

January 13, 2020

Sir or Madam,

The City of North Augusta is soliciting proposals for the lease purchase financing of certain City equipment as described below. Funding for this lease purchase financing and the authorization to execute all documents related thereto has been approved by City Council with the adoption of Ordinance 2019-14 on December 2, 2019.

1. EQUIPMENT DESCRIPTION:

No.	Qty.	Department	Description	Amount
1	5	Information Technology	Dell EQL Logix Host Replacement	\$ 42,500
2	1	Information Technology	Main Core Switch Replacement	55,000
3	1	Planning & Development	Pick Up Truck	23,955
4	1	Property Maintenance	Versa Mower Flail Cutter	52,300
5	7	Public Safety	Patrol Vehicles	433,000
6	1	Public Safety	AirPacks	167,000
7	1	Sanitation	28yd Sideload Residential Truck	269,400
8	1	Sanitation	Knuckle Boom Residential Truck	174,800
9	1	MRF	1/2 Ton Crew Cab Pick Up Truck	31,668
10	1	Utilities Administration	Radix Meter Reader Hardware	30,000
11	1	Water O&M	1 Ton Utility Truck	34,455
12	1	Water Production	1/2 Ton Utility Truck	25,948
13	1	Water Production	Telemetry System	115,000
14	1	Wastewater O&M	Track Excavator	174,387
15	1	Wastewater O&M	Willow Wick 125HP Pump	59,050
				\$ 1,688,463

2. LESSEE:

The City of North Augusta, South Carolina.

3. AMOUNT TO BE FUNDED:

Approximately \$ 1,688,463

4. EQUIPMENT LOCATION:

The City of North Augusta, South Carolina.

5. ANTICIPATED FUNDING DATE:

February 24, 2020. The City is interested in an up-front advanced funding with proceeds deposited in an interest bearing account. The lessor will disburse funds when equipment is delivered.

6. LEASE TERM:

Four (4) years, complete amortization.

7. LEASE PAYMENTS:

The Lessee shall make five (5) annual payments of \$\_\_\_\_\_, *in advance*, calculated at a lease rate of \_\_\_\_\_%. The repayment schedule shall commence at funding, with the first annual payment. The first annual payment to be made in advance shall be credited 100% to the principal balance. *An amortization schedule must be submitted with your proposal.*

8. LEASE DEPOSIT:

The Lessee will be required to remit a deposit equal to \_\_\_\_\_ percent (\_\_\_\_%) of the cost of the equipment.

9. PURCHASE OPTION:

Zero at end of lease term. \_\_\_\_\_% of remaining principal at any time during term.

10. TITLE:

Title to all equipment and vehicles should pass to the Lessee on the acceptance date. Title will remain in the Lessee's name so long as all payments are made annually in advance.

11. NON-APPROPRIATION/TERMINATION:

The lease must provide that the Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of the non-appropriation and the Lessee's exercise of diligence to obtain funds.

12. TAX STATUS:

The Lessee qualifies as a governmental entity or "political" subdivision within the meaning of Section 103(A) of the Internal Revenue Code of 1954 as amended. The Lessee agrees to cooperate with the Lessor in providing evidence as deemed necessary or desirable by the Lessor to substantiate such tax status.

13. RENTAL ADJUSTMENT:

The Lessee represents this lease is not to be designated as a qualifying obligation under the \$10,000,000 small issue exemption as described within Section 265b3 of the Tax Reform Act of 1986.

14. INSURANCE:

Limits of liability on vehicles required by the lease: \$\_\_\_\_\_/\$/\_\_\_\_\_/\$.  
Comprehensive and collision on vehicles required by the lease: Yes\_\_\_No\_\_\_.

15. OTHER:

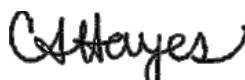
The Lessee has already purchased, taken possession of and paid for certain pieces of equipment authorized in the budget and would expect to be reimbursed from the lease proceeds.

16. MISCELLANEOUS:

Please list any additional information required by your lease agreement.

The deadline for the receipt of proposals is 5:00 P. M., February 7, 2020, and the proposals should be valid until February 24, 2020. Proposals should be sent to the attention of Cammie T. Hayes, Director of Finance, City of North Augusta, P. O. Box 6400, North Augusta, SC 29861-6400, and clearly marked "Lease Purchase Financing Proposal." If you have any questions concerning this request for proposals, please call me at (803) 441-4206 or e-mail me at [chayes@northaugusta.net](mailto:chayes@northaugusta.net).

Sincerely,



Cammie T. Hayes  
Director of Finance