

Quote/Bid Proposal for
**Installment Purchase Contract Lease/Purchase Financing for
“Energy Performance Contract”**

R.G. Timbs, Inc. at the request of:

City School District of the City of Auburn
Cayuga County, New York
(the “School District”)

1. Requests for written, email, or fax bids for providing Installment Purchase Contract (Lease/Purchase) Financing are due no later than **November 22, 2019 at 11:00 o’clock A.M. EST** at the office of:

R.G. Timbs, Inc.
24 Sherman Oaks Drive
New Hartford, NY 13414
Attn: Jessica Bianchi`
Phone: (877) 315-0100 Ext. 2
Email: JessicaB@rgtimbsinc.net
Fax Bid Number: (315) 266-9212

2. The principal amount of the installment purchase contract will be \$2,090,096.
3. The lease purchase financing will be used to fund various projects of the School District as defined in “Project Scope” attached as “Exhibit – A” to this Request for Proposals. The energy service company is C&S Operations, Inc., 499 Col. Eileen Collins Blvd. Syracuse, New York 13212. Based on the SED approval date of the project (10/31/19) the project construction is expected to start in January 2020 and end in January 2021.
4. The interest rate quoted will be fixed as of the time of the bid and will remain constant throughout the lease term and will include any and all fees or expenses associated with this financing.
5. Upon request, the financing entity will be provided with an opinion of Bond Counsel to the effect that the interest component of payments to be made by the School District pursuant to the financing contract (“interest”) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum taxes. The opinion set forth in the preceding sentence will be subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the date of the financing contract in order that interest be, or continue to be, excluded from gross income for federal income tax purposes. The School District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause the interest to be included in the gross income for federal income tax purposes retroactive to the date of closing. Bond Counsel will not express opinion regarding other federal tax consequences arising with respect to the lease and the related documents. **The installment purchase contract will be designated by the School District as a “qualified tax-exempt obligation” pursuant to the provisions of Section 265 of the Code.**

6. All bids shall remain in effect for 30 days from the day quotes are due. It is expected that the District Board of Education will approve the lease purchase agreement at their regular meeting scheduled on December 10, 2019. It is anticipated that funds will need to be available on or about December 19, 2019. All quotes should be based upon this estimated time line.
7. Each bid accompanied by a repayment schedule listing principal, interest and total annual payments. Such schedule shall be compliant with Article 9 of the NYS Energy Law. **No award is final until the lease purchase agreement is formally approved by the Board of Education.** Upon verbal or written notification of successful bid award, (which shall be conditional upon successful negotiation of all transactional documents and opinions), the successful bidder shall be required to deliver the proposed forms of the leasing documents to R.G. Timbs, Inc. (address listed on page 1) and to Bond Counsel:

Timothy R. McGill, Esq.
248 Willowbrook Office Park
Fairport, New York 14450
Tel: (585) 381-7470 Fax: (585) 318-7498
Email: mcgill_law@frontiernet.net

8. **There shall be no prepayment penalty.**
9. The current S&P Global rating of the School District is “A+”.
10. The School District is in material compliance with its Continuing Disclosure requirements related to SEC Rule 15c2-12 for the past five years.
 - a. A copy of the School District’s most recent Continuing Disclosure Statement for fiscal year ending June 30, 2018 can be found here: <https://emma.msrb.org/ER1177536-ER920471-ER1321078.pdf>
 - b. A copy of the School District’s audited financial statements for the fiscal year ending June 30, 2018 can be found here: <https://emma.msrb.org/ER1177536-ER920471-ER1321079.pdf> (The June 30, 2019 audit is available upon request)
11. Among other factors, the low bid/quote will be determined by the lowest amount indicated for a total of payments with the requirement that the quote will meet all other conditions listed herein that are not affirmatively waived by the School District.
12. Prior to complete delivery of equipment, it will be necessary to make partial payment to vendor(s). In this case, unexpended funds shall be held in an interest bearing escrow fund account established by the winning bidder (the “Lessor”) in the name of the School District. Interest earnings will begin to accrue to the School District on the date of the deposit to the escrow fund. Any unexpended funds after payment to all vendors shall be recalculated to reduce remaining payment amounts equally unless otherwise authorized by the School District. The escrow agent must be a bank or trust company located in and authorized to do such business in New York State. The bank must have an office in New York State which is stated in the proposed Escrow Contract. Investments shall be made solely at the prior written direction of the School District and shall be made in accordance with the requirements of General Municipal law Sections 10 and 11 and the School District’s formal investment policy. The School District is not authorized to invest in mutual funds or similar liquid investment vehicles. All monies held in escrow

fund are monies of the School District and shall not be subject to levy, attachment or lien of escrow agent. All charges of the escrow agent shall be paid by the Lessor.

13. The installment purchase contract financing will be in the amount of \$2,090,096. Interest will be due and payable on June 15, 2020 and semi-annually thereafter on December 15 and June 15. Principal will be payable on June 15, 2021 and due semi-annually thereafter on December 15 and June 15 until December 15, 2035. **The School District reserves the right to modify the above principal payments post sale, in any amounts as deemed necessary to achieve substantially level or falling annual payments.**
14. There shall be no additional fees for charges (including any Escrow Agent Fees) to the School District other than the annual debt service payments.
15. There shall be a \$1 (one dollar) buyout option in favor of the School District at lease expiration.
16. All manufacturers' warranties shall be assigned by the Lessor to the School District.
17. The Agreement shall be subject to cancellation by the School District annually and shall include the following paragraph:

“Pursuant to the requirements of Energy Law Section 9-103 and General Municipal Law section 109-b, the financing contract shall contain the appropriate executory clause which shall state in substance as required by such cited statutes that should financing contract payments not be appropriated by the School District the School District will not be obligated to pay the amounts due beyond the end of last funded fiscal year. The financing contract shall be deemed executory only to the extent of monies appropriated and available therefor, and no liability on account thereof shall be incurred by the School District beyond the amount of such monies. The financing contract is not a general obligation of the School District. Neither the full faith and credit nor the taxing power of the School District are pledged to the payment of any amount due or to become due under the financing contract. In the case of a failure to appropriate, the sole security shall be the improvements that are the subject of the financing contract. It is understood that neither this contract nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make available monies available for the purpose of the financing contract. In the event that no funds or insufficient funds are appropriated by the School District the financed improvements may be acquired and sold by or on behalf of the financing entity entitled to receive payments provided that any excess proceeds from such a sale, after deduction for and payment of fees, expenses and any taxes levied on the sale, shall be paid to the School District as provided in section 109-b of the General Municipal Law.
18. The sole security shall be the equipment, machinery or apparatus financed pursuant to the Agreement. In the event insufficient funds are appropriated to pay this obligation, such equipment, machinery and apparatus may be sold on behalf of the Lessor entitled to receive such payments, provided that any excess proceeds from such a sale shall be paid to the School District after deduction of obligations, taxes or other expenses of the Lessor.
19. Payments by the Lessor shall be made only at the written direction of the School District and may likely require multiple payments. Payments required by either check or electronic wiring depending on equipment vendor requirements. All associated costs for these services must be included in the quote.
20. Proposals will be evaluated based on total cost, ability to perform, requirements of the bidder, experience in New York State, and any other terms or conditions stipulated in each proposal.

21. The School District reserves the right to reject any or all bids/quotes, to waive any or all informalities, to request new proposals, and to award based upon the overall best interests of the School District. The attached Quote Proposal Form must be completed and included with each quote. Closing is subject to successful negotiation and approval of all such documents by counsel to the School District. The School District reserves the right to rescind an award due to failure of successful negotiation of the parties to agree to terms and conditions thereof.
22. All agreements and contractual conditions are required to conform with the laws of the State of New York, including, but not limited to, the General Municipal Law, the Energy Law, the Education Law, and regulations of the State Education Department and the Office of the State Comptroller. The School District's Bond Counsel will review and approve all documents on behalf of the Board of Education.
23. The Lessor shall be responsible for all of the Lessor's legal issuance and closing costs.
24. Annual Appropriation: The annual lease payments are subject to appropriation each year by the Board of Education of the School District.
25. The School District will not provide a legal description for each School District property in connection with this financing. In the event the Lessor requires this information for the purposes of making a fixture filing pursuant to the applicable provisions of the Uniform Commercial Code, the Lessor may obtain such information at its own effort and expense.
26. By submitting a bid/quote, each bidder is agreeing to abide by all provisions of this Request for Proposals. No terms or conditions of the Lessor may be imposed on the School District that supersede or contradict the terms set forth in this Request for Proposals.

Dated: November 13, 2019

EXHIBIT A
Project Scope

Exhibit A – Scope of Work and Services

Article 1: Scope of FIM Work

- 1.1 Description: Except as otherwise expressly provided herein, C&S shall provide each and every item of cost and expense necessary for:

Generally, the Facilities Improvement Measures set forth in this Exhibit "A" including upgrading of lighting, and improving the District's Building Automation System. Specific of this work are contained in documentation referenced in Section 1.3 of this Exhibit.

- 1.2 Specific Elements: The Work Shall include the following:

1.2.2 LED Lighting Upgrade and Lighting Control

This portion of the project involves the conversion of approximately 2,800 fluorescent fixtures to LED fixtures with state of the art controls. The District will not only reduce the energy consumption associated with the lighting system but also all maintenance cost associated with these fixture will be eliminated. Low wattage LEDs together with an advanced lighting control system utilizing occupancy sensors, task dimming and daylight sensors provide only the light needed at any point in time.

1.2.1 1.2.2.1 Disposal of PCB Ballasts

A. Scope: It is assumed that there is a possibility that ballasts in luminaries that are removed as part of this project are pcb type ballasts. These shall be removed from the luminaries, packed in dot approved containers, transported to an EPA approved incineration facility, and incinerated as part of the Work. C&S shall be responsible for verification prior to disposal.

Removal work, transportation and disposal shall be in compliance with all current state and federal regulations. The transportation and disposal Work shall be performed by an approved pcb removal vendor subcontracted by C&S.

Ballasts shall be removed from Site within 60 days after associated fixtures are removed. The ballasts shall be incinerated within six months from the date they arrive at incineration facility.

B. PCB Removal Vendor:

Qualifications: C&S shall ensure that the PCB Removal Vendor provides submittal documents showing the following:

Evidence that the pcb removal subcontractor possesses or has legal accessibility to EPA approved incineration facilities.

Evidence that the pcb removal subcontractor possesses EPA approved facilities for handling, loading, transporting and storing of pcb materials.

A list of completed projects plus references

Copies of all necessary insurance coverage required.

Certified statement that all transport utilized are audited and approved for transporting pcb materials.

C. Records: C&S shall provide to the District compliance certificates that indicate the removed ballasts have been legally incinerated.

1:2.3 Building Automation System Upgrade

The scope of the Building Automation System will focus on replacing old Johnson N2 Controllers and integrating all buildings into a single functioning system with no active alarms. All spaces will be commissioned to ensure complete functionality. The District will decide on the final front end after evaluating all options.

- 1.3 Technical Specifications, Drawings and Exhibits: The Work Shall be performed in accordance with the following specifications, drawings and other attachments hereto, which are specifically incorporated herein and made part hereof:
 - 1.3.1 Checklist for Application for Building Permit and Examination and Approval of Final Plans and Specifications.
 - 1.3.2 Scope of Project form
 - 1.3.3 Evaluation for Existing Building form
 - 1.3.4 Application for Examination and Approval of Final Plans and Specifications form
 - 1.3.5 Structural Responsibility Checklist and Certification
 - 1.3.6 Construction Documents
 - 1.3.7 NYSED Code Compliance form
 - 1.3.8 Asbestos Letter
 - 1.3.9 Highway Superintendent Letter

Article 2: FIM Work Implementation Period

- 2.1 Commencement of Work:
 - 2.1.1 C&S shall commence the Work July 1, 2018 and shall perform the Work diligently and shall complete the Work no later than August 31, 2019.

Article 3: Scope of Performance Assurance Technical Support Program

Monitoring and Verification (M&V)

- 3.1 C&S will employ a process that will ensure the improvements being provided function correctly and deliver the savings guaranteed for the program. The Performance Assurance Engineers provided by C&S will use computerized diagnostic tools to measure and track guaranteed savings. The CLIENT will be contacted immediately if a problem is detected. Reports will be generated, provided and reviewed with the CLIENT at least annually. If corrective actions are needed or significant changes have occurred, A Performance Assurance Engineer provided by C&S will schedule a review meeting and, with input from the CLIENT, develop a corrective action plan to preserve the project savings and the occupant comfort.

Exhibit B – Payment for Scope of Work

Article 1: Payment for FIM Scope of Work

- 1.1 Price: As full consideration of the Work as described in Exhibit H, Article 1: Scope of FIM Work, "Client" shall pay to C&S the Contract sum not to exceed a guaranteed maximum price of Two Million and Fifty Two Thousand, Ninety Six Dollars (\$2,052,096.00) in accordance with the payment terms and conditions established in section 5.2 of this Agreement.
- 1.2 At closing, proceeds from the Lease will be deposited into an escrow fund account (the "Escrow Fund") acceptable to Lessor pursuant to an Escrow Agreement by and among the Lessee, the Lessor and the Escrow Agent. If the Lessee uses Bank of America as its Escrow Agent, the services are provided at no charge to Lessee.

During the installation period, the Lessee will requisition funds in the manner outlined in the Escrow Agreement. No funds will be disbursed without the written approval of the Lessee and approval of the Lessor. As described in the Agreement, funds will only be disbursed upon "Equipment Acceptance", which requires that each portion of the Equipment operates as a separate and independent functional unit, that the Equipment constituting such portion has been acquired and installed is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted by Lessee for all purposes of the Agreement. The Lessee will direct the investments in the Acquisition Fund and all interest earnings will accrue to the Lessee's benefit. The Escrow Fund is subject to compliance by Lessee with all applicable regulations under the Internal Revenue Code, including but not limited to arbitrage reporting.

Quote Proposal Form:
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“Energy Performance Contract”
City School District of the City of Auburn
Cayuga County, New York**

R.G. Timbs, Inc.
24 Sherman Oaks
New Hartford, New York 13414
Attn: Jessica Bianchi
Phone Number: (877) 315-0100 Ext. 2
Fax Number: (315) 266-9212
Email: JessicaB@rgtimbsinc.net

Lessor/Agent: _____

Address: _____

Phone #: _____ Fax #: _____

Email Address: _____

Contact Person _____

Title: _____

Annual Interest Rate: _____

Total Payments: _____

Signature: _____ Date: _____

NOTE: PLEASE ATTACH A REPAYMENT SCHEDULE WITH YOUR QUOTE.

Upon verbal or written notification of successful bid award, the successful bidder **shall be required to overnight deliver the leasing documents to both R.G. Timbs, Inc. and Bond Counsel at:**

R.G. Timbs, Inc.
Attn: Jessica Bianchi
24 Sherman Oaks
New Hartford, New York 13414

Timothy R. McGill, Esq.
248 Willowbrook Office Park
Fairport, New York 14450