

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

951



FROM: Purchasing and Fleet Services Dept.

SUBMITTAL DATE:
July 1, 2008

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 Wells Fargo Institutional Securities, LLC 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 finance the purchase of 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.

(Continued on Page 2)

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

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	08/09

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

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
Serena Chow

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS 7/3/08
DATE

Consent
 Policy

 Consent
 Policy

 Dep't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.:

District: _____ Agenda Number:
ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.49

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 May 2008, Purchasing issued RFP #PUARC1030 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, Wells Fargo Institutional Securities, LLC, and Koch Financial Corp., as well as advertising on the County's Internet, requesting rates for \$50 million to be used as required by the County. Bids were received from two financial institutions, which was narrowed down to one vendor for a best and final offer. The other institution was 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, Wells Fargo Institutional Securities, LLC was determined as the most responsive and responsible bidder and offered the lowest rates. On June 23, 2008, Purchasing presented the Debt Advisory Committee (DAC) the results of the RFP and recommended selection of Wells Fargo Institutional Securities, LLC. The Debt Advisory Committee unanimously approved the recommendation of Wells Fargo Institutional Securities, LLC as the overall responsive/responsible vendor to meet the needs of the County.

All vendors proposed a percentage formula based on the different indexes, however, Wells Fargo Institutional Securities, LLC quoted their index based on the Delphis Index which is as close to the Federal Reserve Publication H. 15 (519) report for the prior week average utilizing interest rates for 2, 3, 5, and 7-year schedules.

PRICE REASONABLENESS: Wells Fargo Institutional Securities, LLC 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.