

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

ROBERT W. RUNCIE
SUPERINTENDENT OF SCHOOLS

January 30, 2020

TO: School Board Members

FROM: Maurice L. Woods *MLW*
Chief Strategy & Operations Officer

VIA: Robert W. Runcie *RWR*
Superintendent of Schools

SUBJECT: **REVISION TO EE-4, PIGGYBACK RECOMMENDATION OF \$500,000 OR GREATER – FY20-174 – LIGHT, MEDIUM, AND HEAVY-DUTY VEHICLES, FOR THE FEBRUARY 4, 2020, SCHOOL BOARD OPERATIONAL MEETING**

Attached is a revision to EE-4, Piggyback Recommendation of \$500,000 or Greater – FY20-174 – Light, Medium, and Heavy-Duty Vehicles, for the February 4, 2020, School Board Operational Meeting.

Exhibits:

- Revised Executive Summary page 2

RWR/MLW/MCC:bm
Attachment

cc: Senior Leadership Team

**Piggyback Recommendation of \$500,000 or Greater
 FY20-174 – Light Medium, and Heavy-Duty Vehicles
 February 4, 2020 Board Agenda
 Page 2**

**Financial Impact
 Responsible: PWS and STFS**

The School Board approved the Five (5) Year District Education Facilities Plan on September 4, 2019, allocating a \$3,850,000 for the purchase of light and medium-duty trucks, and light vehicles for the white fleet such as cars, vans and pickup trucks. The estimated requested spending authority is based on the purchase of approximately one hundred (100) vehicles at an estimated cost of \$35,000 for a total of \$3,500,000. The additional \$350,000 are for purchases from other departments utilizing additional funding sources from the following departments, Food & Nutrition Services, Technical Colleges, and Safety Security and Emergency Preparedness.

Estimated cost per vehicle		\$ 35,000
Approximate number of vehicles	(x)	100
Total cost		\$3,500,000
Additional department spending authority		\$ 350,000
Total spending authority		\$3,850,000

Funding for this ITB will come from the Capital Budget and other departments' funding sources.

The District utilized its Master Lease Agreement with Bank of America (BoFA) to obtain lease financing. After several discussions with BoFA, the District was able to reduce the initial interest rate offered of one-point nine thousand three hundred thirty-seven (1.9337) percent by zero-point two hundred fifty-one (0.0251) percent, resulting in a final interest rate of one-point nine thousand eighty-six (1.9086) percent for an eight (8) year term.

Comparing a similar lease transaction with Alachua Schools, they obtained a seven (7) year lease in December 2019 for one-point eight thousand three hundred forty (1.8340) percent. Based on today's market, that lease would have a rate of one-point eight thousand seven hundred thirty-five (1.8735) percent. If the District's lease was for seven (7) years, BoFA would match that rate. However, with the additional year [from seven (7) to eight (8) years] the insignificant/incremental increase of zero-point three hundred fifty-one (0.0351) percent one-point eight thousand seven hundred thirty-five vs. one-point nine hundred eight (1.8735 vs. 1.908) percent still allowed the District to achieve a very competitive rate. Also, BoFA allowed the District to lock the rate until February 12, 2020, with no additional cost.

The amount requested was determined based on the STFS requirements to satisfy the needs of the District.

The financial impact amount represents an estimate contract value; however, the amount authorized will not exceed the estimated contract award amount.