

REQUEST FOR FINANCING BID
MDA Capital Lease Program
Lease Purchase Agreement for not exceeding \$2,548,500
For
Neshoba County, MS
Energy Services Agreement and Energy Savings Performance Contract

BID DUE DATE: 12:00 PM (Central Standard Time) **Wednesday, January 25, 2017**

NOTICE OF BID: Invitations are extended for bids using the attached bid format.

CONTACTS:

1. Terrence Spears
Mississippi Development Authority
Energy Division
P.O. Box 849
Jackson, MS 39205-0849
Tel: 601-359-6600
Fax: 601-359-6642
E-mail: tspears@mississippi.org
2. Barry Friedman, President
Friedman, Luzzatto & Co.
14755 Preston Road, Suite 515
Dallas, TX 75254
Tel: 972-404-1011
E-mail: barry@fl-co.com

FINANCIAL ADVISOR: Friedman, Luzzatto & Co. (“FLCO”) is a registered Broker, a registered Municipal Advisor and a member of Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”) designated to provide financial advisory services to the Mississippi Development Authority (“MDA”) related to capital lease financing.

ENERGY SERVICES COMPANY: Schneider Electric Buildings Americas, Inc.

SCOPE OF REQUEST: Neshoba County (referred to herein as either the “Lessee” or the “County”) is seeking financing bids with respect to a lease-purchase agreement (the “Lease”) to finance energy efficiency and conservation equipment for certain facilities located throughout the County, and to pay for associated transactional costs. You are invited to submit a financing bid to Friedman, Luzzatto & Co., Financial Advisor to MDA, no later than 12:00 p.m. (CST), on **Wednesday, January 25, 2017**. We expect to close this lease-purchase transaction on or about **Friday, February 24, 2017**.

The Lessee is seeking bids for a tax-exempt lease purchase financing. The Lease will be designated as “bank qualified” under section 265 of the Internal Revenue Code of 1986, as amended. The successful bidder, or its assignee, subject to Lessee approval, will serve as the lessor under the terms of the Lease.

PROPERLY COMPLETED BID RESPONSES WILL INCLUDE:

- a. Submission by 12:00 PM, (Central Standard Time), **Wednesday, January 25, 2017**, by e-mail as set forth herein under Condition to Bid/Submission of Bids;
- b. A signed and dated bid form;
- c. A schedules of payments and amortization schedule based on an amount of \$2,548,500;
- d. Escrow information (contact, escrow agreement and fees);
- e. List of additional transactional costs, if any; and
- f. Bidder's standard lease document with Terms and Conditions.

Contents of this Bid:

- Bid Information - Specific Terms
- Conditions to Bid
- Bid Form
- Attachment A - Scope of work for the Library Energy Services Agreement
- Attachment B – Scope of Work for the Courthouse Energy Services Agreement
- Attachment C – Scope of Work for the Energy Savings Performance Contract

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Bid Information -- Specific Terms

Lessee: Neshoba County, MS (hereafter referred to as the “Lessee” or the “County”)

Lessor: The provider of the financing

Lease Amount: \$894,199 (Library Energy Services Agreement)
\$223,065 (Roof Energy Services Agreement)
\$1,398,106 (Energy Savings Performance Contract)
\$33,130 (Cost of Issuance)
\$2,548,500 (Total Project Cost)

Vendor: Schneider Electric Buildings Americas, Inc. (hereafter referred to as “ESCO”)

Lease: A Tax Exempt Lease-Purchase Agreement (hereafter referred to as the “Lease”)

Lessee’s General Information: Neshoba County is a county located in the U.S. state of Mississippi. As of the 2010 census, the population was 29,676. Its county seat is Philadelphia. The name is derived from the Choctaw word *nashoba* meaning wolf.

Lessee’s Credit Rating: Moody’s Investor Service.....Not Rated
Standard & Poor’s Corporation.....Not Rated
Fitch Ratings.....Not Rated

Lessee’s Fiscal Year End: June 30th

Lessee’s Financial Statements: <http://www.osa.state.ms.us>
For years 2012-2014

Project Overview: The project will consist of three separate phases. The first phase will be an Energy Services Agreement for work performed at the Neshoba County Public Library. The second phase will be an Energy Services Agreement for work done at the Courthouse to repair the roof. The final phase will be an Energy Savings Performance Contract for work performed at the following six county facilities: Courthouse, Justice Court Annex, Coliseum, Law Enforcement Center, Unit Facility Building, and Department of Human Services. The specific level and detail of work will be performed in accordance with the terms and provisions of the Energy Services Agreements and the Energy Services Performance Contract, between the County and Schneider Electric Buildings Americas, Inc. (the “Contracting Agreements”).

The following types of equipment will be installed and/or categories of services will be performed on the County Facilities, as provided in the Contracting Agreements: (i) Lighting retrofits (ii) Mechanical (HVAC, piping, valves) and (iii) Building Automation Systems.

MDA Approval: The Energy Service Agreements do not require approval from the Mississippi Development Authority’s Energy and Natural Resource Division (MDA); the Energy Savings Performance Contract received MDA approval on December 16, 2016.

Security: The Lessor will be secured by a security interest in all equipment and the Lessee’s obligation to make lease payments under the Lease. Lease payments are subject to annual

appropriation of funds. During the term of the Lease Agreement, the Lessee shall hold legal title to the leased equipment and any repairs, replacements, substitutions, and modifications thereto.

Net Lease: All obligations, costs and responsibilities associated with ownership of the leased equipment will be borne by the Lessee, including liability and property insurance (which may include self-insurance), maintenance, and applicable taxes.

Interest Rate: A fixed rate of interest for a period of sixteen (16) years, with 181 monthly payments to begin **February 24, 2018** through **February 24, 2033**.

The bidder will propose a fixed rate of interest per annum for the Lease. If as a result of the Lessee's delay, the lease-purchase transaction closes after March 10, 2017, the rate will be adjusted upward or downward using data from the Intercontinental Exchange Reported Data available through the website listed below found on the 5th calendar day prior to the funding date of the lease-purchase transaction (the "Adjusted Rate Date").

<https://www.theice.com/index>

Interest Rate Option 1: The Lessor may use the interest rate swaps, or
Interest Rate Option 2: The Lessor may use the Treasury Constant Maturity rate.

Prepayment Option: The terms of the Lease will provide that the Lessee will have the right, at its option, to prepay the principal portion outstanding on the Lease without penalty, after a period of 5 years from the date of closing of the lease-purchase transaction, by providing 30 days prior written notice to Lessor. **Bidders may also propose a rate subject to a prepayment premium.**

Bank Qualified: The Lessee will designate the Lease as "bank qualified" under section 265 of the Internal Revenue Code of 1986, as amended.

State of Mississippi Tax Exemption: The Lease and the income from that agreement shall be exempt from all taxation within the State of Mississippi, except gift, transfer and inheritance taxes.

Tax ID # 64-6000889

Assignment: The Lessor may assign its rights under the Lease but only with the advance written consent of Lessee.

Escrow Agreement: The Lessee and Lessor may enter into an escrow agreement for the deposit, investment and application of the proceeds of the Lease for project costs. The escrow account is for the benefit of the Lessee, and as such, the Lessee shall be entitled to all investment earnings on moneys held in such account. Moneys held in the escrow account shall be invested in investments allowed under the laws of the State of Mississippi.

Transactional Costs: The bidder should identify specifically all costs associated with the consummation of the lease-purchase transaction, if any, that would be an obligation of Lessee as either a direct payment or as additional project costs for purpose of determining the funded lease amount and/or ongoing payment obligations. These costs must be all-inclusive and may include commitment fees, capitalized interest, legal counsel fees, trustee fees, escrow fees, and any other costs associated with the lease-purchase transaction.

Term: Not to exceed sixteen (16) years as provided within.

Installation Period: Eight to twelve (8 to 12) months expected.

Performance Bond:

Schneider Electric Buildings Americas, Inc. will post payment and performance bonds in accordance with the laws of the State of Mississippi.

Private Placement:

The successful bidder (the “Lessor”) may enter into an Investment Letter certifying that the Lessor intends to hold the lease for investment purposes and not for re-sell (to comply with Rule 15c2-12 of the United States Securities and Exchange Commission), and that the Lessor (i) has such knowledge and experience in financial and business matters that the Lessor is capable of evaluating the merits and risks of the prospective investment, and (ii) the Lessor is not purchasing for more than one account or with the view to distribute the obligations.

The Lessee will not be preparing any form of offering document with respect to the closing of the lease-purchase transaction. Financial information of the Lessee is available upon request (see links to website provided above); however, the Lessor must perform its own independent review and evaluation of the financial position of the Lessee.

Upon submission of a bid, the Lessor recognizes that the Lessee will be requiring that the Lessor will give notice to the Lessee of the assignment and sale of the Lease, if any, and subject to the Lessee approval and provide the name and address of each assignee or owner in addition to the street name owner for registration purposes and will provide the Lessee with a certificate as it relates to that matter.

Addendum:

No addendum to bid specifications will be issued prior to two (2) working days of the bid due date unless such addendum also amends the bid due date to no less than five (5) working days after the date of addendum.

Award Criteria:

The Lessee intends to award the financing to the bidder who submits the bid with the lowest all inclusive rate and which is responsive to the request for the lease-purchase financing.

The Lessee reserves the right to reject any and all bids, to waive minor errors and inconsistencies, and to negotiate with any bidder upon terms that do not differ substantially from those set forth herein.

Questions:

Questions should be submitted via email at barry@fl-co.com, and art@fl-co.com by **12:00 pm CST Wednesday, January 25, 2017**. The subject line should reference: **Request for Financing Bid – Neshoba County, MS**

Conditions to Bid

- Cost of Preparing Bid:** The cost of developing and submitting the bid is entirely the responsibility of the firms submitting a response to this request for bids. This includes, but is not limited to, costs to determine the nature of the engagement, preparation of the bid, submitting the bid, negotiating for the contract and other costs associated with this request for bids.
- No Oral or Implied Contracts:** There shall be no oral or implied contracts relating to this request for bids.
- Acceptance or Rejection:** The Lessee reserves the right to select, accept or reject any or all bids or part of a bid; to waive any informalities or technicalities; clarify any ambiguities in bids; modify any criteria in this request for bids.
- Lease:** The successful bidder will be required to enter into a Lease-Purchase Agreement with the Lessee (referred to previously as the "Lease").
- Contract Documents:** The Lessor and the Lessee will enter into the Lease and an escrow agreement as discussed herein. The County has the right to modify the winning bidder's lease and escrow forms as the County deems necessary.
- Validity Opinion:** Wade White Attorney at Law PLLC
- Tax Opinion:** Butler Snow LLP
- Open Records Act:** All bids become the property of Lessee. State statute requires all information contained in the bids become open for public review.
- Continuing Disclosure:** Lessee reserves the right to file information about this transaction onto the Electronic Municipal Market Access ("EMMA") website maintained by the Municipal Securities Rulemaking Board (the "MSRB") following MSRB notice 2012-18.
- Submission of Bids:** A copy of the firm's bid shall be received on or before the time and date outlined above, addressed as follows:
1. Barry Friedman, President
Friedman, Luzzatto & Co.
14755 Preston Road, Suite 515
Dallas, TX 75254
Tel: 888-325-4201 or 972-404-1011
E-mail: barry@fl-co.com
 2. Art Brickey, Senior Vice President
Friedman, Luzzatto & Co.
14755 Preston Road, Suite 515
Dallas, TX 75254
Tel: 888-325-4201 or 972-404-1011
E-mail: art@fl-co.com

Responses via email will be accepted provided that each response includes all of the requisite information.

Bids received prior to the opening date shall be kept secured until opening. Friedman, Luzzatto & Co. shall not be responsible for the premature opening of a bid or for the rejection of a bid that was not received prior to the opening date.

- Signature of Bids:** Each bid shall give the complete mailing address of the bidder and be signed by an authorized representative with his or her name and legal title typed below the signature line.
- Modification/Withdrawal of Bid:** There shall be no modification or withdrawal of the bid after the bid receipt date.
- Notice of Award:** The awarded bid will be announced on **January 26, 2017**. No bid may be withdrawn until such award or rejection of all bids. Only the Lessee is authorized to issue news releases relating to this request for bid, its award and/or implementation of the lease-purchase financing.
- Prohibition of Gratuities:** Neither the successful bidder nor any person, firm, or corporation employed by the successful bidder in the performance of this contract shall offer or give any gift, money or anything of value or any promise of future award or compensation to any of the Lessee's employees at any time.
- Third Party Beneficiaries:** This request for bids and resulting Lease shall not be construed as providing an enforceable obligation to any third party.
- No Liability:** Lessee shall have no liability, obligation nor shall it be compelled to enter into any financing agreement or any other financing arrangement as a result of issuing this request for bids.

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Bid Form

Lease Amount: \$ 2,548,500

Rate of Interest Per Annum: _____%

Escrow Fee: \$ _____

List Additional Costs: _____

Attach Payment Schedule based on a lease commencement date of February 24, 2017, with a Principal Amount of \$2,548,500, with 181 monthly payments for a sixteen year (16) term beginning February 24, 2018 and ending on February 24, 2033, including a 5 year no prepayment option or a prepayment premium.

For informational purposes list total interest cost and all inclusive rate although Lessee calculation will control.

Total Interest Cost \$ _____

All Inclusive Rate: _____%

Bidder's Name: _____

Address: _____

Phone Number: _____

E-mail Address: _____

Signature: _____

Title: _____

ATTACHMENT A

Scope of work for the Library Energy Services Agreement

ATTACHMENT B

Scope of Work for the Courthouse Energy Services Agreement

ATTACHMENT C

Scope of work for the Energy Savings Performance Contract