



RFP No. 412-2016-3

REQUEST FOR PROPOSALS

2016 HVAC Design Build System Lease Purchase Financing

Due:

November 17, 2016
No later than 2:00 P.M.

Deliver to:

Office of the City Manager
City Hall
58 Opera House Square
Claremont, NH 03743
603-504-0395
603-542-7014 Fax
mwalter@claremontnh.com
www.claremontnh.com

2016 HVAC Design Build System Lease-Purchase Financing City of Claremont NH

VENDOR NAME: _____

VENDOR
ADDRESS: _____

CITY-STATE-ZIP: _____

MAILING ADDRESS: _____

(If different from above) _____

TELEPHONE NO.(_____) _____ FAX NO.(_____) _____

FEDERAL ID NO. _____ E-MAIL _____

I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, or equipment, and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this proposal and verify that I am authorized to sign this proposal for the proposer. I further state that the company affiliated with this proposal currently complies with all applicable federal and state laws and directives relative to non-discriminatory practices in employment.

Proposer acknowledges receipt of the following addendum:

Number ____ Dated _____

Number ____ Dated _____

Number ____ Dated _____

Number ____ Dated _____

SIGNATURE

PRINTED NAME

2016 HVAC Design Build System Lease-Purchase Financing City of Claremont NH

STATEMENT OF NON SUBMITTAL

If you **do not** intend to submit a proposal on this service, please return this form to the above address immediately, fax to 603-542-7014, or e-mail to finance@claremontnh.com.

We the undersigned, have declined to submit a proposal on the requested service **RFP No. 412-2016-3 2016 HVAC Design Build System Lease-Purchase Financing** for the following reason(s):

Insufficient time to respond to the Request for Proposal.

We do not offer this service.

Our schedule would not permit us to perform.

Unable to meet bond/insurance requirements.

Unable to meet proposal specifications.

Specifications are unclear (explain below).

Remove us from your vendors' list for this service.

Other (specify below).

Remarks: _____

Company name: _____

Signature: _____

Telephone: _____ Date: _____

2016 HVAC Design Build System Lease-Purchase Financing City of Claremont NH

*PROPOSAL PROCEDURES MUST COMPLY WITH THE PROVISIONS OF NH LAW AND
THE CITY OF CLAREMONT'S PURCHASING POLICY*

SCOPE OF WORK

PURPOSE:

The City of Claremont, NH (the "City"), is requesting proposals from various banks and financial institutions for a **\$350,000** tax-exempt lease-purchase financing to defray the costs of certain equipment as described herein. The City invites interested parties to submit a proposal to finance the equipment giving your lowest available rate of interest and other conditions of such financing.

I. Structure of Lease

- (a) Amount to be Financed: \$350,000.
- (b) Payments: Ten (10) approximately equal annual payments to the lessor payable upon signing ("in advance" payments).
- (c) Guarantee of Rates: All rates, costs and other terms of the proposal must be guaranteed from the date of your proposal to the closing date (on or about December 20, 2016).
- (d) Equipment: See attached Exhibit A.
- (e) Form of Equipment Lease-Purchase Agreement: Your proposed form of Equipment Lease-Purchase Agreement ("Lease Agreement") should be submitted with your bid.
- (f) Non-appropriation: An appropriate non-appropriation provision should be included in the Lease Agreement.
- (g) Non-substitution: If a non-substitution provision is proposed to be included in the Lease Agreement, no opinion as to the enforceability thereof will be given by the City's bond counsel.
- (h) Deficiency Judgment: There can be no deficiency judgment against the City nor can the full faith, credit and taxing power of the City be pledged.
- (i) Title: Any titles needed will be in the name of the City subject to the bidder's rights under the Lease Agreement.
- (j) Acquisition Account: The bidder must transfer by Federal funds wire the full amount of the financing (\$350,000) to the City on the day of closing. If a bidder requires that the acquisition account be held by it or its designee, the bidder should so indicate on its proposal. Otherwise, the City retains the right to designate a bank to act as custodian of the acquisition account.
- (k) Costs of Issuance: All such costs relating to the preparation of the Lease Agreement and fees of bond counsel will be paid by the City. Any fees and costs of the bidder to be paid by the City must be stated in the response to the Request for Proposals.

2016 HVAC Design Build System Lease-Purchase Financing City of Claremont NH

- (l) Insurance: The City provides insurance through Primex. The equipment will be insured in a similar manner at face value.
- (m) Lease Agreement Designated As Qualified Tax-Exempt Obligations:, The City will designate the Lease Agreement as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986 relating to the ability of financial institutions to deduct from income for federal income tax purposes interest expense that is allocable to carrying and acquiring tax-exempt obligations.
- (n) Closing: The City expects to accept the successful proposal on December 14, 2016, and close the transaction on or about December 20, 2016.
 - (b) Proposals should include: the name, address, telephone number of your institution; the primary contact; and identity of legal counsel, if any.
 - (c) Any proposal must be accompanied with a list of all requirements and conditions associated with its proposal.
 - (d) All proposals should indicate the interest rate for the lease term and include an amortization schedule showing annual payment amounts for the term of the financing.
 - (e) All proposals must provide full financing disclosure of all financing costs including any closing, legal, and tax opinion charges.

III. Evaluation of Proposals and Award

After the proposals are received, they will be evaluated by the officials of the City based on various factors, including the interest rate, proposed form of the Lease Agreement and acquisition agreement, additional covenants and terms, if any, references and other conditions set forth therein. The City reserves the right to reject any and all proposals or to waive irregularities in any proposal. The City expects to accept the successful proposal at its regular City Council meeting on December 14, 2016.

IV. Legal Opinion. The execution and delivery of the Lease Agreement is subject to the approving opinion of City Solicitor, Jane F. Taylor, Esq.

V. Tax Exemption and Other Tax Matters. The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions that relate to tax-exempt obligations, such as the Lease Agreement, including, among other things, permitted uses and investment of the proceeds of the Lease Agreement and the rebate of certain net arbitrage earnings from the investment of such proceeds to the United States Treasury. Noncompliance with these requirements may result in the interest component of the Lease Agreement becoming subject to federal income taxation retroactive to the date of the Lease Agreement. The City will covenant to comply with the requirements of the Code to the extent required to maintain the exclusion of the interest component of the Lease Agreement from gross income for federal tax purposes. Failure of the City to comply with the covenant could cause the interest component of the Lease Agreement to be taxable retroactively to the date of issuance.

The Code imposes an alternative minimum tax on a taxpayer's alternative minimum taxable income. The interest component of the Lease Agreement is not an item for tax preference for purposes of the individual and corporate alternative minimum tax. However, the interest component of the Lease Agreement will be includable

2016 HVAC Design Build System Lease-Purchase Financing City of Claremont NH

in the adjusted net book income or adjusted current earnings of a corporation for purposes of computing the alternative minimum tax imposed on corporations.

Purchasers of the Lease Agreement should consult their tax advisors with respect to collateral tax consequences of ownership of the Lease Agreement, such as the calculation of alternative minimum tax, environmental tax or foreign branch profits tax liability, the tax on passive income of S corporations, the inclusion of Social Security or other retirement payments in taxable income, or the portion of interest expense of a financial institution which is allocable to tax-exempt interest.

VI. Investment Letter. The lessor will be requested to execute a letter to the City acknowledging, among other things, that (1) no official statement or other offering material has been furnished other than the Request for Proposals and other information provided by the City; (2) the lessor had an opportunity to make appropriate inquiries of and receive answers from such officials, employees, agents and attorneys of the City; (3) the lessor has knowledge and experience in financial and business matters and that it is capable of evaluating the merits and risks of the purchase of the Lease Agreement; (4) the lessor is acquiring the Lease Agreement as a vehicle for making a commercial loan and without a present view to the distribution thereof (subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be under its control) within the meaning of the federal securities laws; and (5) the lessor is acquiring the Lease Agreement solely for its own account and no other person now has any direct or indirect beneficial ownership or interest therein.

VII. Additional Information

If you should have any questions regarding this Request for Proposals, you should contact:

City Finance Director

Mary Walter

Phone: 603-542-7026 x1015

E-mail: finance@claremontnh.com

Jane F. Taylor

Legal Counsel

Phone 603-542-7014

e-mail: jtaylor@claremontnh.com

CONFIDENTIALITY

By submitting a proposal in response to this solicitation, a respondent acknowledges that the City of Claremont is a governmental entity subject to NH Public Records Law. The respondent further acknowledges that any material or documents provided to the City of Claremont may be “public record” and, as such, may be subject to disclosure to, and copying by, the public unless otherwise specifically exempt by statute. Should a respondent provide the City of Claremont with any materials which it believes, in good faith, contain information which would be exempt from disclosure or copying under NH law; the respondent shall indicate that belief by typing or printing, in bold letters, the phrase “Proprietary Information” on the face of each affected page of such material. The respondent shall submit to the City of Claremont both a complete copy of such material and a re-dacted copy in which the exempt information on each affected page, and only such exempt information, has been rendered unreadable. In the event a respondent fails to submit both copies of such material, the copy submitted will be

2016 HVAC Design Build System Lease-Purchase Financing City of Claremont NH

deemed a public record subject to disclosure and copying regardless of any annotations to the contrary on the face of such document or any page(s) thereof.

The City will negotiate an Agreement with the most responsive and highest qualified Vendor, at a compensation which is considered to be fair and reasonable to the City. In making this decision, the City shall take into account the established value, the scope, the complexity, and the professional nature of the services to be rendered. Should the City be unable to negotiate a satisfactory contract with the Vendor considered being most responsive and qualified, negotiations with that Vendor shall be formally terminated. Negotiations will then proceed with the remaining ranked Vendors in the same manner until an agreement is reached.

This solicitation does not commit the City to award a contract, to pay any costs incurred in the preparation of qualifications and proposals submitted, or to procure or contract for the services. The City reserves the right to accept or reject any, all, or any part of offers received as a result of this request, to negotiate with all qualified Vendors, or to cancel in part or in its entirety this Request for Proposals if it is in the best interest of the City.

2016 HVAC Design Build System Lease-Purchase Financing City of Claremont NH

EXHIBIT A

LIST OF EQUIPMENT

Provide all engineering, labor, materials, supplies, equipment and other facilities and things necessary or proper for work required by and in strict accordance with the applicable provisions of Specifications entitled Design/Build HVA System Upgrade for Police & Courthouse facilities and rooftop units (Excerpt below from bid)

4.0 PART 4 - EQUIPMENT

4.1 Package Rooftop Unit: Complete with fans, compressors, coils, piping, full perimeter curb and controls. Factory assembled, piped, internally wired, and fully charged with refrigerant and ready to operate. Single unit mounted disconnect and electrical cabinet with starters, auxiliary contacts, power and control terminal blocks and devices as required. Enclosure in compliance with NEMA-3R requirements.

Provide additional auxiliary contacts for fire alarm fan shutdown. Complete with forward or backward curved fans, 200,000 hr fan bearings, motor, belts, guards and pulleys. Variable speed supply fan to maintain duct static system pressure. Fan and motor mounted on a vibration isolated steel frame. Carrier, Trane, Daikin, Johnson. (Aaon alternate) DX cooling coil section with drip pan with corrosion-resistant mastic coating with drain connection, direct expansion type, ARI rated, coils designed and tested in accordance with ANSI B9.1, Seamless copper tubing and aluminum fins, fins of ripple design without a hooked trailing edge.

Powered relief exhaust fan, variable speed to maintain building static pressure. Thermal expansion valve proper for refrigerant used. Internally isolated hermetic compressor, crankcase heaters. Protect with high pressurestat, low pressurestat, loss of charge protection, indoor coil freezestats, and current and temperature sensitive overload devices. Hot gas bypass and condenser fan control for VAV application. Circuit to prevent short cycling to prevent restart at least five minutes after shutdown. Safeties wired through a control circuit to prevent compressor restart until reset.

Cabinet, double wall, steel construction, factory finish, internally insulated with 1 inch elastomeric thermal insulation on air side. Hail guard protection for condenser coil. Filter rack for 2 inch pleated paper type, MERV8 efficiency filter. Propeller type upflow outdoor fan with direct driven permanently lubricated motor. Condenser coil, ARI rated, designed and tested in compliance with ANSI B9.1. Seamless copper tubing and aluminum fins. Arrange to have equipment manufacturer's technician verify installation for compliance with manufacturer's recommendations and perform start-up of equipment, instruct owner's representative in the proper operation of the equipment. Certify in writing that factory startup and owner instructions are provided.

4.2 Ductless Split Unit: Factory assembled, heat pump, wired and tested. Unit shall consist of casing, compressors, fans, filters, disconnect, and other accessories listed. Mitsubishi, Carrier, Sanyo, Daikin, Fujitsu.

Evaporator Coils: Evaporator coils of nonferrous construction with aluminum plate fins mechanically bonded to seamless copper tubes with all joints brazed. Each complete unit provided with a factory operating charge of refrigerant and oil. Separate cooling coil circuits and expansion devices for each compressor in the unit. Condensate drain pan.

Air Cooled Condenser: Air cooled condenser with multiple, direct drive, low speed propeller fans. Coil construction of aluminum fins, mechanically bonded to copper tubes. Unit mounted, weather proof disconnect switch.

Controls: The unit control system shall include high and low temperature safety cut out, low ambient fan controls to permit operation to -20 degrees F, capacity control compressor sequencer. Controls shall be compatible with the building DDC system for temperature control and monitoring.