

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

218



FROM: Purchasing and Fleet Services Dept.

SUBMITTAL DATE:
January 23, 2007

SUBJECT: APPROVAL OF MULTI-YEAR LEASE LINE OF CREDIT FOR FINANCING PURCHASES OF FIXED ASSETS

RECOMMENDED MOTION: That the Board of Supervisors:

In accordance with Ordinance 459.4, approve the amended master lease line of credit agreement with Banc of America Public Capital Corp, in the aggregate amount of \$50,000,000.

BACKGROUND: To meet the needs of County operations, departments have had alternative ways to procure equipment when funds for outright purchase are not available from current budgets. Over the last several years, combinations of CORAL, equipment vendor financing, and third party financing have been utilized. In order to provide financing on an "as needed" basis, the Purchasing Department formally solicited an open line of credit via the Request for Proposal (RFP) process for a total amount to be accessed over a period of time. This provides for a readily available funding source that does not require us to repeatedly go to the Board of Supervisors for approval of multi-year financing each time a department wishes to lease or purchase equipment. Through the Budget process or separate Form 11, the Board of Supervisors approves items for purchase either on a cash basis or through financing, and therefore, all items financed through this line of credit have received prior approval from the Board of Supervisors.

Departmental Concurrence

(Continued on Page 2)

[Signature]
ROBERT J. HOWDYSHELL, Director
Purchasing and Fleet Services Dept.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget: Budget Adjustment: For Fiscal Year:
	Current F.Y. Net County Cost:	\$ 0	
	Annual Net County Cost:	\$	

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE *Sarena Chow*

County Executive Office Signature

- Dep't Recomm.: Consent Policy
- Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 3.40 6/27/06; 3.46 7/15/03; 3.37 1/23/01 | **District:** | **Agenda Number:** 3 . 26

RECEIVED RIVERSIDE COUNTY
JAN 23 2007

BOARD OF SUPERVISORS

**FORM 11: APPROVAL OF MULTI-YEAR LEASE LINE OF CREDIT FOR FINANCING
PURCHASES OF FIXED ASSETS**

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BACKGROUND (Continued)

In November 2006, Purchasing issued RFP #PUARC846 to establish a new line of credit to meet future requirements. Bids were sent to 21 major lending institutions including such companies as Citimortgage, Banc of America, Koch Financial Corp., as well as advertised on the Internet, requesting rates for \$50 million to be used as required by the County. Bids were received from five financial institutions, which was narrowed down to one vendor for a best and final offer. The other institutions were eliminated due to higher interest rates, or other special terms, conditions, or requirements that were unacceptable or less attractive to the County.

Based on the evaluation criteria set forth in the RFP, Banc of America was determined as the most responsive and responsible bidder and offered the lowest rates. On January 18, 2007, Purchasing presented the Debt Advisory Committee (DAC) the results of the RFP and recommended selection of Banc of America. The Debt Advisory Committee unanimously approved the recommendation of Banc of America as the overall responsive/responsible vendor to meet the needs of the County.

All vendors proposed a percentage formula based on the index quoted in the Federal Reserve Publication H. 15 (519) report for the prior week average utilizing interest rates for 2, 3, 5, and 7-year schedules. The master lease agreement's terms and conditions will remain the same as the previously approved agreement in 2001.

PRICE REASONABLENESS: Banc of America offered the lowest interest rate and was selected based on the competitive bids received.

REVIEW AND APPROVAL: This agreement has been reviewed and approved by the Purchasing Agent, County Counsel, and the Debt Advisory Committee.