



AGENDA MEMORANDUM

Future Item for the City Council Meeting of July 17, 2018
Action Item for the City Council Meeting of July 24, 2018

DATE: July 17, 2018
TO: Keith Selman, Interim City Manager
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Master Agreement – Municipal Lease Line of Credit
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CAPTION:

Motion approving a two-year Master Lease-Purchase Financing Agreement with JPMorgan Chase Bank, N.A. of Chicago, Illinois for an estimated expenditure of \$11,883,665, with three additional options for one-year periods.

PURPOSE:

The City uses municipal lease purchase financing to fund equipment and rolling stock replacement needs.

BACKGROUND AND FINDINGS:

As equipment is requisitioned to be purchased, financing for the purchases is provided through this lease line of credit agreement. An estimated \$11,580,488 million worth of equipment is projected to be purchased over the initial two-year period of this agreement. The lease line of credit is the instrument to be used for payment on high dollar capital items over \$50,000; all items over \$50,000 will be presented to City Council for recommendation for an award.

The actual interest rate will fluctuate throughout the term of the contract based on the index rate at the time of the purchase. Based on the index rate at the time of the proposal, on November 1, 2017, the interest rate proposed to the City for a 60 month lease is 2.618%.

The Purchasing Division conducted a competitive Request for Proposal to obtain proposals from qualified firms to provide Municipal Lease Line of Credit services. Three proposals were received and were evaluated under a pass fail system then the qualifying firm was evaluated and scored according to the firm's experience and understanding of the scope of work according to the published point system as outlined in the RFP. The Proposers was also interviewed and scored based on the same published criteria and a final score was developed. City staff recommends the award to JPMorgan Chase Bank, N.A. as they are determined to be the overall Best Value to the City.

ALTERNATIVES:

N/A

OTHER CONSIDERATIONS:

None

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Finance

FINANCIAL IMPACT:

Operating Revenue Capital X Not applicable

Fiscal Year: 2017-2018	Current Year	Future Years	TOTALS
Line Item Budget	\$0.00	\$0.00	\$0.00
Encumbered / Expended Amount	\$0.00	\$0.00	\$0.00
This item	\$0.00	\$0.00	\$0.00
BALANCE	\$0.00	\$0.00	\$0.00

Fund(s): Various

Comments: As items are taken to City Council for an award funding of equipment will be identified.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Master Lease-Purchase Financing Agreement
RFP 1448 – Evaluation Matrix Summary