

Business Operations
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: REQUEST FOR PROPOSAL, FOR UP TO \$120 MILLION MASTER
EQUIPMENT LEASE PROGRAM**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

In the past, major capital asset acquisitions have generally been financed through our Certificates of Participation Master Lease Program (COP's Program). Due to the School Board's Five-Year Facilities Work Program approved by the School Board in the September 7th, 2005 Board Meeting alternative forms of financings have been investigated to provide relief to the collateral requirements of the COP's Program. A Master Equipment Lease Program will provide relief to the Capital Budget for projects that would have been financed under the COP's Program or budgeted as Pay-As-You-Go.

The following projects will be included in the initial lease schedules under the Master Equipment Lease Program for the 2005-2006 fiscal year:

Buses	\$ 25 Million
Air Conditioning Systems	22 Million
Security Cameras	11 Million
Enterprise Resource Planning System	27 Million
PC's Technology Upgrades	<u>5 Million</u>
Total	\$ 90 Million

Financing terms for a Master Equipment Lease will be comparable to the terms obtained under the COP's Program and will provide the lowest cost of funds available. The term of the project lease schedules will be matched to the useful life of the asset, primarily 5 and 10 years. In addition to providing relief to the COP's Program, the Master Equipment Lease Program will provide the following benefits:

- Low upfront cost as compared to bond issuance cost
- Easy to increase or reduce program size/Accommodate smaller more frequent borrowing
- Flexible terms (can structure to draw down funds as needed or escrow funds, can use interest only periods, balloon/deferred payments, fixed or floating rate, any time call feature)
- No bond insurance required
- No rating agency participation required
- Simple documentation, quick execution, and minimal ongoing disclosures

Attached is the Request For Proposal for up to \$120 Million Master Equipment Lease to be issued to banks and other financial services vendors who provide leasing programs. The results of the proposals received will be submitted to the School Board for its approval.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve the release of the attached Request For Proposal, for an amount up to \$120,000,000, with an initial amount of \$90,000.000, subject to School Board approval, before the transaction with the successful bank(s) is completed.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUEST FOR PROPOSALS
FINANCING OF EQUIPMENT
ACQUIRED UNDER A MASTER LEASE PURCHASE AGREEMENT
MIAMI-DADE COUNTY, FLORIDA

I. NAME AND ADDRESS OF REQUESTER

Miami-Dade County Public Schools
Office of Treasury Management
1450 N. E. Second Avenue, Room 615
Miami, Florida 33132

II. PURPOSE OF REQUEST FOR PROPOSALS

The School Board of Miami-Dade County, Florida (the "School Board") requests sealed proposals for duly qualified and eligible entities (the "Proposers") prepared to finance up to \$120 million of projects (the "Projects"). The financing arrangement will take the form of a Master Lease Purchase Agreement (the "Agreement" or the "Contract") between the successful Proposer (the "Lessor") and the School Board providing for, among other things: (i) entering into the Agreement for the lease purchase of Projects from the Lessor to the School Board, and (ii) payment of lease payments under the Agreement by the School Board. Capitalized terms not otherwise defined below shall have the meaning assigned in the Agreement.

III. INSTRUCTIONS FOR SUBMISSION OF PROPOSALS

Fifteen copies of the proposal in three-ring binders, one of which shall be an original, and a copy of the proposal on a CD ROM in Microsoft format, must be received by 2:00 p.m. (Eastern Standard Time) January 10th, 2006, at:

The School Board of Miami Dade County, Florida
Bid Clerk, Division of Procurement Management Services
1450 Northeast Second Avenue, Room 352
Miami, Florida 33132

The responsibility for submitting this proposal to the District on or before the stated time and date will be solely and strictly the responsibility of the Proposer. The District will in no way be responsible for delays caused by the United States mail or any other delivery service or caused by any other occurrence. The proposal must be submitted in a sealed envelope or box marked "**MASTER LEASE PURCHASE AGREEMENT.**"

It is anticipated that a proposal may be presented to The School Board of Miami-Dade County, Florida, for acceptance on or about February 15, 2006. If accepted, notification to the successful proposer(s) will be on or about February 15, 2006. The Board reserves the right to accept or reject any and all proposals.

IV. TERMS OF THE MASTER LEASE AGREEMENT

The Agreement contemplates the financing of the Projects by the Lessor upon delivery by the School Board of one or more Schedules to the Agreement (each, a "Schedule"). The Agreement and each Schedule together constitute a separate lease. The rate of interest to be charged for each Project lease purchase will be determined and fixed on the Acceptance Date for the Project based upon a percentage of an Index as discussed below. The initial Lease Payment by the School Board shall be due on the first day of the month after six (6) full months have elapsed from the Vendor Payment Date as shown on a Schedule. The initial Lease Payment shall include accrued interest from the Vendor Payment Date to the first Lease Payment Date. The Lease Payments will continue semi-annually for the specified term of financing. Semi-annual Lease Payments will be calculated based on level payment basis using a single fixed rate of interest for either five, or ten-year leases. Interest will be calculated on a 30/360 day basis. Upon delivery of a Schedule an Amortization Schedule will be provided by the Lessor indicating the principal and interest payments due each Lease Payment Date. The School Board reserves the right to prepay any lease at any time following the Vendor Payment Date by paying the principal due as of the last Lease Payment Date plus accrued interest through the date the Schedule is prepaid.

Source of Repayment: All lease payments required to be paid by the School Board under the Agreement will be made only from legally available funds, appropriated annually, for such purpose by the School Board. The Local Option Millage Levy (LOML) constitutes the primary source of funds to make Lease Payments under the Agreement. See both the District's Executive Summary (Tentative Budget 2005/2006) and the Comprehensive Annual Financial Report found on the District's web site at the following address for information on the District Capital Outlay Funds, which include the LOML 2 mill levies and collection history:

<http://financialaffairs.dadeschools.net/manuals.asp>

Non-Appropriation Risk: The School Board is not legally required to appropriate moneys for the purpose of making lease payments, and failure to do so shall constitute an "Event of Non-appropriation" but not an "Event of Default". Remedies shall be limited in accordance with Florida law.

The Projects: Total Projects to be financed under the Agreement will not exceed one hundred and twenty million dollars (\$120,000,000) and will include the following assets, budgeted amounts for the 2005/2006 fiscal year, and anticipated lease terms:

School Buses	\$ 25,000,000	10 year term
Air Conditioning Equipment	22,000,000	10 year term
Security Cameras	11,000,000	5 year term
ERP System	27,000,000	5 year term
PC's Technology Upgrades	5,000,000	5 year term

Current projections include another \$25 million and \$5 million will be budgeted for School Buses and PC's Technology Upgrades, respectively in the 2006-07 fiscal year. Funding will occur immediately for the projects budgeted in 2005/06 fiscal year and will be held in Escrow until the funds are requisitioned based on actual expenditures. Projects that are budgeted in 2006-07 fiscal year may be funded upon delivery and acceptance of each project or held in Escrow beginning no later than October 1st, 2007. The origination period for all leases under the Agreement commences upon execution of the Agreement and ends on the earlier of: (i) the date on which Schedules with an aggregate of \$120,000,000 of principal obligations have been originated or (ii) the date which is two years from the date of the Agreement. The Lease Schedules for each project shall be attached to the Agreement periodically throughout the origination period of the Agreement. Proposers must be willing to finance any one or more of the Projects at any time throughout the origination period of the Agreement, at the percentage of the Index bid in response to this RFP.

Rate: The School Board will make Lease Payments to the Lessor in equal semi-annual installments based on a percentage of the index as defined by the annualized interest rate on the five and ten-year Treasury Notes reported by the Federal Reserve on a weekly average basis for the week preceding the rate publication. Each Proposer is required to propose a percentage of the Index of five and ten year lease terms. The Index to be used will be the most recent rate published by the Federal Reserve as of the Acceptance Date. Each Proposer is required to propose a percentage of the Index of each of the five and ten-year lease terms. If there are certain Projects which would affect your firm's willingness to provide financing, please provide details in your proposal. The maximum total term of the Agreement would be determined by the longest Schedule outstanding at the conclusion of the origination period. Each lease under the Agreement shall terminate on June 30th of each year, subject to renewal by the School Board in its annual budget, with a final maturity on the appropriate anniversary date of the execution of the related Schedule.

Authority To Enter Into Contract: The School Board is authorized under applicable law to enter into the Agreement and the transactions contemplated thereby and to perform all of its obligations thereunder.

Obligation Subject To Appropriation: The obligation of the School Board to pay Lease Payments under the Agreement shall constitute a current expense of the

School Board subject to annual appropriation and shall not in any way be construed to be a debt of the School Board in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the School Board, nor shall anything contained in the Agreement constitute a pledge of the full faith and credit or of the general tax revenues, funds or moneys of the School Board.

Legal Matters and Tax Exemption: The School Board's execution and delivery of the Agreement will be subject to review and approval by the School Board Attorney and the School Board's Special Tax Counsel of such Agreement and all supporting documentation. The School Board will covenant to take all necessary action to preserve the tax-exempt nature of its payments under the Agreement .

Not Bank Qualified: The Lease Payments under the Agreement are not "Bank Qualified" obligations that constitute "Qualified Tax Exempt Obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986.

Rating: The School Board's outstanding Certificates of Participation under its Master Lease Purchase Agreement for Facilities are rated "A3" by Moody's Investors Service, Inc., and "A" by Standard & Poor's Corporation. As previously noted, the Agreement will not be a general obligation of the School Board. The School Board does not intend to apply for a rating related to this proposed financing.

Participation or Public Distribution: The School Board has not prepared an official statement or other offering materials in connection with this Request for Proposal or the Agreement and does not intend to prepare such materials. No Lessor may undertake any public offering of the Agreement or any interests or certificates of participation therein. However, the Agreement permits the assignment of the School Board's payment obligation to an institutional investor who would acquire the payment obligations for investment and not with a view to resale or distribution. The Lessor shall keep the School Board informed of any efforts that it makes to assign the Agreement so that the School Board can be assured that there has been compliance with applicable securities laws. At the time of the signing of the Agreement, the Lessor shall certify that:

1. The Lessor is entering into the Agreement for its own account or intends to sell to an individual or an entity meeting the requirements of (3) and (4) below and which has no intention of redistribution;
2. The Lessor is entering into the Agreement for investment and not with the intent to resell or redistribute or intends to sell to any individual or entity meeting the requirements of (3) or (4) below;
3. The Lessor has knowledge and experience in financial and business matters that renders it capable of evaluation the merits and risks of investment in the Agreement and has received such information as it has deemed necessary to make such evaluation, and;
4. The Lessor is able to bear the economic risk of investment in the Agreement.

V. REQUIRED INFORMATION TO BE SUBMITTED BY PROPOSER

Proposers must adhere to this section's requirements for proposal content and format so that the evaluation and selection process can be conducted in an orderly and timely manner. Proposers must ensure that their proposal closely follows the sequence and organizational outline in this section. Brevity and concise responses are encouraged throughout the proposal. Proposals should be single spaced in no smaller than 12-point type.

Each page in the proposal must be numbered consecutively, including all appendices, exhibits and attachments to facilitate reference and review.

Proposers should not include confidential information in their proposals. The District operates under the Sunshine Laws of Florida.

Proposers wishing to submit a proposal in response to this RFP shall complete and submit the following:

1. The last two years audited financial statements, as well as the most recent quarterly financial statements, and any other relevant information of the bidder.
2. Details of at least three similar Tax-exempt, non-bank qualified, Equipment Master Leases entered into within the last two years, including verifiable references, including name, address, telephone number, and email address.
3. A schedule of all Tax-Exempt Equipment Master Leases entered into in the last three years including the date, amount and Lessee.
4. A completed Pricing Form, Attachment A, included as a part of this RFP. Proposers shall provide the School Board their bids as a percentage of the Five and Ten Year Treasury Index.

Proposers shall also indicate their willingness to finance each of the items anticipated to be financed under the Agreement. A reason must be provided if a Proposer is unwilling to finance any item.

Each Proposer must also submit ANY and ALL comments/changes to the terms and conditions of the Agreement, as provided with this RFP

V. EVALUATION OF PROPOSALS

Representatives of the school district will evaluate proposals in order to ascertain which proposal best meets the needs of the School Board. A committee consisting of the following members or their designees will make on or about the twelfth day of January, 2006, the evaluation of proposals:

Chairperson Investment Advisory Committee or designee from Investment
Advisory Committee
Chief Financial Officer

Treasurer
Representative from Office of School Facilities
Representative from the Division of Business Development and Assistance
Representative from the Office of Procurement Management (Non-Voting)

Evaluation consideration will include, but not be limited to, the following:

1. The responsiveness of the proposal in clearly stating an understanding of the work to be performed.
2. The financial strength and expertise in tax exempt leasing of firm.
3. Proposer's providing the lowest percentages of the Treasury Index for the five and ten-year lease terms. In the event different Proposers submit the lowest percentages of the Index for the, five and ten-year lease terms or in the instance of a tie, the School Board may elect to negotiate with the bidders and award the Agreement to the Proposer that offers the lowest percentage of the Index for both the five and ten year terms of the Index for both the five and ten year terms..

Any additional materials the proposer may wish to include must be presented in appendix form.

The School Board reserves the right to reject any or all proposals, to further negotiate any proposals, to waive any irregularities or informalities, to accept or reject any items or combination of items, to request clarification of information submitted in any proposal, and to request additional information from any proposer.

When the final selection is made and approved by the School Board, Standard Master Lease Documentation, subject to approval by the School Board Attorney and Special Tax Counsel will be entered into with the successful proposer. No debriefing or discussion will be held with unsuccessful proposers.

VI. EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of the School Board that no person will be denied access, employment, training, or promotion on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference or disability, and that merit principles will be followed.

Each firm is requested to indicate its equal employment policy and provide a detailed breakdown by ethnicity, gender and occupational categories of its work force. **(ATTACHMENT B)**

VII. THE JESSICA LUNSFORD ACT BACKGROUND SCREENING REQUIREMENTS

In accordance with the requirements of sections 1012.32, 1012.465, and 435.04, Florida Statutes (2004) as well as with the requirements of HB 1877, The Jessica Lunsford Act (2005), effective September 1, 2005, Contractor agrees to certify under oath and penalty of perjury, see **ATTACHMENT B** (Sworn Statement Pursuant to Sections 1012.32, 1012.465, and 435.04, Florida Statutes (2004) and HB 1877, The Jessica Lunsford Act (2005)) which is incorporated fully herein by reference, that Contractor and all of its employees who provide or may provide services under this Agreement have completed all background screening requirements as outlined in the above-referenced statutes.

Additionally, Contractor agrees that each of its employees, representatives, agents, subcontractors or suppliers who are permitted access on school grounds when students are present, who have direct contact with students or who have access to or control of school funds must meet level 2 screening requirements as described in sections 1012.32 and 435.04, Florida Statutes, and further upon obtaining level 2 clearance, must obtain a required Board issued photo identification badge which shall be worn by the individual at all times while on Board property when students are present.

Contractor agrees to bear any and all costs associated with acquiring the required background screening – including any costs associated with fingerprinting and obtaining the required photo identification badge. Contractor agrees to require all its affected employees to sign a statement, as a condition of employment with Contractor in relation to performance under this Agreement, agreeing that the employee will abide by the heretofore described background screening requirements, and also agreeing that the employee will notify the Contractor/Employer of any arrest(s) or conviction(s) of any offense enumerated in s. 435.04, Florida Statutes within 48 hours of its occurrence.

Contractor agrees to provide the Board with a list of all of its employees who have completed background screening as required by the above-referenced statutes and who meet the statutory requirements contained therein. Contractor agrees that it has an ongoing duty to maintain and update these lists as new employees are hired and in the event that any previously screened employee fails to meet the statutory standards. Contractor further agrees to notify the Board immediately upon becoming aware that one of its employees who was previously certified as completing the background check and meeting the statutory standards is subsequently arrested or convicted of any disqualifying offense. Failure by Contractor to notify the Board of such arrest or conviction within 48 hours of being put on notice and within 5 business days of the occurrence of a qualifying arrest or conviction shall constitute grounds for immediate termination of this Agreement by the Board.

The parties further agree that failure by Contractor to perform any of the duties described in this section shall constitute a material breach of the Agreement entitling the Board to terminate this Agreement immediately with no further responsibility to make payment or perform any other duties under this Agreement.

COMPLIANCE WITH SCHOOL CODE

Contractor agrees to comply with all sections of the Florida K-20 Education Code, Title XLVIII, Florida Statutes, as it presently exists, and further as it may be amended from time to time. Further Contractor agrees that failure to comply with the Florida K-20 Education Code shall constitute a material breach of this Agreement and may result in the termination of this Agreement by the Board.

VIII. IMPLEMENTATION SCHEDULE

The planned schedule for implementation of this Request For Proposals, is as follows:

Procurement Contract Review Committee.....on or before December 15th, 2005
Mailing of Request For Proposal.....December 16th, 2005
Opening of Proposals January 10th, 2006
Evaluation of Proposal.....on or about January 12th, 2006
Recommendation for AwardFebruary 15th, 2006

XIV. ADDITIONAL INFORMATION

Any additional information regarding proposal procedures may be obtained from:

Office of Treasury Management
Ms. Silvia R. Rojas, Treasurer
1450 N. E. Second Avenue, Room 615
Miami, Florida 33132
(305) 995-1684

**The School Board of Miami-Dade County (the "Board")
Equipment Master Lease**

Term Sheet

DATE

This Term Sheet and Pricing Form Attachment A of the Request for Proposals for the Board's "MASTER LEASE PURCHASE AGREEMENT" is for the provision of Tax Exempt Lease Purchase Financing to acquire new equipment and to upgrade existing equipment for the School Board of Miami Dade County.

The terms of the Master Lease and the pricing process are described below:

Lessee:	The School Board of Miami-Dade County, Florida	
Obligation:	Equipment Master Lease	
Financing Amount:	\$120,000,000	
Term:	Five and ten year leases.	
Equipment Descriptions:	\$25,000,000 School Buses (2005/06)	10 Year Lease Term
	\$22,000,000 Air Conditioning Systems (2005/06)	10 Year Lease Term
	\$11,000,000 Security Cameras (2005/06)	5 Year Lease Term
	\$27,000,000 ERP System (2005/06)	5 Year Lease Term
	\$ 5,000,000 PC Upgrades (2005/06)	5 Year Lease Term
Sub-Total 2005/06:	\$90,000,000	
	\$25,000,000 School Buses (2006/07)	10 Year Lease Term
	\$ 5,000,000 PC Upgrades (2006/07)	5 Year Lease Term
Total	\$ 120,000,000	
Lease Payment:	Semi-annual, in arrears.	
Interest Calculation Method:	30/360	
Termination:	For an Event of Non-appropriation an Event of Default the School Board reserves the right to prepay any lease at any time following the Vendor Payment Date by paying the principal due as of the last Lease Payment Date plus accrued interest through the date the Schedule is prepaid.	
Security Interest:	In accordance with Florida Law, none.	
Lease Payments:	Semi-annual, in arrears.	
Lease Structure:	Triple-net lease. The lessee is responsible for all operating expenses, including maintenance and insurance.	
Bank Qualification:	The lease will <u>not</u> be bank qualified.	
Funding Requirements:	Funding will occur immediately for the projects budgeted in 2005/06 fiscal year and will be held in Escrow until the funds are requisitioned based on actual expenditures. Projects that are budgeted in 2006-07	

fiscal year may be funded upon delivery and acceptance of each project or held in Escrow beginning no later than October 1st, 2007.

- Lease Documentation:** Standard Master Lease Documentation, subject to approval by the School Board Attorney and Special Tax Counsel. All Documents will be governed by Florida Law.
- Ratings:** The School Board will not have this obligation rated. Lease Purchase obligations of the Board under a Facilities Master Lease Agreement are rated A1/A- by Moody's Investor Service/Standard & Poors.
- Special Tax Counsel:** Greenberg Traurig, P.A.
- Opinions:** The Board will deliver at its cost legal opinions customary legal opinions from the School Board Attorney and Special Tax Counsel that the Lease Agreement and other executed documents are valid and binding.
- Proposals Due:** 2:00 p.m. (Eastern Standard Time) January 10th, 2006
- Selection:** The Board expects to select a Proposer by the end of the day on February 15th, 2006
- Proposal Submission**
Location: The School Board of Miami Dade County, Florida
 Bid Clerk, Division of Procurement Management Services
 1450 Northeast Second Avenue, Room 352
 Miami, Florida 33132
- Right to Reject Proposals:** The Board reserves the right to reject any and all proposals, waive any irregularity in any proposal and clarify any information for any Proposer. Under no circumstances will any Proposer have any recourse against the Board or any member of the working group.
- Award Selection:** Upon meeting the requirements specified in the RFP, the selection of the Proposer will be made on the basis of the lowest cost to the District.
- Interest:** Interest will be calculated on a 30/360 day basis and paid on October 1 and April 1 of each year commencing on October 1, 2006.
- Right to Reject:** The Board retains the right to reject any and all proposals and to accept any non-conforming proposals.
- Disclaimer:** The Board, Special Tax Counsel, the Financial Adviser, and any other member of the working group will not have any liability for damages or harm suffered by the Provider if the Agreement does not settle, or does not occur as scheduled

PRICING FORM

Silvia R. Rojas
 Treasurer
 Miami-Dade School Board
 1450 NE 2nd. Ave., Room. 615
 Miami, FL 33131
 Tel: (305) 995-1684
 Fax: (305) 995-2387

RE: School Board of Miami-Dade County
 Equipment Master Lease

We have read the Request for Proposals for the Board's "MASTER LEASE PURCHASE AGREEMENT", the Term Sheet and submit this price proposal, subject to all the terms and conditions stated in the Request for Proposals, as follows:

<u>Term</u>	<u>Treasury Index</u>	<u>Percentage of Index</u>
<u>5 year</u>		
<u>10 year</u>		

Firm: _____

By: _____

Authorized Representative

Date: _____