



SEDGWICK COUNTY, KANSAS
DIVISION OF FINANCE
Purchasing Department
Iris Baker, Purchasing Director

604 N. Main, Suite F ~ Wichita, KS 67203
Phone: 316 383-7494 Fax: 316 383-7055
www.Sedgwick County.org/purchasing

REQUEST FOR PROPOSAL
#02-0089
PROVIDE FINANCING FOR AN EQUIPMENT FINANCE PROGRAM
FOR SEDGWICK COUNTY

December 13, 2002

1. PURPOSE

Sedgwick County, Kansas (the "County") is soliciting proposals from qualified and experienced firms to provide an Equipment Finance Program (the "Program") for public safety equipment.

The County anticipates the Program taking the form of a lease finance program, however the County will also consider other alternative equipment finance programs, such as an equipment note program.

The County anticipates selecting one (1) firm to provide financing under the Program. The County reserves the right to expand the number of firms in the future or replace the provider for failure to perform or under other agreed upon circumstances.

The County will be the Lessee/Borrower under the Program and will enter lease or loan agreements directly with the provider.

2. BACKGROUND INFORMATION

Sedgwick County is the most populous county in Kansas, with a population in excess of 450,000. The County seat is the city of Wichita, the largest city in Kansas. A five-member Board of County Commissioners governs the County. The chief administrator official is the County Manager. The County's general obligation credit ratings are AAA by Fitch Ratings, Aa1 by Moody's Investors Service and AA+ by Standard & Poor's; however, the County does not anticipate obtaining a credit rating for the Program.

Fire District #1 is established in Sedgwick County and is governed by the Board of County Commission. K.S.A. 19-3601a and AG opinion 93-95 permit fire districts to enter into lease agreements. Equipment leases are not subject to notice or hearing requirements.

Rental payments made under the lease would be subject to annual appropriation of the governing body. It is expected rental payments made under the lease would be exempt from federal and Kansas income taxation. The County's bond counsel, the cost of which will be borne by the County, will prove tax opinion.

3. PROPOSAL SUBMISSION

Each proposer must submit one (1) original and three (3) copies along with either one (1) CD Rom or diskette in a sealed envelope marked in the lower left hand corner with "Equipment Finance Program For Sedgwick County- RFP #02-0089". The original submission must be clearly marked "original". The vendor's name and address should also be marked clearly on the envelope along with the due date and time proposal is due. Proposals should be mailed to:

Iris Baker
Purchasing Director
Sedgwick County, Kansas
604 N. Main, Suite F
Wichita, KS 67203

Proposals should be received no later than **1:45 pm (Central Standard Time) on December 27, 2002.** Late proposals will not be considered and will be returned to the vendor unopened. The official receipt of the proposal is based upon the date and time stamp in the Purchasing Department.

This proposal, with the blanks on pages 5 and 8 completed, should be submitted with your response.

4. INQUIRIES

All questions should be directed to:

Chris Chronis
Chief Financial Officer
525 N. Main, Suite 823
Wichita, KS 67203
Ph: 316 383-7591
Cchronis@sedgwick.gov

5. PROPOSAL DESIGN AND CONTENT

No extraneous promotional material is requested, and firms are discouraged from including general corporate brochures and related promotional material in their proposal.

Proposal must be limited to not more than 15 pages, excluding the transmittal letter, references, and your firm's proposed form of equipment finance legal documentation.

Your response to the Request for Proposal should include information based on the Summary of Terms and as further outlined in the Format and Content of this Proposal.

The Summary of Terms is written in anticipation of receiving proposals for either a Lease finance option or a Note finance option. Where appropriate, if the language in the Summary of Terms differs from your proposed equipment finance option, please note the difference and explain how your proposed option meets the Terms of the County Program.

6. SUMMARY OF TERMS

The following considerations are to be addressed in the equipment finance proposals.

Lessee/issuer: Sedgwick County (the "County").

Tax Status: The County is a political subdivision of the State of Kansas within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended. The

County will cooperate with provider in providing evidence as deemed necessary or desirable to substantiate such tax status.

Types of Property to be acquired (not exclusive):	Rescue Vehicles, Tender Vehicles, Fire Engines, Squad Cars, Quints.
Estimate of Annual And Cumulative Financing Needs:	The County fire equipment acquisition needs are estimated to be \$755,000 in 2003, \$245,000 in 2004 and \$245,000 in 2005. The total amount of the Lease over the three-year term is estimated to be \$1,245,000.00 exclusive of financing costs. The County may have additional financing needs beyond this three-year period.
Program Origination Period:	Three years with a possibility of annual renewals for a total of five years.
Funding:	Funds are normally expected to be advanced as property is acquired. However, an escrow arrangement for pre-funding is considered desirable. Lessee may finance less than the estimated amount and may terminate the master lease at any time.
Lease/Note Term:	Based on useful life of equipment acquired, expected to be eight years from date of the advance of funds. Indicate willingness of a lease term up to ten years and effect on interest rates of pricing of lease.
Interest Rate:	<p>The interest rate formula for each separate financing under the master finance agreement should be specified. One option is the Delphis-Hanover Yield Curve Scale rate for the "AAA"-rated federally tax-exempt debt in the maturity closest to the average life of the equipment financed, plus a single, fixed increment to be established for the master finance contract.</p> <p>Alternative interest rate indexing proposals may be submitted for consideration.</p>
Lease/Note Payments:	Monthly, quarterly, semi-annual payment schedules will be considered. The financing for each acquisition should be pre-payable on any payment date for 100 percent of remaining principal plus interest accrued to the date of prepayment. If such prepayment option would be subject to a penalty provision, please indicate in your proposal. If your proposal contains such a penalty provision, please indicate any reduction in the penalty caused by a modification in the prepayment option.
Payment Structure:	The County prefers to have approximately equal periodic payments for each origination.
Billing:	Each item financed should be billed directly to the County.
Purchase Option:	All property should be financed on a self-liquidating basis and provide for a purchase option of \$1.00 at lease end.
Title:	Title to property shall pass to the Lessee on the acceptance date. Title will remain with the Lessee so long as all payments in the agreement have been made.

Net Lease: There will be net lease transactions whereby maintenance, insurance, taxes (if applicable), compliance with laws, and similar expenses shall be borne by the Lessee.

Credit Rating: The County does not intend for the financing to be rated by bond rating agencies. If the Provider desires to do so, the Provider will bear any associated costs.

7. FORMAT AND CONTENT

Proposals should be presented in a clear and concise manner, yet include sufficient detail to enable evaluation of the firm's suitability for the assignment. Although overall format is at the discretion of the respondents, each proposal should provide the following information as a minimum:

- A. Describe the organization of the firm and the range of services it provides, its underlying philosophy, or mission statement as a provider of master lease/note finance agreements, and any organizational aspects that uniquely qualify the firm for this assignment.
- B. Provide an overview of the firm's experience in providing master lease/note finance agreements.
- C. Describe the firm's relevant master lease or note finance agreement experience with the State of Kansas, the County or other Kansas cities and counties, and municipal leasing in the State of Kansas, the County or other Kansas cities and counties, and municipal Leasing in the State of Kansas in general.
- D. List the master Lease or note finance agreements for which the firm has acted as provider over the past three years, and describe three comparable leasing transactions.
- E. Provide a list of at least three current clients that may be contacted as references.
- F. Provide the names of all clients who have terminated your firm's services as an equipment finance provider in the last three years. In each case, detail the reason for termination.
- G. Identify the principal contact that will assume primary responsibility for managing the County's master lease or note finance agreements, including telephone/fax number.
- H. List the personnel, including name, title, and resume, who will communicate with the County on individual drawdowns.
- I. Within the last five years, has your organization, or an officer or principal, been involved in any business litigation or other legal proceedings relating to your master lease agreement activities? If so, provide an explanation and indicate the current status or disposition.
- J. The County expects the finance leases or notes to be held by the provider for its own account. If you propose a different arrangement, please specify your proposed alternative.
- K. Your interest rate proposal should anticipate multiple transactions during the origination period, with a defined mechanism to determine individual transaction interest rates. While we suggest a mechanism, which is indexed to a bond industry source, you are permitted to suggest alternative approaches. One daily index source of ongoing industry availability is from the Delphis-Hanover Corporation. If your interest rate proposal is to be based on the Range of Yield Curve Scale published by the Delphis-Hanover Corporation, please complete the following using the enclosed "AAA"-rated (100%) scale for December 11, 2002 (attachment A).

<u>Lease Term</u>	<u>Average Maturity</u>	<u>Delphis AAA Average Maturity Coupon</u>	<u>Increment Difference to this coupon</u>
Eight Years	_____	_____ %	_____ %
Ten Years	_____	_____ %	_____ %

If you are using a different industry index please specify the index, provide a copy for the same date indicated above, and complete the above table in a comparable manner.

- L. Indicate separately any administrative fee to be added to each funding request and any prepayment penalties for early redemption.
- M. Identify any up-front costs of each drawdown and any prepayment penalties proposed.
- N. Describe the scope and extent of the security interests expected under the firm's required equipment finance proposal. Indicate whether or not additional fees would be charged if the scope or extent of the firm's security interest in the assets being acquired is reduced as principal is repaid.
- O. Indicate whether assignments of the firm's interest in the finance vehicle are expected and whether any additional fees will be charged if the Lessee's/Borrower's consent to an assignment is required (not to be unreasonably withheld, so long as appropriate documentation is provided to and by the Assignee).
- P. Most transactions are expected to be completed at or near the time of acquisition of the property, but in certain cases where lead-times are involved, it may be necessary or desirable to lock in the financing before the property is acquired. Describe your willingness to establish an escrow agreement structure for use in such situations.
- Q. Describe the timing and process of individual transactions during the origination period, your commitment to a firm interest rate on a typical transaction in relation to the institutions' request for the actual advance of funds, as well as any County counsel or governing body actions.
- R. Indicate the intended method of placement, if the obligations are not intended to be held by the firm (e.g., private placement, certificate of participation).
- S. Include any other relevant information the County should consider in evaluating the firm's qualifications or proposal.
- T. Include a copy of your standard Master Lease Agreement and any other relevant documents you use in lease finance transactions both at initiation and for individual originations.

8. SELECTION PROCESS

Evaluation of each proposal will include, but not be limited to the following:

- A. Overall quality of the firm's proposal.
- B. Relevant experience in providing equipment finance agreements to the public sector.
- C. Familiarity with the State of Kansas and the County.
- D. Experience and demonstrated success, as indicated by the listing of current major clients.
- E. The firm's professional reputation for integrity and compliance with state and federal law.

- F. The professional qualifications and experience of principal employees who will work with the County and its advisors.
- G. Commitment to fair and equitable employment practices.
- H. Significant consideration will be given to the proposed fee structure and estimated costs, but price will not be the sole determining factor.

The County and its consultants intend to review proposals submitted in response to the Request for Proposal upon receipt. The proposal submitted will be the primary document on which each proposer will be evaluated. After review of the proposals and other information as needed, the County is expected select a tax-exempt equipment finance proposal that best meets the requirements of the County. The County expressly reserves the right to reject any or all proposals received.

Information provided by firms in response to this Request for Proposal will be considered confidential by the County throughout the selection process, to the extent permitted by law.

The County reserves the right to retain all proposals and information submitted and to use in the bond issue any idea or concept contained in any submitted information, regardless of whether the submitting firm is selected. Submittal of a proposal indicates acceptance by the proposer of all terms and conditions.

9. PROPOSAL CONDITIONS

Firms will understand that pricing offered in the proposal document will be provided to other local government entities with whom Sedgwick County regularly enters into cooperative agreements. In submitting a response to this Request for Proposal, vendors hereby understand the following:

1. All project participants, consultants, engineers, and contractors, must comply with all applicable Federal, State and County laws pertaining to contracts entered into by governmental agencies, including nondiscriminating employment. Contracts entered into on the basis of submitted proposals are revokable if contrary to law.
2. Alternate proposals (two or more proposals submitted) will be considered for an award. Sedgwick County reserves the right to make the final determination of actual equivalency or suitability of such proposals with respect to requirements outlined herein.
3. The proposals submitted, and any further information acquired through interviews, will become, and are to be considered, a part of the final, completed contract. If there is any variance or conflict, the proposal specifications, conditions, and requirements will control.
4. Sedgwick County may award a purchase contract, based on initial offers received, without discussion of such offers. A vendor's initial offer should therefore be based on the most favorable terms available from a price and technical standpoint. The County may, however, have discussion with those vendors that it deems in its discretion to fall within a competitive range. It may also request best and final offers from such proposers, and make an award and/or conduct negotiations thereafter.
5. Sedgwick County reserves the right to negotiate separately with any proposer after the opening of this Request for Proposal when such action is considered in its best interest. Subsequent negotiations may be conducted, but such negotiations will not constitute acceptance, rejection, or a counteroffer on the part of the County.
6. **Prices proposed may not be withdrawn for a period of 120 days immediately following the opening of this *Request for Proposal*. Prices MUST also be free of federal, state, and local taxes unless otherwise imposed by a governmental body, and applicable to the material on the proposal.**
7. **Proposers MUST return (1) signed original, (3) copies and (1) CD Rom/ Diskette of the Proposal to Sedgwick County, Kansas, Purchasing Department, Suite F, 604 North Main, Wichita, KS 67203-3672, on or before 1:45 p.m. on the proposal due date. The time clock stamp in the Purchasing Department will determine the time of receipt.**
8. **Envelopes containing Response Forms must be sealed and marked on the lower left-hand corner with the firm name and address, proposal number, proposal opening date, and proposal opening time.**
9. Left blank intentionally.

10. All requested information must be supplied. If you cannot respond to any part of this request, state the reason you cannot respond. You may provide supplemental information, if necessary, to assist Sedgwick County in analyzing your proposal.
11. A purchase order and/or contractual agreement constitutes Sedgwick County's offer to the service provider upon the terms and conditions stated herein, and will become binding meeting the terms set forth herein when it is accepted by acknowledgment or performance.
12. Left blank intentionally.
13. The supplier will hold and save Sedgwick County, Kansas, and its officers, agents, servants/employees harmless from liability of any patented, or unpatented invention, process, article, or appliance manufactured, or used in the performance of the contract, including its use by Sedgwick County.
14. Payment of the seller's invoices is subject to adjustment for any shortage, or for the rejection of any item or items.
15. The Proposer agrees to comply with K.S.A. 44-1030, which reads as follows: "The Proposer hereby agrees that":
 - a. He or she will observe the provision of the Kansas Commission on Human Rights and will not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, national origin, ancestry, or physical disability;
 - b. In all solicitations or advertisements for employees, he or she will include the phrase, 'Equal Opportunity Employer,' or a similar phrase to be approved by the Kansas Commission on Human Rights;
 - c. If he or she fails to comply with the manner in which he reports to the Kansas Commission on Human Rights, he will be deemed to have breached the present contract, and it may be canceled, terminated, or suspended, in whole or in part, by Sedgwick County, Kansas;
 - d. If he or she is found guilty of a violation of the Kansas Act Against Discrimination under a decision, or order of the Kansas Commission on Human Rights which has become final, he or she will be deemed to have breached the present contract, and it may be canceled, terminated, or suspended, in whole or in part, by Sedgwick County, Kansas; and,
 - e. He or she will include the provisions of subsections (a) through (d) inclusively of this paragraph in every subcontract or purchase order so that such provision will be binding upon such subcontractor or vendor.
16. The County reserves the right to select or reject any or all proposals submitted, to waive any formal proposal requirements, to investigate the qualifications and experience of any proposer, to reject any provisions in any proposal, to obtain new proposals, to negotiate the requested services and contract terms with any proposer, or to proceed to do the work otherwise. The County is not responsible for any costs incurred by proposers in preparing responses or attending meetings during the selection process.
17. The vendor responding to this proposal proposes to furnish all materials, labor, supplies, equipment and incidentals necessary to provide the equipment/materials/services described herein in accordance with the Notification of Solicitation (if applicable), Request for Information (if applicable), Request for Proposal, Addenda, Contract, Bonds, Insurance, Plans, Specifications, Mandatory Requirements and Conditions.
18. Left blank intentionally.
19. Left blank intentionally.
20. Left blank intentionally.
21. Left blank intentionally.
22. The Proposer certifies that this proposal is submitted without collusion, fraud or misrepresentation as to other Proposers, so that all proposals for the project will result from free, open and competitive proposing among all vendors.
23. It will be understood that any proposal and any/all referencing information submitted in response to this Request for Proposal will become the property of Sedgwick County, and will not be returned. Sedgwick County will use discretion with regards to disclosure of proprietary information contained in any response, but cannot guarantee that information will not be made public. As a governmental entity, Sedgwick County is subject to making records available for disclosure after Board of County Commission approval of the recommendation.
24. Left blank intentionally.
25. Left blank intentionally.

- 26. By submission of a response, the Proposer agrees that at the time of submittal, he or she: (1) has no interest (including financial benefit, commission, finder's fee, or any other remuneration) and will not acquire any interest, either direct or indirect, that would conflict in any manner or degree with the performance of Proposer's services, or (2) benefit from an award resulting in a "Conflict of Interest." A "Conflict of Interest" will include holding or retaining membership, or employment, on a board, elected office, department, division or bureau, or committee sanctioned by and/or governed by the Sedgwick County Board of County Commissioners. Proposers will identify any interests, and the individuals involved, on separate paper with the response and will understand that the County, at the discretion of the Purchasing Director in consultation with the County Counselor, may reject their proposal.
- 27. Purchase contracts entered into as a result of this document are subject to the laws of the State of Kansas and any local resolutions specifically applicable to the purchase.
- 28. Left blank intentionally.
- 29. Sedgwick County will issue a purchase order/contract for the acquisition of products/services specified as a result of an award made in reference to this document. Contract documents will be subject to any regulations governed by the laws of the State of Kansas. Any dispute arising out of the contract documents or their interpretation will be litigated only within the courts of the State of Kansas. No prepayment of any kind will be made prior to shipment. Payment will be made upon verification of delivery, compliance with specifications/requirements, assurance that the product/service performs as specified and warranted, and receipt of correct invoicing.
- 30. Left blank intentionally.

10. PROJECTED SCHEDULE

Tentative Schedule

Request for Proposal Issued -----December 13, 2002
 Responses Due -----December 27, 2002
 Evaluation Process, including interviews (if conducted)-----December 27, 2002 – January 15, 2003
 Board of Bids and Contracts -----January 16, 2003
 Board of County Commission Approval -----January 22, 2003

By submission of this proposal, the undersigned certifies that the proposed has full authority to execute the proposal and to execute any resulting contract awarded as the result of, or on the basis of the proposal.

I hereby certify that the attached proposal has been prepared in compliance with the specifications.

Authorized Representative: _____

Signature: _____ Title: _____

Company Name: _____ Federal Tax ID Number: _____

Address: _____ City, State, Zip: _____

Phone Number: _____ FAX Number: _____

E-Mail address: _____

Date: _____

ATTACHMENT A

RANGE OF YIELD CURVE SCALES
 DELPHIS HANOVER CORPORATION
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CLOSE: 12/11/02

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2003	1.33	1.38	1.44	1.53	1.64	1.76	1.91	2.06
2004	1.64	1.70	1.76	1.85	1.98	2.09	2.21	2.36
2005	1.98	2.04	2.13	2.22	2.34	2.45	2.57	2.72
2006	2.34	2.40	2.49	2.58	2.70	2.81	2.93	3.08
2007	2.67	2.73	2.81	2.90	3.02	3.13	3.25	3.40
2008	3.01	3.07	3.15	3.25	3.39	3.51	3.63	3.78
2009	3.24	3.31	3.39	3.49	3.63	3.74	3.86	4.01
2010	3.50	3.56	3.64	3.74	3.87	3.98	4.10	4.25
2011	3.68	3.74	3.82	3.92	4.05	4.16	4.28	4.43
2012	3.78	3.84	3.92	4.02	4.15	4.26	4.38	4.53
2013	3.91	3.97	4.04	4.14	4.28	4.39	4.51	4.67
2014	4.05	4.11	4.18	4.28	4.42	4.53	4.65	4.81
2015	4.17	4.23	4.30	4.40	4.53	4.64	4.76	4.90
2016	4.28	4.34	4.42	4.52	4.65	4.76	4.88	5.02
2017	4.38	4.44	4.52	4.62	4.75	4.86	4.98	5.12
2018	4.48	4.54	4.62	4.73	4.85	4.96	5.08	5.23
2019	4.57	4.63	4.71	4.82	4.94	5.05	5.17	5.32
2020	4.66	4.72	4.80	4.91	5.04	5.15	5.27	5.42
2021	4.73	4.79	4.88	4.99	5.11	5.22	5.34	5.49
2022	4.80	4.86	4.95	5.06	5.18	5.29	5.41	5.56
2023	4.84	4.90	4.99	5.10	5.21	5.32	5.44	5.59
2024	4.87	4.93	5.01	5.12	5.24	5.35	5.47	5.62
2025	4.88	4.94	5.02	5.13	5.26	5.37	5.49	5.65
2026	4.89	4.95	5.03	5.14	5.27	5.38	5.50	5.66
2027	4.90	4.96	5.04	5.15	5.28	5.39	5.51	5.67
2032	4.93	4.99	5.07	5.18	5.31	5.43	5.55	5.71
2037	4.97	5.03	5.11	5.22	5.35	5.47	5.59	5.75
2042	5.01	5.07	5.15	5.26	5.39	5.51	5.63	5.79

High grades were up about .04 to .05 through five-years; up .03 to .04 from six to ten-years and .02 thereafter. Secondary market activity was light to moderate; most new issue pricing firm to strong.

Dollar bonds closed plus 1/8 to 1/4. The market opened flat; was up 1/4 by mid-morning; eased a couple of ticks by Noon EST and quoted in range through the afternoon.

ON THE RUN TREASURY ISSUES

MATURITY	COUPON	TREAS YIELD	DELPHIS Aaa/100	Aaa/100 vs TREAS
11/30/04	2.000	1.841	1.631	88.6%
05/15/05	6 3/4	2.299	1.785	77.6%
11/15/07	3.000	2.998	2.646	88.3%
05/15/09	5 1/2	3.648	3.108	85.2%
11/15/12	4.000	4.005	3.773	94.2%
02/15/31	5 3/8	4.869	4.919	101.0%

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(203) 262-1862