City of Broken Arrow

Legislation Details (With Text)

File #:	17-2844	**Name:**	
Type:	General Business	**Status:**	Passed
File created:	10/30/2017	**In control:**	Broken Arrow City Council
On agenda:	12/5/2017	**Final action:**	12/5/2017
Title:	Consideration, discussion, and possible approval of and authorization to execute Resolution No. 1065, a Resolution approving and authorizing execution of a Capital Lease Agreement between the City of Broken Arrow and Bank of Oklahoma Financial Equipment Finance, Inc. for the acquisition of three ambulances; and approving and authorizing the execution of certain documents related thereto, including but not limited to a Schedule of Payments, an Amortization Schedule, an Acceptance Certificate, No Arbitrage Certificate, a Lessee's Counsel Opinion, a Certificate of Resolution, a Certificate of Appropriation, and Incumbency Certificate, a Pay Proceeds Certification, and a Notification of Tax Exempt Status		

Sponsors:

Indexes:

Code sections:

Attachments: 1. RFP 18-122 Bid Tabulation, 2. RFP 18-122 BOK Financial Proposal, 3. 12-4-2017 RES. 1065 Ambulance bids BOK and City, 4. Municipal Lease Agreement

Date	Ver.	Action By	Action	Result
12/5/2017	1	Broken Arrow City Council	approved	Pass
11/21/2017	1	Broken Arrow City Council	approved	Pass

Broken Arrow City Council
Meeting of: 12-5-17

To: **Mayor and City Council**
From: **Fire Department**
Title:
Consideration, discussion, and possible approval of and authorization to execute Resolution No. 1065, a Resolution approving and authorizing execution of a Capital Lease Agreement between the City of Broken Arrow and Bank of Oklahoma Financial Equipment Finance, Inc. for the acquisition of three ambulances; and approving and authorizing the execution of certain documents related thereto, including but not limited to a Schedule of Payments, an Amortization Schedule, an Acceptance Certificate, No Arbitrage Certificate, a Lessee's Counsel Opinion, a Certificate of Resolution, a Certificate of Appropriation, and Incumbency Certificate, a Pay Proceeds Certification, and a Notification of Tax Exempt Status

Background:

On July 18, 2017, the City Council, pursuant to a competitive bidding process completed in compliance with state and local laws, approved the purchase of (3) three new ambulances from Professional Ambulances, City Staff was authorized to investigate financing options that would benefit the City of Broken Arrow by amortizing a portion of the costs. Staff issued a Request for Proposals ("RFP") to numerous financial institutions and received a total of (7) seven proposals in response.

The overall project cost to purchase and equip three (3) new ambulances is approximately $933,623.00. The Fire department has budgeted in the Fire Sales Tax Fund the amount of $225,000.00 in fiscal year 2018 which will be applied to the project. The remaining balance of $730,000.00 will be secured from the successful financial institution from the RFP process. Repayment will be accomplished through annual payments for a term of (4) years through a capital fund account, but will be subject to annual appropriation.

A thorough review of all proposals was performed by both the Fire Department and Finance Department and BOK Financial Equipment Finance, Inc. ("BOK") was found to have the proposal most advantageous to the City, while meeting the specifications and requirements outlined within the RFP. BOK's proposal included a (4) four-year term at a rate of 3.30%, requiring annual payments of $197,800.59 at the end of each fiscal year.

After review, Staff recommends accepting the proposal from BOK as the most advantageous to the City. Resolution 1065 authorizes approval of a Capital Lease Agreement with BOK Financial Equipment Finance, Inc. Identification of this document as a "Lease" is really a mishomer as title to the ambulances will vest in the City. The Agreement essentially serves as financing for the ambulances subject to a lien, similar to a vehicle loan on a personal vehicle. Staff recommends that the Council approve Resolution No. 1065 and authorizes its execution.

Cost:	**$225,000 in FY 18/ (4) four annual payments of $197,800.59 subject to annual appropriations**
Prepared By:	**Ryan Lawson, Deputy Chief**
Reviewed By:	**Fire Department**
	Finance Department
	Human Resources Department
	Assistant City Manager - Administration
	Legal Department
Approved By:	**Michael L. Spurgeon, City Manager**
Attachments:	**RFP 18-122 Bid Tabulation**
	RFP 18-122 BOK Financial Proposal
	Financing agreement (to be presented)
	Resolution 1065 (to be presented)

Recommendation:
Approve Resolution 1065 and authorize its execution.