

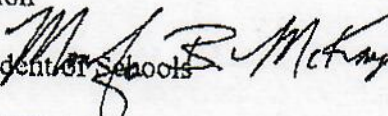
Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

May 25, 2023

APPROVED BY BOARD

MEMORANDUM

To: Members of the Board of Education

From: Monifa B. McKnight, Superintendent of Schools 

Subject: Contract Approval for RFP No. 1072.4, Master Lease Financing

Master Lease Financing, Request for Proposal No. 1072.4 was issued on January 27, 2023, for a master lease financing agreement to provide lease financing to Montgomery County Public Schools (MCPS) for the acquisition of school buses, technology modernization equipment, energy savings programs, and other essential vehicles and equipment for the next three years.

On March 7, 2023, the Montgomery County Board of Education received proposals for financing under Request for Proposal Number 1072.4, and has determined that Banc of America Public Capital Corporation is the financing vendor offering the most favorable equipment financing through a master lease/purchase program, and the most favorable financing for implementation of energy programs. The structure of the new Montgomery County Public Schools Master Lease Agreement provides for a three-year agreement to provide lease financing for the acquisition of essential vehicles and equipment. Based on past lease financing activity, approximately \$240 million in vehicle and equipment acquisitions are expected to be financed during the three-year period of the agreement. The Master Lease Agreement includes the option to extend the term for two additional three-year periods. Acquisitions eligible for inclusion in the Master Lease Agreement would be authorized in the operating budget, capital budget, competitively bid, and approved by the Board of Education prior to purchase.

Upon evaluation and the completion of a rate survey of other local jurisdictions by MCPS staff, we found the rates proposed by Banc of America Public Capital Corporation favorable.

The following resolution has been reviewed by the Office of the General Counsel.

WHEREAS, On January 27, 2023, Request for Proposal No. 1072.4, seeking proposals for preferred municipal master lease financing was duly advertised; and

WHEREAS, On March 7, 2023, the Board of Education received proposals for financing under Request for Proposal No. 1072.4, and has determined that Banc of America Public Capital

Corporation is the financing vendor offering the most favorable equipment financing through a master lease/purchase program; and

WHEREAS, Banc of America Public Capital Corporation has agreed to provide the required financing for essential vehicles and equipment, at a preferred municipal rate; and

WHEREAS, Banc of America Public Capital Corporation has agreed to provide the required financing for implementation of energy programs; and

WHEREAS, The Board of Education is being requested to authorize the master lease program as first consideration for the source of financing the acquisition of school buses, technology modernization equipment, energy savings programs, and other essential vehicles and equipment needed through June 30, 2026; now therefore be it

Resolved, That the Board of Education award Request for Proposal No. 1072.4 to Banc of America Public Capital Corporation, for a Master Lease Agreement through June 30, 2026, in accordance with the bid specifications and the bidder's proposal, subject to the non-appropriation clause as set forth in the Master Lease Agreement documents; and be it further

Resolved, That the Board of Education authorize proceeds from the aforementioned financing be used to reimburse Montgomery County Public Schools accounts to the extent that such equipment has or will be acquired before closing; and be it further

Resolved, That the superintendent of schools and the Board of Education president are authorized, empowered, and directed to approve, execute, and deliver on behalf of the Board of Education the documents necessary to implement this Master Lease Agreement and related documents with whatever changes may be necessary or appropriate.

MBM:MBH:RR:bsc