

CITY OF HOBART BOARD OF PUBLIC WORKS & SAFETY

Resolution No. 2017-07

A Resolution Authorizing the Acquisition of an Automated Loader Garbage Truck by the City as a "Special Purchase"

WHEREAS, the Board of Public Works and Safety ("Board") of the City of Hobart, Indiana ("City") is the purchasing agency for the City pursuant to §31.004(A) of the Municipal Code of the City of Hobart enacted pursuant to the authority of I.C. §5-22-4-5(a); and

WHEREAS, the Board, as the City's purchasing agency, has all of the powers and duties authorized under I.C. §5-22; and

WHEREAS, the Board has been informed by the Department of Public Works of the City ("DPW") that it requires the urgent acquisition of a replacement garbage truck, and that such truck must be equipped with automated side loading equipment which permits the truck to grasp, lift and dump City-supplied trash receptacles without the need for hands-on lifting and dumping by City personnel; and

WHEREAS, the City normally maintains a fleet of nine (9) such trucks, but now is operating with only eight (8) trucks due to the recent destruction by fire of one of its units; and

WHEREAS, the City is now operating its trash pick-up short-handed by one vehicle. If another vehicle were to fail, or to be removed from service for extended maintenance, trash collection would be seriously interrupted in parts of the City and the City would suffer extreme expense in overtime and the cost of replacing the vehicle by a rental unit or other means, not to mention the potential public health risk if garbage is not removed on the usual schedule; and

WHEREAS, initial inquiries to suppliers of vehicles of this type reveal that a conventional sealed public bid is not feasible since units require a long construction lead time (four to six months). Therefore, units already on hand by the dealers queried which can be delivered immediately are the only viable alternative; and

WHEREAS, the DPW has solicited written quotes for a trash truck which is suitable for the City's fleet from three (3) dealers known to deal in such vehicles. Those quotes reveal the following:

<u>Vehicle</u>	<u>Dealer</u>	<u>Price</u>	<u>Delivery</u>
Labrie Automizer Helping Hand with Freightliner chassis	Best Equipment Co. Indianapolis, Indiana	\$245,986.00	immediate
Labrie Automizer Helping Hand	Fredrickson Supply Grand Rapids, Michigan	\$249,325.00	180 days

47 Loadmaster Eclipse Stoops Freightliner \$256,237.00 180 days
 48 Freightliner chassis Anderson, Indiana

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 50 WHEREAS, DPW has also conducted an extensive search for qualifying used equipment,
 51 which, due to the demand for trucks of this type and their high acquisition cost new are in short
 52 supply; and

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 54 WHEREAS, under the foregoing circumstance, the Board has been advised that
 55 acquisition of the lowest-quoted vehicle constitutes a “special purchase” pursuant to I.C. §5-22-
 56 10-4 (a) as required to address an emergency involving a threat to public safety, and pursuant to
 57 I.C. §5-22-10-9 in that purchase of the required equipment under another purchasing method
 58 would seriously impair the functioning of the using agency; and

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 60 WHEREAS, the DPW, in view of the above-stated quotes, has determined that the City is
 61 temporarily unable to finance the purchase out of current funds and should enter into a lease-
 62 purchase to acquire the truck; and

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 64 WHEREAS, the City Executive has determined that said vehicles be acquired through a
 65 lease-purchase arrangement with payment in advance over a four-year period. Lease quotes
 66 were solicited from three (3) financial institutions dealing in lease financing for municipal
 67 equipment. Two (2) lease quotes were received. The sum of the lease payments (not including
 68 any initial down payment for each unit) and interest rate under each such quote for the lowest
 69 quoted vehicle above are as follows:

<u>Lessor</u>	<u>Rate</u>	<u>Sum of Lease Payments</u>
U.S. Bancorp Government Leasing and Finance, Inc.	1.924%	\$ 253,061.76
Best Equipment Leasing	3.30	266,928.00

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 78 and

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 80 WHEREAS, the Board, having obtained the foregoing information, and desiring to
 81 authorize said special purchase now makes the following findings of fact, enters the orders
 82 below, and desires to spread same upon the public record.

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 84 THEREFORE, BE IT RESOLVED by the Board of Public Works and Safety of the City
 85 of Hobart, Indiana, that:

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 87 1. The Board now finds and determines that all facts stated in the above prefatory
 88 paragraphs of this Resolution are true.

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 90 2. The Board further finds and concludes that the acquisition of the trucks described
 91 above under the terms set forth herein vehicle constitutes a “special purchase” pursuant to I.C.
 92 §5-22-10-4 (a) as required to address an emergency involving a threat to public safety, and

93 pursuant to I.C. §5-22-10-9 in that purchase of the required equipment under another purchasing
94 method article would seriously impair the functioning of the DPW. Accordingly, such vehicle
95 may be purchased without soliciting bids or proposals pursuant to the meaning and intent of
96 I.C. §5-22-10-1.
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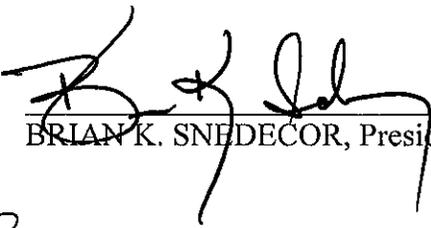
98 3. The terms of the lease proposed by U.S. Bancorp Government Leasing and
99 Finance, Inc. ("USBGLF") for the acquisition of the vehicles over four years provide the lowest
100 total of lease payments. The Board determines that these lease terms are based on an interest rate
101 of 1.924 % *per annum* which is within a reasonable range for municipal borrowing for
102 equipment of this type, and concludes that the lease arrangement proposed by USBGLF should
103 be accepted. Accordingly, the Board authorizes said lease for the acquisition of the vehicles. At
104 the end of said lease, upon payment of the sum of \$1.00 for each vehicle, the City will assume
105 ownership of same.
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107 4. Based on the foregoing findings, the Board now orders and directs that one 2017
108 Labrie Automizer Helping Hand with Freightliner chassis, offered by Best Equipment Company,
109 Inc. of Indianapolis, Indiana be purchased at the price stated above, \$245,986.00.
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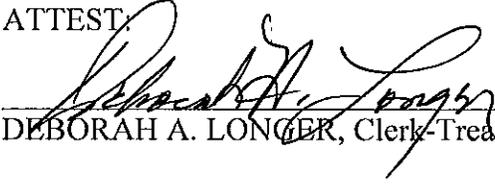
111 5. Further, the Board authorizes that the Executive and Clerk-Treasurer execute and
112 deliver a lease for the acquisition of one or both of said vehicles upon the terms stated above
113 with USBGLF as lessor, and to sign all other documents necessary to carryout said lease-
114 purchase.
115

116 6. The Board directs the officials of the City to document said transaction in the
117 manner required by law. In particular, pursuant to the provisions of I.C. §5-22-10 the staff of the
118 Clerk-Treasurer shall maintain all pertinent contract records for the special purchase authorized
119 by this Resolution in a separate file. This Resolution, and the findings and conclusions stated
120 therein, shall constitute the written determination of the purchasing agency of the City for this
121 special purchase and the selection of a particular contractor. In addition, the acquisition and
122 lease authorized herein shall be included in the City's record listing of all contracts made as
123 special purchases under I.C. §5-22-10 for a minimum of five (5) years. Such record must
124 contain each contractor's name, the amount and type of each contract, and a description of the
125 equipment purchased under each.
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127 ALL OF WHICH IS ADOPTED as the Resolution of the City of Hobart Board of Public
128 Works & Safety on this 2nd day of August, 2017.
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134 BRIAN K. SNEDECOR, Presiding Officer:
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136 ATTEST:

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138 DEBORAH A. LONGNER, Clerk-Treasurer



DATE: 6/26/2017
 PREPARED BY: Glenn Linhart
 VALID THROUGH: SUBJECT TO PRIOR SALE



SALES: 31yd. Automated Arm Unit

JOHN DUBACH
 DIRECTOR PUBLIC WORKS
 CITY OF HOBART, INDIANA

QUANTITY	ITEM	UNIT PRICE	TOTAL PRICE
1	2016 DUAL DRIVE FREIGHTLINER M2-106 CHASSIS	\$245,986.00	\$245,986.00
	STRAIGHT FRAME HELPING HAND AUTOMATED UNIT		
	Delivery and Training Included		
GRAND TOTAL:			\$245,986.00

Does not include any applicable taxes.

DESCRIPTION

Chassis: VIN# HG1610 MILEAGE: 3,356 PAINTED WHITE
 2016 Freightline M2-106 Chassis, Straight Frame
 GVW RATING 56,000LB.
 ENGINE: Cummins L9 350 HP
 Transmission: Allison 45 RDS 6 speed
 Specifications for chassis included

Body: Labrie ,31 Cubic Yard Automizer Helping Hand , with Crusher panel, PAINTED WHITE
 Arm Length: 10 feet reach, completely hydraulic operation, ELECTRIC/HYDRAULIC BODY CONTROL VALVE
 Grabber counter, packer control on Joy stick, Spill Sheild
 CAMERA : 3 TRIPLE 3rd EYE camera system, with protected cages, 7" Monitor
 Hopper full floor and 4MM hopper side walls lined 0.250 Hardox Steel
 Clean out tools, Fire Extinguisher, Retainer teeth under breaker bar
 Lights: all L.E.D body and work lights
 Strobe lights upper and lower rear panels
 Hdraulic Oil Heater in Tank (Electric 110 volt)

Warranty:

1 year on Body and Hydraulics (additional Warranty Available)

"SUBJECT TO PRIOR SALE" ON THE GROUND INDIANAPOLIS, READY FOR DELIVERY
 SIGN BELOW FOR PURCHASE AGREEMENT, AGREEING TO ALL TERMS AND CONDITIONS

Signature

Printed Name

Date

[Handwritten Signature]
 BRIAN SNEDECOR 6/26/17

Terms and Conditions: Units are subject to prior sale. Used units are sold as is, where is, with no warranty, either stated or implied. When applicable, copy of trade title is due at time of agreement, original due at delivery. Contractors are COD. This agreement is binding. By signing, you agree that you are authorized to enter into this contract. Delivery dates are estimations. Best Equipment Company is not financially responsible for lost time, revenue, or any other losses.

www.BestEquipmentCo.com



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Government Leasing and Finance

July 31, 2017

City of Hobart, IN

At your request, U.S. Bancorp Government Leasing and Finance, Inc. ("USBGLF") has prepared for your consideration the following proposal for financing ("Proposal"). This is only a proposal and does not represent a commitment by U.S. Bancorp Government Leasing and Finance, Inc.

Customer:	City of Hobart						
Lessor:	U.S. Bancorp Government Leasing and Finance, Inc.						
PROPERTY:	Garbage Truck						
EXPIRATION:	September 30, 2017						
LEASE QUOTE:	Amount	Rate	Payments	Factor	Pmts / Year	Term	Adv. / Arr.
	245,986.00	1.924%	63,265.44	0.2571912	1	48 Months	Advance
	245,986.00	2.015%	51,179.45	0.2080584	1	60 Months	Advance

Notes: Funds will be deposited into a no fee U.S. Bank N.A. escrow account at closing. We expect to document as an additional schedule to the existing Master Tax Exempt Lease Agreement. Prepayment is permitted after 13 months on any payment date at the lower of a standard make whole provision or 103% of outstanding balance.

The Lease will be structured as a tax-exempt municipal lease, with title in the Lessee's name and USBGLF holding a security interest in the equipment during the term. The lease is "triple-net" with the Lessee responsible for taxes, maintenance and insurance. Documentation will be provided by USBGLF, including (i) standard representations, warranties and covenants by the Lessee pertaining to the accuracy of information, organization, authority, essential use, compliance with laws, pending legal action, location and use of collateral, insurance, financial reporting and financial covenants; and (ii) standard USBGLF provisions pertaining to events of default and remedies available upon default. This offer is subject to the execution of all documentation by the Lessee within a reasonable time and in form and substance acceptable to Lessee, USBGLF and USBGLF's counsel, including terms and conditions not outlined in this Proposal.

This Proposal is conditioned on there being no material adverse change in the financial condition of the Lessee. Additionally, the terms and conditions outlined herein are subject to final review and approval (including collateral and essential use review) by USBGLF's business, legal, credit, and equipment risk management personnel. If you would like to proceed, please complete the Essential Use Application and return along with a link to your 3 most recent Comprehensive Annual Financial Reports.

Thank you for the opportunity to present this proposal. Other financing options are available on request.

Sincerely,

Denise Beauchamp

Denise Beauchamp
Vice President
Direct (904) 284-3520
denise.beauchamp@usbank.com