




College Station Independent School District

Success....each life....each day....each hour

MEMORANDUM

To: Dr. Eddie Coulson, Superintendent 

From: Mike Ball, Deputy Superintendent for Business and Operations

Date: November 16, 2007

Subject: Lease Financing Quotes for School Buses

Agenda Item: K-3

Board Priority/
District Goal: Priority 3, Goal 4

BACKGROUND

Contemporaneously with this matter, the Board of Trustees will consider authorizing the purchase of school buses for the Transportation Department. The cost of those vehicles totals \$480,936.00.

The financing of those vehicles is planned via the use of a three year capital lease. A Request for Quotes has been circularized to interested financial institutions seeking quotes for a capital lease financing contract. Quotes from eight respondents were received. A summary of the responses is included in the attached tabulation of the lease finance quotes.

The quote from Compass Bank/De Lage Landen appears to be the best value for the District. Their proposal includes a fixed interest rate of 4.03 percent for the duration of the contract. The annual payments would be \$166,685.83, with the first payment due at closing.

RECOMMENDATION

It is recommended that the Board of Trustees of College Station Independent School District consider approval of the proposal from Compass Bank/De Lage Landen to provide lease financing in the amount of \$480,936.00 with a fixed interest rate of 4.03 percent for a term of three annual payments with the first payment due at closing. It is further recommended that the Board authorize Michael Ball to execute any documents necessary to close the transaction.