


GLASSBORO PUBLIC SCHOOLS
GLASSBORO, NEW JERSEY

TO: Mark Silverstein
FROM: Walter Pudelko 
DATE: July 16, 2015
RE: Agenda Items for July 22, 2015 Operations Agenda

School Bus Purchase and Financing

Recommend the purchase of two 2016 54-Passenger Blue Bird School Buses as pursuant to bid specifications through the Middlesex Regional Educational Services Commission at a per unit price of \$83,684.27.

Recommend the financing of two 2016 54-Passenger Blue Bird School Buses as pursuant to bids received through the Middlesex Regional Educational Services Commission with US Bancorp at 2.973% actual yield for \$167,500.00.

WSP/b

Attachment

GLASSBORO SCHOOL DISTRICT
Purchase vs. Financing
July 22, 2015

	<u>Financing</u>	<u>Purchase</u>
2016	26,050	167,369
2017	26,050	
2018	26,050	
2019	26,050	
2020	26,050	
2021	26,050	
2022	<u>26,050</u>	<u> </u>
Total	182,349	167,369

The above represents the options of financing two 54-passenger school buses over 7 years versus a purchase. The interest rate for the financing option has a yield of 2.973%.

Hoover Truck Centers

PO Box 719
 149 Gold Mine Road
 Flanders, New Jersey 07836

PROPOSAL TO GLASSBORO PUBLIC SCHOOLS

2016 Model Year 54 Passenger Blue Bird "Vision" School Bus with Diesel Engine and Hydraulic Brakes as per Bid Item #8 in the Middlesex Regional Educational Services Commission Cooperative Bid Opened on 10/22/2014

Unit Base Price.....\$74,119.00

Optional Equipment Additions:

<u>Blue Bird Feature</u>	<u>Description</u>	<u>MSRP Less 20% Discount As Bid</u>
<u>Chassis</u>		
07814-00	Loom Protection for Battery Cables, Complete	\$16.00
40049-03	Right Hand Mounted Parking Brake Safety Lever	\$74.60
40073-02	Performance Friction Brake Rotors	\$1,029.60
40097-04	Tilt/Telescope Steering Column	Standard
40098-01	Cruise Control	Standard
40111-02	Synthetic Transmission Fluid	Standard
40111-08	Extended Life Anti-Freeze	Included
40142-01	Battery Disconnect Switch	\$184.00
40168-01	750 Watt Block Heater	\$164.00
40179-23	CUMMINS Diesel Engine, ISB, 200 HP	Standard
40241-02	100 Gallon Fuel Tank Mounted BFR in ROH	\$452.00
40280-01	Transmission Temperature Gauge	Standard
40280-02	Ammeter	\$96.00
40354-10	Hankook Mud & Snow Tires, 10R x 22.5	\$26.67
40411-01	Front Tow Hooks	Included
40432-08	Allison 2200 PTS Transmission with "PARK"	\$392.00
<u>Body</u>		
COLORADO RACKING TEST		
00989-05	Driver Heater/Defrost System, 90,000 BTU	Standard
01485-07	5/8" Marine Grade Plywood Floor, Screwed Down	Standard
02330-01	Body Insulation	Included
02836-11	White Roof	Standard
	3-Point Driver Seat Belt, Orange	Included

30030-16	Transpec Roof Hatches	Included
30060-07	Stepwell Heater, 50,000BTU	Included
30060-21	Rear Heater, 80,000 BTU	Included
30155-01	Driver Dome Light	Included
30331-01	Fused Circuit Protection	Included
31202-29	Tinted Windows	Included
00219-01	Vandal Lock on R.E.D. w/ Starter Interlock	\$237.20
00505-05	Fuel Tank Door; Spring Loaded with Key Lock	\$24.00
02679-00	Extend Window Rub Rail	\$32.00
03470-10	77" Interior Headroom	Standard
30109-01	Pre-Trip Exterior Light Test	Standard
30195-12	16 Lamp "Universal" Exterior Light Monitor	Included
30484-11	Bell Mount Crossover Mirror Mounting System	\$42.60
30683-01	Body Fluid Clean Up Kit	\$32.00
30758-01	4 Wheel Alignment Certification from Blue Bird	No Charge
30756-02	4" x 6" Certificate Holder	\$24.00
30784-43	Left Hand 45" Modesty Panel	\$28.00
30797-01	Right Hand Driver's Seat Armrest	\$40.00
30905-05	Console Mounted Compartment with Arm Rest	\$38.64
30960-06	Galvanized Entrance Door Stepwell	Standard
30978-09	Electrically Operated Entrance Door	\$776.00
30981-03	Entrance Door Locking System	\$78.00
31160-21	Rubber Studded Entrance Door Step Treads	No Charge
31161-05	Metal Backed Studded Step Treads	\$282.80
30102-15	LED Clearance & Marker Lights	Standard
30103-10	LED ID Lights	Standard
30105-10	LED Intermediate Lights	Standard
30117-32	LED Side / Front Directionals, with Shields	\$133.20
30117-34	LED Side / Rear Directionals, with Shields	\$133.20
30120-04	Fender Mounted Front Directional Lights	\$34.64
30158-03	2 Rows of Dome Lights, Switched Front / Rear	\$82.80
30176-02	7" Backup Lights	\$16.00
30222-04	Emergency Override Switch for Warning Lights	\$17.36
30185-02	Sleeping Child Check System by Doran	\$152.00
30242-01	Entrance Door Boarding Light	\$46.60
30245-03	Roof Mounted White Strobe Light, (4' from rear)	\$145.20
30246-03	Strobe Light Control for New Jersey	\$22.64
30249-01	Strobe Activation with Warning Lights, NJ	\$65.40
30260-21	Radio with AM / FM / USB / MP3 / PA	\$545.60
30269-06	Eight (8) Interior Ceiling Speakers	\$161.20
30269-12	Outside Public Address Horn Speaker	\$48.00
40097-03	All Buses Keyed Alike	\$9.32
30385-05	Paint All Rubrails Full Width - Black	\$226.80
30386-02	Painted Silver Grille for Bus Chassis	\$84.00
30430-07	3M "Diamond Grade" 2.0" Side Reflective Vinyl	\$182.80
30430-08	3M "Diamond Grade" 1.75" Rear Reflective Vinyl	\$102.80
03182-01	Driver's Side Window Visor	\$28.00
30906-02	Overhead Driver's Storage Compartment w/ Lock	\$145.20
00600-00	Heavy Duty Rubber Fenders at Rear Wheelhouse	\$162.80
30225-05	Foot Switch for Amber Warning Light Activation	\$24.00
	Total MSRP Less 20% of Additions	\$6,639.67

Aftermarket Additions

Seon Trooper TL4 video system with two cameras, installed
Motorola CDM200 Radio by Wireless Communications
Total of Aftermarket Additions

Cost x 1.2
Markup As Bid

\$1,996.80
\$928.80
\$2,925.60

Base Bid
Total MSRP Less 20% of Additions
Total of Aftermarket Additions

\$74,119.00
\$6,639.67
\$2,925.60

Total Cost of Bus

\$83,684.27

Lettered, Prepared, Inspected, and Delivered

Respectfully Submitted,

Ken Koenig
Hoover Truck Centers

Pudelko, Walter S.

From: Stephen J. Mushinski <smushinski@parkermccay.com>
Sent: Wednesday, July 01, 2015 10:36 AM
To: Pudelko, Walter S.
Cc: Spence, Susan; Scaffidi, Kathleen
Subject: RE: Scanned from a Xerox Multifunction Printer

Good Morning Walt.

I have reviewed the Quote specifications , the quotes received from U.S. Bancorp and MLC as well as the recommendation letter from MRESC for the lease purchase financing for the two busses. I concur with the recommendation from MRESC that the award should be made to US Bancorp because it has the lowest effective interest rate for the financing. Also U.S. Bancorp has submitted all of the required documentation that is required in the Quote documentation. Please note the suggestion of MSERC that language in the approving resolution co refer to the index rate adjustment in the event closing is delayed. You can use the language contained on the second page of the U.S. Bancorp quote.

Let me know if you would like a more formal approval letter from us. Also once the finance documents come in we can review them and provide an opinion to the lender.

Steve

Stephen J. Mushinski, Esquire
Of Counsel
School Law

PARKER McCAY P.A.
O: 856-985-4017
smushinski@parkermccay.com

-----Original Message-----

From: Pudelko, Walter S. [mailto:wpudelko@glassboroschools.us]
Sent: Wednesday, July 01, 2015 9:37 AM
To: Stephen J. Mushinski
Cc: Spence, Susan; Scaffidi, Kathleen
Subject: FW: Scanned from a Xerox Multifunction Printer

Steve,

Attached is the recommendation letter from MRESC for the bus financing.
Walt.

-----Original Message-----

From: wpudelko@glassboroschools.us [mailto:wpudelko@glassboroschools.us]
Sent: Wednesday, July 01, 2015 9:35 AM

MIDDLESEX REGIONAL EDUCATIONAL SERVICES COMMISSION

1660 Stelton Road

Piscataway, New Jersey 08854

Telephone: (732) 777-9848 Fax: (732) 777-9855

<http://www.mresc.k12.nj.us>

Mark J. Finkelstein
Superintendent

Patrick M. Moran
Business Administrator/
Board Secretary

Gary E. Molenaar
Assistant Superintendent for
Learning/Educational Services

June 30, 2015

Glassboro Board of Education

560 Joseph Bowe Blvd.

Glassboro, New Jersey 08028

Attn: Walter S. Pudleko SBA

Re: Lease Purchase Quote June 30, 2015

Dear Mr. Pudleko;

At your request the MRESC Lease Purchase Coordination Service conducted a quote for the Glassboro Board of Education (Board) for lease purchase financing. The following is the summary of the results, analysis and recommendation for award.

The quote was held on June 30, 2015, at 1:00 p.m., at the offices of the Board. The Board solicited quotes for approximately \$167,500.00, to pay for the acquisition two fifty-four passenger school buses. The term of the lease purchase is seven years with seven equal annual payments in arrears commencing on or about September 30 2015.

The respondents were requested to furnish an interest rate, an index of the rate and what their penalty for early payoff would be for this financing. Closing is expected on or about July 30, 2015 with funding to an escrow account. This will allow the Board to make progress payments to your vendors with delivery and acceptance. Respondents were requested to give an interest rate given the requested parameters.

MRESC uploaded quote specifications, and equipment list, the last three years audits and the user friendly budget of the Board to the MRESC web site for access by potential respondents. Thirty-five potential respondents were identified. An e-mail with links to the request for quote was sent to the potential respondents. There were two respondents submitting quotes.

There were additional fees that were listed to be charged in connection with this lease which did have an effect in determining actual yield of each of the other quotes. The award of the quote was based upon actual yield analysis to which all stated costs are included to determine the yield.

The following is our quote results and analysis of the quotes received.

Academy Learning Center • Bright Beginnings Learning Center • Center for Lifelong Learning • Middlesex County Academy • NuView Academy
Piscataway Regional Day School • Raritan Valley Academy • Interim Alternative Educational Program

Child Study Team & Related Services • Collaborative Educational Services • Cooperative Pricing • Lease Purchase Bidding • Cooperative Transportation
Home Instruction • Nonpublic School Services • Children's Specialized Hospital • Itinerant Services for Children with Hearing Loss • Professional Development Academy

Quote Results:

Respondent	Index Federal Reserve H-15 like term Date/Term	Purchase Option Penalty (% of outstanding principal balance)	Rate Quote	Additional Fee / effective yield	Total Cost of Financing	Comments
Municipal Leasing Consultants,	2.13% 6/19/15 7 yr Swaps	101%	2.971% 3.024% Actual Yield	\$250 Escrow	\$15,314.06	
US Bancorp Government Leasing and Finance, Inc. NJ	2.13% 6/19/15, 7 yr Swaps	103%	2.76% 2.973% Actual Yield	\$1,000 Escrow	\$14,14,986.13. 00	Award

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

The interest rates will be held for 60 days. For funding after that date will be indexed to 65% of the change in the above Federal Reserve H.15 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 Middlesex Regional ESC to be of service.

Respectfully Submitted;

Patrick M Moran

Patrick M Moran
Lease Purchase Finance Coordinator
Middlesex Regional Educational Services Commission