder's court costs, collection costs or attorney's fees in any event; (2) limiting, in any regard, including but not limited to, the amount or

types of damages that are recoverable by the City under the Lease; or (3) requiring submission of any issue arising under the Lease to binding arbitration, if Bidder is selected. The City considers each of these terms to be inconsistent with its objectives.

**II. RETURN ON EQUIPMENT:**

Any Lease submitted by the Bidder that contains a requirement that the City return the Equipment to a location specified by the Bidder and/or vendor must contain a provision that the location specified shall be a location reasonably convenient to the Bidder and/or vendor within the State of Texas, and that the return of the Equipment shall be at the Bidder's and/or vendor's sole expense, including, without limitation, all costs of transportation.

**III. SELF INSURANCE:**

The Lease must also contain terms and conditions permitting the City to provide all insurance coverages required by Lessor under the Lease through the City's Self-insurance program. An explanation of the City's current Defined Self-Insurance and Risk Management Program and amounts and types of coverages provided under it is attached hereto as Exhibit III.

**IV. ACQUISITION FUND AND ACCOUNT CONTROL AGREEMENT:**

If an Acquisition Fund and Account Control Agreement or similar document will be utilized as part of this transaction, the City strongly recommends that this document designate The Frost National Bank, San Antonio, Texas, the City's Depository Financial Institution, as the "Custodian" or "Trustee" of the funds to be deposited into and withdrawn from the Acquisition Fund. The City considers this provision to be consistent with its objectives.

**V. PREPAYMENT OPTION:**

On any payment date, the City may prepay in full or in part the principal balance of all lease payments outstanding at the time of such prepayment, plus accrued interest, without any prepayment penalty. The City shall retain title to and possession of the Equipment upon final payment of all required lease payments applicable to such Equipment, as evidenced by the respective amortization schedule relating thereto.

**VI. OTHER REQUIREMENTS OR CONDITIONS:**

Each Bidder is required to submit a Lease that is approved by Texas Bond Counsel for Bidder and must have provided financing for and been a party to a minimum of at least two Texas municipal leases entered into pursuant to the provision of the Act.

**CITY ACCEPTANCE OF OFFER:**

The City reserves the right to select the lowest Bid or to reject any or all Bids submitted. In addition, the City reserves the right to cancel the entire process or re-release this RFB for Tax-Exempt Equipment Lease/Purchase Financing of Police and Fire Department Projects. Release of this RFB does not bind the City to enter into any Lease, nor does it obligate the City to pay any costs incurred in the preparation or submission of a Bid, or anticipation of a Bid award. The Bid will be awarded based upon the criteria described herein under the heading "Interest Rate/Cost". The City will not entertain a Bid that does not include separate rates for each of the respective Equipment lists. If the parties are not able to agree on the terms and conditions of the Lease, the City reserves the right to consider other Bids. If a Bid is selected, it is anticipated that the selected Bid will be

recommended to the City Council for acceptance by an ordinance approving the Lease on or about May 19, 2011.

Failure to submit the executed Bid Sheet and all other required documentation may disqualify the submitted Bid from consideration.

**TAX-EXEMPT STATUS:**

To ensure the tax-exempt status of the Lease financing bid, Bidder shall consult with its own tax counsel regarding compliance with all pertinent federal income tax laws, rules, and regulations.

**FUTURE FINANCINGS:**

The City currently contemplates that it may issue several series of tax-exempt obligations in calendar year 2011. However, nothing in this transaction shall constitute an advance award of any such future financings, in any manner whatsoever, to the successful Bidder in this transaction (if any), if and when the City issues such future financings.

**NOT BANK QUALIFIED:**

The City will issue more than \$10,000,000 in tax-exempt debt in 2011. Accordingly, the proposed Lease will not be designated as a “qualified tax-exempt obligation” pursuant to section 265 of the Internal Revenue Code of 1986, as amended.

**NO TEXAS ATTORNEY  
GENERAL APPROVAL:**

The proposed Lease is exempt from review by the Texas Attorney General pursuant to the provisions of Section 1202.007, Texas Government Code, as amended. However, in order to maintain this exemption, the Bidder selected by the City will not be able to “participate” or issue certificates of participation in the City’s lease payment stream and the Lease will contain this covenant.

**BIDDERS WILL PREPARE  
DOCUMENTS:**

Bidders shall submit a hard copy of their executed Bid Sheet with their Bid. Each Bidder is required to submit one (1) Bid Sheet.

The selected Bidder shall submit via electronic submission, its standard Municipal Lease/Purchase documents in Microsoft Word format within 24 hours upon notification from the City of the winning Bid. These documents will be subject to review and modifications by the City’s Bond Counsel and by the City Attorney once the potential winning Bid is determined. The selected Bidder shall also include a spreadsheet in Microsoft Excel format with the sample amortization schedules for the Bid Sheet.

**BIDDERS TO PAY OWN  
LEGAL FEES:**

The Bidder selected by the City shall pay its own costs, including, but not limited to, legal fees, associated with the preparation of the Lease and all other documents to be utilized as part of this transaction.

**DISCRETIONARY  
CONTRACTS DISCLOSURE FORM:**

Discretionary Contracts Disclosure Form must be filled out and submitted with the Bid. The form must be downloaded at: <https://www.sanantonio.gov/eforms/atty/DiscretionaryContractsDisclosure.pdf>. Instructions for completing the Discretionary Contracts Disclosure Form are listed below:

1. Download form and complete all fields. Note: All fields must be completed prior to submitting the form.

2. Click on the "Print" button and place the copy in bid response.

**LITIGATION DISCLOSURE FORM  
(ATTACHMENT II):**

All firms submitting Bids must complete and return a Litigation Disclosure Form.

**CONFLICT OF INTEREST  
QUESTIONNAIRE**

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that persons, or their agents, who seek to contract for the sale or purchase of property, goods, or services with the City, shall file a completed conflict of interest questionnaire with the City Clerk not later than the 7th business day after the date the person: (1) begins contract discussions or negotiations with the City; or (2) submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City. The conflict of interest questionnaire form is available from the Texas Ethics Commission at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. Completed conflict of interest questionnaires may be mailed or delivered by hand to the Office of the City Clerk. If mailing a completed conflict of interest questionnaire, mail to: Office of the City Clerk, P.O. Box 839966, San Antonio, TX 78283-3966. If delivering a completed conflict of interest questionnaire, deliver to: Office of the City Clerk, City Hall, 2nd floor, 100 Military Plaza, San Antonio, TX 78205. In addition to the submission of this form to the City Clerk's office, each Bidder should submit a copy of the executed form with the response to the RFB. Each Bidder should consult its own legal advisor for answers to questions regarding the statute or form.

**Exhibit I**

**Police Equipment**

**Exhibit I**

**Police Equipment**

	GENERAL DESCRIPTION	DETAILED DESCRIPTION	MAKE & MODEL	QTY	UNIT COST	TOTAL COST/FEES	FINANCING COST	NET COST	ANTICIPATED DELIVERY DATE
1	EDGE 5.7" System w/GPS and Crash Sensor	System main unit consisting of Windows XP Embedded, 5.7" Touch screen monitor, power supply, 32 GB Interl SSD (Solid State Drive), Sony Digital Camera - Front facing only, receiver, covert backseat microphone and internal 802.11 a/b/g/n wireless card, GP	SYSED-02/SCOPT-01/SCOPT-04	169	4,449.38	751,945.22			May-11
2	Detached Wide Angle Camera	2nd rear facing IR camera	SCOPT-09	169	212.50	35,912.50			May-11
3	G3 10 Mic Charging Station	Wireless microphone charging station	SCAA-02	10	820.00	8,200.00			May-11
4	Gigatek Card Reader	Driver's license reader	SCOPT-05	169	250.75	42,376.75			May-11
5	Video Streaming	Video streaming	SCOPT-07	169	212.50	35,912.50			May-11
6	Tech Support Kit - USB	Technical support kit for In-Car Video system troubleshoot and recovery.	SCAA-06	2	212.50	425.00			May-11
7	G3 Wireless Mic Pkg B	Additional wireless microphone package	SCPKB-03	169	327.25	55,305.25			May-11
8	MDHH 2.5" 32G - APECER	Additional removable hard drive.	SCMH-32SDS	203	505.75	102,667.25			May-11
9	G2 IX11A Camera w/ Std Camera Mount/EDGE Blue Cam 2	Rear windshield camera, with mount and cable for installation, camera switch box	SCMR-01/MCAM00/SCCBL-42	169	569.50	96,245.50			May-11
10	Edge Upload Cradle	Video upload docking station	BMIS-01	4	148.75	595.00			May-11
11	4 in 1 USB Upload Cradle 1.8"	Multi upload docking station	BMIS-08	8	807.50	6,460.00			May-11
12	Workstation HW & SW Config	Video upload workstation setup	LSET-01	4	212.50	850.00			May-11
13	DVMS Setup & Config	Sub server setup	LSET-00	2	2,250.00	4,500.00			May-11
14	Installation In-Car	In-Car video vehicle installation	LINST-01	169	495.00	83,655.00			May-11
15	Storage System	1240TB Storage		1	1,302,054.49	1,302,054.49			May-11
16	Server	Dell R710		1	11,220.00	11,220.00			May-11
17	Server Database	Server, SQL and Management		1	16,002.80	16,002.80			May-11
18	EDGE 5.7" System w/GPS and Crash Sensor	System main unit consisting of Windows XP Embedded, 5.7" Touch screen monitor, power supply, 32 GB Interl SSD (Solid State Drive), Sony Digital Camera - Front facing only, receiver, covert backseat microphone and internal 802.11 a/b/g/n wireless card, GP	SYSED-02/SCOPT-01/SCOPT-04	360	4,449.38	1,601,776.80			Oct-2011
19	Detached Wide Angle Camera	2nd rear facing IR camera	SCOPT-09	360	212.50	76,500.00			Oct-2011
20	G3 10Mic Charging Station	Wireless microphone charging station	SCAA-02	25	820.00	20,500.00			Oct-2011
21	Gigatek Card Reader	Driver's license reader	SCOPT-05	360	250.75	90,270.00			Oct-2011
22	Video Streaming	Video streaming	SCOPT-07	360	212.50	76,500.00			Oct-2011
23	Tech Support Kit - USB	Technical support kit for In-Car Video system troubleshoot and recovery.	SCAA-06	5	212.50	1,062.50			Oct-2011
24	G3 Wireless Mic Pkg B	Additional wireless microphone package	SCPKB-03	360	327.25	117,810.00			Oct-2011
25	MDHH 2.5" 32G - APECER	Additional removable hard drive.	SCMH-32SDS	432	505.75	218,484.00			Oct-2011
26	G2 IX11A Camera w/ Std Camera Mount/EDGE Blue Cam 2	Rear windshield camera, with mount and cable for installation, camera switch box	SCMR-01/MCAM00/SCCBL-42	360	569.50	205,020.00			Oct-2011
27	Edge Upload Cradle	Video upload docking station	BMIS-01	10	148.75	1,487.50			Oct-2011
28	4 in 1 USB Upload Cradle 1.8"	Multi upload docking station	BMIS-08	20	807.50	16,150.00			Oct-2011
29	Workstation HW & SW Config	Video upload workstation setup	LSET-01	10	212.50	2,125.00			Oct-2011
30	DVMS Setup & Config	Sub server setup	LSET-00	5	2,250.00	11,250.00			Oct-2011
31	Installation In-Car	In-Car video vehicle installation	LINST-01	360	495.00	178,200.00			Oct-2011
<b>TOTAL EQUIPMENT</b>						\$ 5,171,463.06	\$ 17,484.90	\$ 5,188,947.96	

**Exhibit II**

**Fire-EMS Equipment**

**Exhibit II**

**Fire-EMS Equipment**

	GENERAL DESCRIPTION	DETAILED DESCRIPTION	MAKE & MODEL	QTY	UNIT COST	TOTAL COST/FEES	FINANCING COST	NET COST	ANTICIPATED DELIVERY DATE
1	12 Lead Monitors for dedicated ALS Units	Required for transmission of EKG information to the hospitals where patient is being transported. Assists in the management of heart and stroke victims.	Philips M3536A HeartStart MRx ALS Monitor with carry case and components for electronic submission; including power module and service agreement	5	24,463.35	122,316.75			July-11
2	IV infusion pumps	Required for administration of vasoactive medications. Assist in controlling blood pressure. Improved patient safety by using these devices.	Braun Infusomat Space ACM Pump (incl pole and power cord); 3 year extended warranty; and one time drug library install	58	2,468.70	143,184.60			July-11
3	Video airway device	Advanced airway procedure to provide direct visualization by paramedic and their partner at the same time. Increases success rate of airway management.	Pentax AWS Airway Scope with Adj. view screen (incl carry case and extended warranty); plus a DVR for each scope	58	8,248.00	478,384.00			July-11
TOTAL						\$ 743,885.35	\$ 2,515.10	\$ 746,400.45	

**Exhibit III**

**Defined Self-Insurance and Risk Management Program**

The City and its employees have coverage through the Defined Self-Insurance and Risk Management Program. Said program provides liability coverage for City employees pursuant to City Ordinance 83926. This Ordinance authorizes the City of San Antonio to pay claims which are brought against it or its employees under the Texas Tort Claims Act, § 101.001 et seq., Section 150 of the City Charter, the Federal Civil Rights Act, § 42 U.S.C., 1983, and other applicable statutes.

The Defined Self-Insurance Fund was created by City Council for the sole purpose of providing defense of and payment of claims against the City and its officers, employees, members of boards and commissions when and while acting in the ordinary course of their duties, powers and functions (respectively, "Employee"). Pursuant to the Texas Tort Claims Act, §101.23, the maximum limits of liability for claims against a City Employee is \$250,000 per claimant and \$500,000 per occurrence.

With respect to Property Insurance, the City purchases a blanket commercial property insurance policy. This coverage is through Great American Insurance Company and is subject to a \$200,000 per occurrence deductible. The City will provide coverage for Lessor's property in the event of fire, wind, hail, theft, or vandalism up to the stated value during the term of this lease. As delineated, any physical damage caused by the City's use of the stipulated property during the term of the lease, save reasonable wear and tear, will be covered by the City's Defined Self-Insurance and Risk Management Program. The Lessor shall be named as loss payee on said property policy.