

BOARD OF DIRECTORS

ACTION ITEM

Item Number: BA2020-98

Meeting Date: September 28, 2020

Item Title: Lease Financing for Transit Buses

BACKGROUND

On March 8, 2019, Trinity Metro issued Request for Proposal (RFP) #19-T032 for the purchase of twenty (20) 40' heavy-duty transit buses and four (4) 35' BRT commuter coaches to be used for both suburban express service and general service on urban arterial streets. On August 26, 2019, BA2019-77, Trinity Metro Board of Directors approved the award to purchase buses from Gillig, LLC for a total amount not to exceed \$13,997,139 (including contingency).

Trinity Metro, like many other transportation agencies across the country, has seen an impact to transit operating revenues due to COVID-19 and the associated impacts on revenues and available liquid capital. In response, Trinity Metro conducted an RFP for lease financing the buses acquired under RFP #19-T032 to increase immediately available liquid capital.

Trinity Metro's ability to consummate the lease financing proposed will be determined after discussions and receipt of any requisite approvals from our primary lender and the Federal Transit Administration (FTA) as deemed necessary.

PROCUREMENT

In accordance with Trinity Metro procurement policy, Request for Proposal (RFP #20-T051) for Lease Financing for Transit Buses was issued on July 29, 2020.

Four firms responded to the RFP and complied with the RFP solicitation requirements. Responses and rates were received from:

FIRMS	RATE	TOTAL PAYMENTS	TOTAL INTEREST
Bank of America	1.054%	\$14,102,880.17	\$ 513,425.17
Frost Bank	2.80%	\$14,980,495.76	\$1,391,040.76
JPMorgan Chase Bank N.A.	1.112%	\$14,131,509.81	\$ 542,054.81
4 King Capital	2.587%	\$14,839,692.00	\$1,250,237.00

Proposal documents were evaluated by Trinity Metro staff against a matrix of requirements, and ranking was established by the evaluation committee.

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Based on the evaluations, JP Morgan Chase Bank N.A. was rated the highest in score and is recommended for award.

The Trinity Metro Procurement Department has followed procurement policy for this Request for Proposal and is in compliance with all applicable Federal, State, and Trinity Metro procurement requirements.

FINANCING

Funds for the lease payments are planned in the proposed FY2021 operating budget. Funding for subsequent years will be included in the annual budget for each year as approved by the Board.

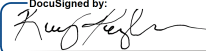
DBE UTILIZATION

A Disadvantaged Business Enterprise (DBE) subcontracting goal of 5% was established for this solicitation. This nature of the work, however, does not lend itself to subcontracting. JP Morgan Chase Bank will self-perform this work.

RECOMMENDATION

The Finance & Audit Committee recommends the Trinity Metro Board of Directors authorize the President/Chief Executive Officer to enter into a lease agreement with JP Morgan Chase Bank, N.A. for a term not to exceed seven years for a not-to-exceed amount of \$14,151,509.81 including incidental transaction costs not to exceed \$20,000.

Disposition by Board of Directors

DocuSigned by:

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Secretary Approval:

Sep-28-2020

DATE

