

FAQ #3

- The credit officer feels the 10-year term for the equipment is longer than the useful life of the equipment. How did you determine a term year term for these items? *The City's useful life on heavy equipment is ten years. Most of the dollar value in the equipment falls within this range. There are a few vehicles that don't. It seemed reasonable to put the entire amount in this term.*
- Regarding the request for \$3.5MM, do you know the full cost to complete this project or do you have an estimate for how much it will be? *The estimate we currently have is \$3.5MM*
- How many of the projects are either completed, in-process, or not started? As I understand it you have begun work on some of these items and are looking to 1) recoup some of the cash and 2) are looking to finance the projects not yet started, is this correct? *Yes, this is correct. We have ordered the equipment, but may not have received it as of now due to supply chain issues. Most of the projects have been started and are in the engineering phase waiting on financing. I can get a more definite listing of the phases of each project, but it will have to wait until I have returned to work. This list of questions comes very late in our process.*
- The contracts you have to complete these projects, are they for a fixed price or will cost overruns be passed onto the city? *Cost overruns could be passed to the City*
- The credit officer feels the RFQ is a bit vague compared to others he has seen (I do not agree with him on this). However, if it is "vague" was it purposeful? *It was purposeful in order to receive financing offers the City may not have considered.*