



Finance Department

July 18, 2024

Request for Proposals for Equipment Installment Financing

The City of Lowell, North Carolina (the “City”) desires to enter into an installment financing agreement pursuant to N.C.G.S. §160A-20 in a principal amount of \$95,000.00 for the purpose of financing the cost of a new dump truck (collectively, the “Project”) and paying related financing costs. The City is soliciting proposals to provide the necessary financing for the Project, subject to the terms and conditions set forth in this Request for Proposals.

A. Pertinent Information

1. The Project consists of a new dump truck as designated on the attached vehicle list.
2. Mullen Holland and Cooper P.A. (MHC), Gastonia, North Carolina, will serve as special counsel to the City for this financing. Legal documentation necessary for the financing will be prepared either by the successful bidder, its counsel or MHC, as agreed to by such parties. In any event, all legal documentation will be subject to the approval of the City’s counsel. By submitting a proposal, the winning bidder waives any conflict of interest that might arise in connection with Mullen Holland and Cooper’s (MHC) representation of the City as special counsel in connection with the financing.
3. The financing will be bank eligible under Section 265 of the Internal Revenue Code of 1986, as amended.

B. Contract Specifications

1. The amount of the financing is not to exceed \$95,000.00.
2. The desired term of the financing is for 59 months. The City desires substantially level debt service payments.
3. Installment payments (principal and interest) are to be made monthly-annually in arrears. Please submit debt service schedules for each payment term offered.
4. The interest rate shall be fixed for the entire term.

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5. The interest rate(s) proposed must be guaranteed for at least sixty (60) days. The City desires to close the transaction on or before October 1, 2024.
6. Prepayment terms shall be specified in the bid.
7. The City's obligations under the installment financing agreement will be secured by a security interest in all or a portion of the equipment being financed. No deficiency judgment may be rendered against the City for breach of a contractual obligation under the Installment Financing Agreement, and the taxing power of the City will not be pledged to secure repayment hereunder. The successful bidder will be required to prepare and file UCC-1 financing statements and take such other actions as necessary to perfect the security interest in the vehicles and equipment being financed.
8. The installment financing agreement must not contain a non-substitution clause.

C. Submission of Proposal

Proposals can be emailed to cramsey@lowellnc.com or mailed prior to the bid opening to the City of Lowell City Clerk at 101 W. First Street Lowell, NC 28098. **All bids must be received by 2:00 P.M. August 2, 2024.**

It is expected that the City Council will formally accept the winning proposal at its August 13, 2024 City Council meeting.

At a minimum, proposals must specify the following information:

1. The term of the financing (i.e., 59 months).
2. The interest rate for the entire term.
3. The terms of repayment. Please attach sample debt service schedules.
4. Proposed terms for optional prepayment.
5. If there are any additional costs associated with this financing, including origination or placement fees, escrow fees, counsel fees and expenses, please list. State whether or not any of such fees or expenses will be capped.
6. Describe how the proceeds of the financing will be required to be held and invested pending expenditure to pay project and financing costs.

The City reserves the right to request additional information from and negotiate terms with the bidders and reserves the right to reject all proposals and to waive any irregularity or informality. Although the selection will be based substantially on the lowest total financing cost (including both interest costs and additional costs), the City reserves the right to select the bidder that best meets the needs of the City.

You may contact Lisa Nolen at (704) 824-3518 or lnolen@lowellnc.com if further information is needed or if you have any questions regarding this Request for Proposal.

Thank you in advance for your consideration.

Vehicle List

New Dump Truck