



Town of Blowing Rock

1036 Main Street ★ Post Office Box 47 ★ Blowing Rock, NC 28605

TO: Mayor Lawrence and Members of the Town Council

FROM: Scott Fogleman, Town Manager

SUBJECT: #1) Bids - FY 2017 Capital Equipment
#2) Financing Proposals

DATE: August 9, 2016

Various replacement vehicles and large capital equipment items were identified for installment purchase financing as part of the Fiscal Year 2016-2017 budget adopted by Council. A total of \$305,357 was initially approved for installment purchase funding under the title of "Proceeds-Long Term Debt". Following further review, one of the vehicles identified for replacement in the Police Department has been delayed until next fiscal year as the vehicle has continued to perform well and there are no other vehicles identified for replacement next year in that department. Including estimated tax, tag and title, this brings the adjusted total down to \$265,971.

1) BIDS – FY 2017 CAPITAL EQUIPMENT

Police Vehicle (1) with Emergency Equipment

Police Chief Tony Jones distributed a request for proposals to law enforcement dealerships for one (1) 2016 Ford Police Interceptor SUV Vehicle (Marked).

The low bid was received by Asheville Ford based on state contract pricing in the amount of \$38,861 (including tax, title and tag).

We recommend that the bid be awarded to the low bidder for a total of **\$38,861** (including tax, title and tags).

Public Works

Public Works Director Mike Wilcox received quotes for the following vehicles/equipment: one (1) Dump Truck, one (1) Chipper Truck and one (1) Street Sweeper. Also in the budget and included in the financing package is a small storage building to be located at the Town Stock yard. This building has been valued at approximately \$20,000. All equipment is included in the FY 2017 Budget as well as the Fleet Replacement Schedule. Bids received and recommendations are as follows:

- **Dump Truck (Street)**

After reviewing all bids and specifications it is staff's recommendation that the bid be awarded to Cloninger for a 2017 F-550 Chassis XL 4X4 SD Regular Cab 169' WB DRW in the amount of **\$54,858** (does not include tax and tag). Two bids were received for this item.

- **Chipper Truck (Street)**

After reviewing all bids received, staff recommends award to Chipper Southeast for a 2016 Morbark Beaver M12R in the amount of **\$34,500** (does not include tax and tag and does include trade in allowance for trade in of replaced equipment). Four bids were received for this item.

- **Street Sweeper (Street)**

After review of pricing received, staff recommends award to Estate Maintenance Company for a used 2013 Schwarze Gale Force Series Sweeper Truck (has approximately 1,000 hours) in the amount of **\$60,000** (does not include tax and tag). One bid was received for this item.

Parks & Recreation

Parks & Recreation Director Jennifer Brown received quotes for the following vehicles/equipment: one (1) Service Truck, one (1) EX Go Utility Vehicle and one (1) Riding Mower.

- **Service Truck**

After reviewing all bids received, staff recommends award to Everett Chevrolet for a 2016 Chevrolet Silverado 2500HD 4WD Double Cab 1" Work Truck in the amount of **\$34,989** (does not include tax and tag). Three bids were received for this item.

- **EZ Go Utility Vehicle**

After reviewing all bids received, staff recommends award to Mountain Top Golf Cars, Inc. for a Cushman Hauler 1200X Gas EZ Go Utility Vehicle in the amount of **\$8,460** (does not include tax and tag). Two bids were received for this item.

- **Riding Mower**

After reviewing all bids received, staff recommends award to Farmers Rentals & Power Equipment for a Ferris IS2100 52" 25.5 KAW riding mower with bagger in the amount of **\$10,407.06** (includes sales tax and trade in allowance for trade in of replaced equipment). Two bids were received for this item.

2) FINANCING PROPOSALS

Prior to finalization of bid award recommendations, a request for proposals for financing options: was released to nine area financial institutions requesting two term options, one 3 year, one 4 year. Bids were opened on Monday, August 8, 2016 at 3:00 p.m. at Town Hall. A bid tabulation and recommendation of financing award have been prepared and are hereby submitted for Council approval. Based on the bid amounts received, Staff recommends award of the FY2017 capital equipment financing to BB&T Governmental Finance for a four (4) year term. The four year term lowers the annual debt service payment amount required and is consistent with previous borrowing terms.

Institution	Interest Rate		Fees
	3 Yr Term	4 Yr Term	
BB&T Governmental Finance	1.29%	1.37%	N/A
CommunityOne Bank, N.A.	2.95%	3.25%	N/A
First Citizens Bank	No Bid	No Bid	N/A
PNC Equipment Finance, LLC	2.58%	2.61%	Optional escrow setup-\$250; Documentation-\$350; Payoff premium-3%
SunTrust Equipment Finance & Leasing Corp.	1.68%	1.76%	Documentation-\$250; Prepayment premium-3%; Escrow setup-\$250
United Community Bank	No Bid	No Bid	N/A
Yadkin Bank	3.50%	3.50%	Fees required to secure lien on equipment & building

*Bank of America & Wells Fargo Bank did not respond to our bid request.

Following Council award of the above equipment purchases, a final adjusted loan amount will be determined including related tax, title, and tags and the related capital equipment purchasing processes will be continued.