

**CITY OF SAN ANTONIO
FINANCE DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager

FROM: Ben Gorzell Jr., CPA, Acting Director of Finance

SUBJECT: Fifth Draw of the 2005 Tax-Exempt Master Lease Purchase Agreement

DATE: April 6, 2006

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the fifth draw on the 2005 Tax-Exempt Master Lease Purchase Agreement with Banc of America Leasing and Capital, LLC, for \$157,500.00 for the acquisition of (13) thirteen 12-lead electrocardiograms (EKG's) for the Fire Department's Emergency Medical Services Division at a rate of 3.96% for a 60 month term; authorizes payment of the costs of the transaction; and enacts other provisions incident and related to the subject and purpose of this ordinance.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

The City participates in lease purchase transactions on an annual basis. For efficiency purposes the City initiated a request for bids for a five-year Master Lease Purchase Program in the Fall of 2004 with the anticipated draw amount set at \$5 million per year. A Request for Bid for a Tax-Exempt Master Lease Purchase Financing Provider was released on January 3, 2005 and on January 18, 2005, twelve (12) firms submitted bids that included (2) two alternate bids for a total of fourteen (14) bids. Three (3) bids were deemed not responsive because they did not comply with the terms of the Request for Bid. The Tax-Exempt Master Lease Purchase Agreement was awarded to the bidder whose bid produced the lowest total interest cost to the City and whose terms and conditions of the Master Lease Purchase Agreement were consistent with the City's objectives.

On February 17, 2005, Ordinance No. 100438 approved Banc of America Leasing and Capital, LLC with the low bid of 3.11%. The original agreement term began on February 24, 2005 and ended on February 23, 2006. The Tax-Exempt Master Lease Purchase Agreement includes annual automatic renewals for (4) four additional (1) one-year renewal terms. The funds are secured through this funding mechanism and are received by the City pending final acceptance of the equipment, and invested in the interim with interest earnings accruing to the benefit of the City. Payment for the equipment is not made to the respective vendors until final acceptance is given in writing by the department receiving the equipment, the Finance Department and Banc of America Leasing and Capital, LLC.

For the original agreement term of February 24, 2005 through February 23, 2006, the City has utilized all of the \$5,000,000 capacity. For the first renewal term of February 24, 2006 through February 23, 2007, the City has utilized \$4,296,254.85 in capacity, which leaves \$703,745.15 available for other financing needs. The City has executed the initial four draws to fund the Information Technology Department's Mainframe Computer and EGO software, the Fire Department's Self-Contained Breathing Apparatus components and fire trucks, and to pay fees associated with the cost of the transaction.

The Ordinance authorizes the fifth draw through the 2005 Tax-Exempt Master Lease Purchase Agreement with Banc of America in the amount of \$157,500.00, which includes a cost of \$155,000.00 for the purchase of the (13) thirteen 12-lead electrocardiograms and \$2,500.00 in fees associated with the cost of the transaction. Payments will be made upon delivery and acceptance of the electrocardiograms.

POLICY ANALYSIS

The utilization of Banc of America Leasing and Capital, LLC to provide lease purchase financing for the aforementioned electrocardiograms is consistent with the City's capital improvement budget and the Master Lease Purchase Agreement.

FISCAL IMPACT

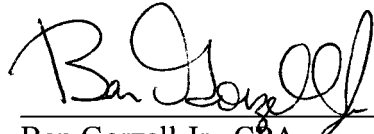
Payments for lease purchase draws are made on a quarterly basis to Banc of America Leasing and Capital, LLC, on February 1, May 1, August 1, and November 1.

COORDINATION

This action has been coordinated with the departments of Finance, Purchasing & General Services, Fire, Office of Management and Budget, the City Attorney's Office and the City's Bond Counsel.

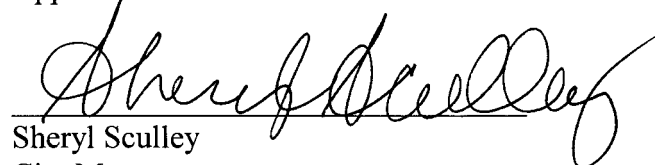
SUPPLEMENTAL COMMENTS

The disclosures required by the City's Ethics Ordinance for Banc of America Leasing & Capital LLC are attached.



Ben Gorzell Jr., CPA
Acting Director of Finance

Approved for Council Consideration:



Sheryl Sculley
City Manager

City of San Antonio Discretionary Contracts Disclosure

For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.

(1) Identify any individual or business entity¹ that is a party to the discretionary contract.

None

(2) Identify any individual or business entity which is a partner, parent or subsidiary business entity, of any individual or business entity identified above in Box (1):



No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

(3) Identify any individual or business entity that is a subcontractor on the discretionary contract.



No subcontractor(s); or

List subcontractors:

(4) Identify any individual or public relations firm employed by any party to the discretionary contract for purposes related to securing the discretionary contract.



No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any *current or former member of City Council, any candidate for City Council, or to any political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☒ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

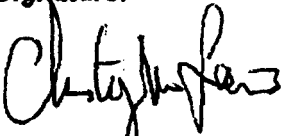
(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☒ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature: 	Title: V.P. Company or D/B/A: Bank of America Leasing	Date: 6/29/05
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Christopher Lewis

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.