TOWN OF PITTSFIELD
NOTICE TO BIDDERS
FOR THE BORROWING OF FUNDS

The Town is soliciting bids for the general obligation bond financing for the 2020 Capital Improvement Program of $500,000 for Paving and $206,000 for miscellaneous capital improvements, which total $706,000.

The Town is requesting that your bank quote a rate for the financing of a ten (10) year term which will be payable as follows: (a) interest on the entire outstanding balance hereof shall be payable semi-annually on May 1 and November 1 beginning with May 1, 2021 until maturity; and (b) equal annual installments of principal shall be due and payable on November 1, 2021 and on each November 1st thereafter through and including November 1, 2030 which is the final installment of principal and interest. The Town would expect to close the loan on or by May 15, 2020 and to utilize the funds during the late Spring - Fall, 2020.

The Town is requesting that your bank submit three quotations with the payment schedule as listed above for the Town’s review:
1. $500,000 for Paving (to include rehabilitation such as culverts, etc.)
2. $206,000 for miscellaneous capital improvements
3. $706,000 for a total package.

The Town reserves the right to award separate bids for the financing of #1 and #2 as outlined herein, or to award one bid for the total financing of $706,000. The Town also may submit an application to the Maine Municipal Bond Bank for a proposal to finance these amounts and if so, will evaluate all bids received in response to this RFP against the Bond Bank.

The Town reserves the right to make prepayments on the loan without premium or penalty. Any borrowing by the Town is tax-exempt. The Bonds will be designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code.

At closing, the Town’s bond counsel, Jensen Baird Gardner & Henry, will issue its opinion at no cost to the Bank in its usual form to the effect that the loan has been duly authorized by the Town, that the Bonds are duly authorized and validly issued as general obligations of the Town and that interest on the Bonds is excluded from gross income for federal income tax purposes.

Your bid amount should include the following information regarding the loan:

1. Interest rate to be charged, and the basis upon which interest is to be
computed.

2. The total amount of interest to be paid for the ten-year term. Please utilize the date of May 15, 2020 as the date on which all proceeds will be drawn by the Town for this calculation. For the actual loan, we require that interest accrue only from the date of receipt of the funds.

3. Length of time the bid will be open. Minimum period should be until Friday, April 24, 2020, for acceptance.

4. The amount of any loan origination, processing, administration, closing or related fees and costs and whether there will be any fees for the preparation, filing or recording of documents related to the loan. The Town is responsible for the cost of the legal opinion and drafting the Bond documents for the bank’s review.

Other terms and conditions:

The Town of Pittsfield reserves the right to reject any and all bids received, to waive any informality in the bids and to exercise its judgment in evaluating the bids. If your institution is interested in bidding, please submit the information stated above in a sealed envelope marked “Bid on Town of Pittsfield Loan: 2020 Capital Improvement Program”. Sealed bids are due at the Town Office no later than 3:00 pm, Monday, April 13, 2020, when they will be opened and publicly read.

A copy of the Town’s last audit which covers the period ending December 31, 2018 is available for review at the Pittsfield Town Office. The December 31, 2019 audit is underway.

Any questions should be directed to Kathryn Ruth, Town Manager, at the Pittsfield Town Office, 112 Somerset Avenue, Pittsfield, ME 04967 (487-3136).