



Mobile County PUBLIC SCHOOLS

1 Magnum Pass | Mobile, Alabama 36618 | 251-221-4000 | www.mcps.com

BOARD OF SCHOOL COMMISSIONERS

L. Douglas Harwell, Jr., President - District 1
Don Stringfellow, Vice President - District 2
Reginald A. Crenshaw, Ph.D. - District 3
Robert E. Battles, Sr. - District 4
William C. Foster, Ed.D. - District 5

SUPERINTENDENT Chresal D. Threadgill

RFP No: 19-54

August 19, 2019

All:

The Board of School Commissioners of Mobile County ("the Board") requests proposals for a loan in the principal amount of approximately \$8,100,000, the proceeds of which will be used to provide school buses for the Board.

Overview:

- Finance approximately \$8,030,000
- To fund the purchase of approximately 100 school buses
- Maximum finance period is 10 years
- Payments should be monthly
- MCPSS financial data is accessible on the system's web site, www.mcps.com
- **Closing date is Friday, August 30, 2019 at 2:00 PM CST**
- The Board's obligation will be a "qualified tax-exempt obligation" within the meaning of that term as used in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, and the Board will furnish, to the lender whose proposal is accepted by the Board, the approving legal opinion of Bradley Arant Boult Cummings LLP, bond counsel, Birmingham, Alabama, with respect to the validity and due execution and issuance of the obligation, the state and federal tax consequences to the recipient of the interest thereon and the Board's designation of the obligation as a "qualified tax-exempt obligation."

Additional Information:

The Board's indebtedness will be evidenced by its Special Tax School Warrant, Series 2019 ("the Warrant"), and secured by a pledge of – any payable solely from – the proceeds of the Board's 3.5 mill district ad valorem tax ("the Special Tax") levied under Amendment No. 3, section 2, to the Constitution of Alabama of 1901. The Special Tax is levied and collected annually on all taxable property situated within the Mobile County Special School Tax District, the boundaries of which include all areas lying within Mobile County less and except the areas lying within the corporate limits of the Cities of Chickasaw, Saraland and Satsuma. The net proceeds of the Special Tax were \$17,539,773 for the fiscal year ended September 30, 2017, and \$18,030,136 for the fiscal year ended September 30, 2018. It is *expected* that the net proceeds of the Special Tax will be at least \$18,300,000 for the fiscal year that will end September 30, 2019.

The mission of Mobile County Public Schools is to graduate prepared and productive citizens.

Rev. April 12, 2017



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The pledge of the Special Tax and its proceeds will be subject to the reservation that the Board may issue additional parity obligations payable from the proceeds of the Special Tax provided that the proceeds of the Special Tax for the fiscal year preceding the fiscal year in which the additional parity obligation is incurred are greater than 150% of the following: the maximum annual debt service requirement in any fiscal year on the obligation proposed to be issued together with the maximum annual debt service requirement on all outstanding obligations for which the Special Tax has been pledged. The only obligations presently outstanding and payable from or secured by a pledge of the Special Tax are (1) the pledge made in 2013 for the benefit of an equipment lease with an annual payment of \$845,511.98 (last payment due on December 20, 2022), and (2) the pledge made for the benefit of the Board's Special Tax School Warrant, Series 2017, with an annual payment of \$903,633.37 due on February 1 in each year from 2020 until 2027.

The Board requests that your proposal reflect a fixed interest rate (calculated on the basis of a 360-day year of 12 consecutive 30-day months) and that your proposal be accompanied by an amortization schedule showing monthly payments commencing with the payment that would come due on November 1, 2019, and the last payment coming due on October 1, 2029, and based on a loan closing date of October 15, 2019. The Board reserves the right to change the loan closing date and, in that instance, will ask that the lender provide prior to the loan closing an updated amortization schedule reflecting the actual closing date.

The Board will **not** reserve the right to prepay any portion of the principal of and interest on the Warrant prior to the stated maturity.

At the time of issuance, the Board will furnish, at no cost to the lender, the approving legal opinion of Bradley Arant Boult Cummings LLP, bond counsel, Birmingham, Alabama, with respect to the validity, due execution and issuance of the Warrant; the state and federal tax consequences to the recipient of the interest thereon; and the Board's designation of the Warrant as a "qualified tax-exempt obligation" within the meaning of that term as used in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Warrant will be typewritten on security paper. The Board does not expect to apply for a rating on the Warrant.

The lender will be expected to provide, at the time of issuance of the Warrant, its investment letter addressed to the Board and in a form satisfactory to the Board.

The Board reserves the right to reject any and all proposals and to waive any irregularity or nonconformity in the proposal it accepts.

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The Board will provide to the lender the approving legal opinion of bond counsel as described above and will not pay any closing costs other than a maximum of \$5,000 fee for counsel to the lender.

Please do not submit any proposal that is subject to the credit review of the lender.

Please submit responses as follows:

- **Submit proposals to: The Board of School Commissioners, Purchasing Office, P.O. Box 180069, Mobile, AL 36618 or by courier to 1 Magnum Pass, Mobile, AL 36618 by the closing date of Friday, August 30, 2019 at 2:00 PM CST. Proposals submitted after this date and time will not be accepted. MCPSS will not be responsible for late bids due to courier service or U.S. Postal Service.**

Questions

- Submit questions by email to Lori Zirlott at lazirlott@mcpss.com and Russell Hudson at rhudson@mcpss.com

Thank you for your interest in the Mobile County Public Schools. If I can be of further assistance, please do not hesitate to contact me.

Russell Hudson
Director of Purchasing

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