

RESOLUTION NO. 4157

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
AUTHORIZING THE CITY MANAGER TO USE THE CITY'S IN-LIEU PURCHASE
EXCEPTIONS AND EXECUTE A CONTRACT WITH HME INCORPORATED FOR
THE PURCHASE OF A TYPE I FIRE ENGINE, AT A COST OF \$350,027 AND \$99,973
FOR EQUIPMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE A
LEASE PURCHASE AGREEMENT WITH MUNICIPAL FINANCE CORPORATION
IN THE AMOUNT OF \$450,000**

WHEREAS, on May 3, 2006, the City received a report from Citygate Associates recommending replacement of Fire Engine E8312 with a new engine; and

WHEREAS, on February 1, 2007 the City also received a report from Insurance Services Office recommending that the City needs two, 'first due Type I' engines and one reserve Type I; and

WHEREAS, Staff is recommending the purchase of a new Type I Engine and keeping Engine E8312; and

WHEREAS, HME Incorporated has submitted a proposal for construction of a Type I engine; and

WHEREAS, HME Incorporated has been deemed the lowest responsible bidder in a competitive bidding process for the State of California; and

WHEREAS, in accordance with the City of Soledad In-Lieu Purchase Exception, set forth in Municipal Code Section 3.24.040(C), the City may dispense with routine bidding procedures upon making a series of findings, and the City Manager and/or Staff have determined: 1) that the use of said exception for the proposed purchase of a Type I Fire Engine is appropriate; 2) that the bid for the purchase of the Fire Engine, in this case the State of California, was made within the previous twelve months; 3) that there has been no significant change in the price of the requested equipment since the time of the State of California purchase; 4) that regional variations in vendor sites will not have a significant impact on the identified purchased price; 5) that the bids provided by HME Incorporated as part of the State of California bidding process were the lowest responsible bids or equivalent thereto for the purchase of the Fire Engine in question; and

WHEREAS, the purchase price of the HME Type I Fire Engine is \$350,027.00 (including sales tax); and

WHEREAS, the City desires to provide for financing in the approximate amount of \$450,000.00 for the acquisition of a fire truck and equipment (the "Property"); and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective lease purchase financing arrangement at a 4.15% interest rate; and

WHEREAS, the City has determined that this lease financing arrangement is the most economical means for providing the Property to the City.

NOW THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Soledad as follows:

1. All of the recitals set forth above are true and correct to the best of its knowledge, and by this reference are incorporated herein as findings.
2. The Council hereby authorizes the City Manager to dispense with normal bidding procedures pursuant to Soledad Municipal Code Section 3.24.040(C) based on findings set forth above, and further authorizes the City Manager to enter into a seven year lease with Municipal Finance Corporation for the purchase of a Type I Fire Engine in accordance with lease documents approved by the City Attorney and the City Manager.
3. Lease with Option to Purchase. The City Manager or a designee is hereby authorized to enter into a Lease with Option to Purchase (the "Lease") with Municipal Finance Corporation to finance the Property, subject to approval as to form by the City's legal counsel.
4. Attestations. The City Clerk or other appropriate City officer is hereby authorized and directed to attest the signature of the Mayor or City Manager or of such other person or persons as may have been designated by the Mayor or City Manager, and to affix and attest the seal of the City, as may be required or appropriate in connection with the execution and delivery of the Lease.
5. Other Actions. The Mayor, City Manager and other officers of the City are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all agreements, documents and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Lease. Such actions are hereby ratified, confirmed and approved.
6. Qualified Tax-Exempt Obligations. The Lease is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The City, together with all subordinate entities of the City, does not reasonably expect to issue during the calendar year in which the Lease is issued more than \$10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

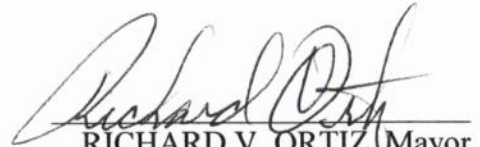
PASSED AND ADOPTED by the City Council of the City of Soledad at a regular meeting duly held on the 16th day of January 2008 by the following vote:

AYES, and in favor thereof, Councilmembers: Martha Camacho, Patricia Stephens, Juan Saavedra, Mayor Pro Tem Christopher Bourke, Mayor Richard Ortiz

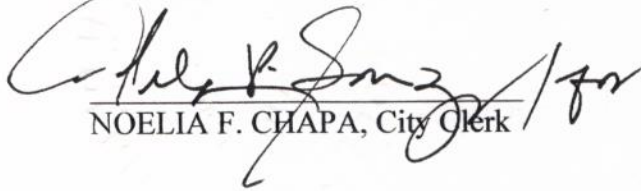
NOES, Councilmembers: None

ABSENT, Councilmembers: None

ABSTAIN, Councilmembers: None


RICHARD V. ORTIZ, Mayor

ATTEST


NOELIA F. CHAPA, City Clerk