

EDUCATIONAL SERVICES COMMISSION OF NEW JERSEY

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March 3, 2020

Township of Union Board of Education

2369 Morris Avenue

Union, NJ 07083

Attn: Manuel E. Vieira, SBA

Re: Lease Purchase Bid March 3, 2020

Dear Mr. Vieira

At your request the ESCNJ Lease Purchase Finance Bid Coordination Service conducted a bid for the Township of Union Board of Education for lease purchase financing. The following is an analysis of the bids received.

The bid was held on March 3, 2020, at 1:00 p.m., at the Township of Union Board of Education Business Office. The funds raised will pay for the acquisition of 2400 Chromebooks. The term of the lease purchase is three years.

The transaction will fund to an escrow account at closing on or about March 3, 2020. The first payment will be due on May 15, 2020 and will be followed by two more annual payments ending on May 15, 2022.

The respondents were requested to furnish an interest rate, an index of the rate and the NPV of the payment stream offered.

ESCNI uploaded bid specifications, equipment list, the last three years audits and current budget of the Township of Union BOE to the ESCNJ web site for access by potential bidders. An e-mail with links to the request for bids was sent to potential respondents and five submitted bids. There were additional fees listed in connection with this lease for the establishment of a GUDPA approved escrow account or documentation. These fees did not affect the determination of the best offer.

The following is the analysis of the bids received.

Bid Results:

Respondent	Index Federal Reserve H-15 like term Date/Term	Purchase Option Penalty (% of outstanding principal balance)	Rate Bid *(effective rate incl. of fee)	Fees	Total Cost of Financing Including Fees	Award
US Bancorp	.98% 2 Yr. Swaps 2/28/2020	103% or Break Funding Fee	1.414%	No Fees	\$11,812.84	Award
Bank Funding LLC	1.37% 3Yr. Swaps 2/21/2020	101%	1.83%	\$500.00 Escrow Fee	\$15,273.36	
Municipal Leasing Corp.	1.297% 3Yr. Swaps 2/21/2020	101%	1.917%	\$500.00 Escrow Fee	\$15,971.55	
Key Government Finance	1.824% 1Yr. Swaps 5 Days Prior to Funding	No Prepayment Penalty	2.207%	No Fees	\$18,403.80	
TD Bank Group	No Index Provided	Option A Yield Maintenance Option B No Penalty	Option A 1.6985% Option B 1.7222%	No Fees	\$14,177.92 \$14,375.09	

Based upon the above results we recommend award be made to US Bancorp Government Leasing and Finance, Inc and or their assignee, at their rates listed above.

The interest rates will be held for 60 days, funding after that date will be indexed to 79% of the change in the above ICE Swap Rate index. Please insure that the index is included in your resolution to award. If there is a question regarding the calculation please call.

The contact information for US Bancorp Government Leasing and Finance, Inc. is Lyn Nita, Vice President, 10 Smoke Rise Lane Annandale NJ 0801. Lyn's number is 908 894 5520, e-mail lyn.nita@usbank.com I have informed US Bancorp that they are apparent low respondent and that your Board will tentatively make the award at your next meeting. This is being done to permit the bank to begin documentation in order to facilitate closing of the Lease Purchase.

Thanks for your membership in our state approved co-op, thank you for this assignment, your cooperation and assistance. It is the pleasure of the ESCNJ to be of service.

Respectfully submitted,

Patrick M Moran

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Business Administrator/Board Secretary/Lease Purchase Coordinator

Educational Services Commission of New Jersey

Respectfully Submitted;