

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

907



**FROM:** Purchasing and Fleet Services Dept.

**SUBMITTAL DATE:**  
May 13, 2009

**SUBJECT: APPROVAL OF THE INDEX RATE CHANGE TO THE AGREEMENT WITH WELLS FARGO INSTITUTIONAL SECURITIES, LLC., TO LEASE LINE OF CREDIT FOR FINANCING PURCHASES OF FIXED ASSETS**

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. In accordance with Ordinance 459.4, approve the index rate change in the master lease line of credit agreement with Wells Fargo Institutional Securities, LLC.
2. Authorize the Purchasing Agent, based on the availability of fiscal funding, to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision.

**BACKGROUND:** In May 2008, Purchasing issued RFP #PUARC1030 to establish a new line of credit to meet future leasing requirements and Wells Fargo Institutional Securities, LLC was the selected vendor for the County's line of credit. Due to the financial crisis in California, Wells Fargo has not been able to resell loans at the interest rate originally proposed. Therefore, Wells Fargo has requested a modification to replace the original Delphis Hanover 96Aa base index with the Delphis Hanover 86 index.

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ROBERT J. HOWDYSHELL, Director  
Purchasing and Fleet Services Dept.

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	FY 08/09

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

**C.E.O. RECOMMENDATION:** APPROVE

BY:   
Serena Chow

County Executive Office Signature

Prev. Agn. Ref.: #3.49 on 7/15/08 | District: | Agenda Number: **3.39**

FORM APPROVED COUNTY COUNSEL APPROVE  
 BY: NEAL R. KIPNIS DATE:   
 DON KENT, Treasurer-Tax Collector  
 Departmental Concurrence  
 Patti McDonnell

Dept't Recomm.:  Consent  Policy  
 Per Exec. Ofc.:  Consent  Policy

**BOARD OF SUPERVISORS**

**FORM 11: APPROVAL OF THE INDEX RATE CHANGE TO THE AGREEMENT WITH  
WELLS FARGO INSTITUTIONAL SECURITIES, LLC., TO LEASE LINE OF  
CREDIT FOR FINANCING PURCHASES OF FIXED ASSETS**

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**BACKGROUND (Continued)**

The 86 Delphis Index is a more consistent index that has less fluctuation in this volatile stock market, which is a more attractive selling point for potential investors. Wells Fargo has based their rates on the Delphis Index, which is 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. The factor added to the base index to determine the County interest rate remains unchanged and all other terms and conditions of the master lease agreement remain unchanged.

**REVIEW AND APPROVAL**

This agreement has been reviewed and approved by the Purchasing Agent, Executive Office, and County Counsel.