

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: May 22, 2012
TO: **BOARD OF EDUCATION**
FROM: Dr. Joe A. Hairston, Superintendent
RE: **RECOMMENDATIONS FOR AWARD OF CONTRACTS**
ORIGINATOR: Renee A. Foose, Deputy Superintendent
PERSON(S): Rick Gay, Manager, Office of Purchasing
Michael G. Sines, Executive Director, Department of Physical Facilities

RECOMMENDATION

That the Board of Education approves the following contract recommendations.

See the attached list of contract recommendations presented for consideration by the Board of Education of Baltimore County.

RLG/tcg

Appendix I – Recommendations for Award of Contracts – Board Exhibit

1. Contract Modification: Financing Various Vehicles
Contract #: MBU-520-12

Term: 5 years **Extension:** N/A **Contract Ending Date:** 7/3/2016

Estimated contract authority: \$ 4,140,861

Board meeting date: May 22, 2012
Bid issued: March 29, 2012
Pre-bid meeting date: N/A
Due date: April 19, 2012
No. of vendors issued to: 29
No. of bids received: 11
No. of no-bids received: 3

Description:

This is a supplement to clarify the contract and correct the exhibit approved on May 8, 2012, in order to satisfy required language per the recommendation of special tax counsel.

This contract consists of financing for required school buses and trucks. The recommendation for the purchase of vehicles is based on selecting the financing option that provides the most cost-effective financing plan. The proposed interest rate shall be fixed, and the principal and interest will be budgeted and paid each year in accordance with an established repayment schedule. The total principal and interest will be repaid over a period of six fiscal years (July 1 through June 30), but shall not exceed a period of 61 months. The financing arrangement has been coordinated with the Baltimore County Office of Budget and Finance to ensure that the annual payments required are funded in the BCPS budget. The proposal is conditioned upon the equipment lease/purchase agreement being a qualified tax-exempt obligation within the meaning of the Internal Revenue Code, which in turn requires the Board of Education to reasonably anticipate that it and its subordinate units have not and will not issue tax-exempt obligations in the face amount of more than \$10 million during calendar year 2012. The award of the financing shall constitute evidence of such reasonable anticipation by the board, as well as the board's designation, of the equipment lease/purchase agreement as a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Lindsey A. Rader, Esq., of Funk & Bolton, P.A., Baltimore, MD, shall serve as special tax counsel for this transaction.

Recommendation:

Award of contract is recommended to:

JPMorgan Chase Bank, N.A. Columbus, OH

Responsible school or office: Fiscal Services

Contact person: Barbara Burnopp

Funding source: Operating budget