

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**99-319**

**SYNOPSIS -**

**AGENDA:**

JUNE 28, 1999

**SUBJECT:**

SALE OF  
RECYCLING  
TRUCKS

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

JOHN P. BELLIZZI  
PUBLIC WORKS  
DIRECTOR

On June 7, 1999, by Roll Call No. 99-1841, the City Council approved the sale of seven of the 15 recycling trucks currently being purchased on a lease-purchase agreement with Norwest Investment Services, Inc. The City's Purchasing Agent has now taken bids for the sale of the seven recycling trucks. The high bid was submitted by Artistic Waste Services, Inc. of 1817 Euclid Avenue, Des Moines, Iowa 50303, at an average unit purchase price of \$35,246. Staff recommends sale of the seven recycling trucks.

The Public Works Department has determined that selling the seven recycling trucks would leave the Department with an appropriate number of trucks to efficiently meet the revised service levels for the biweekly collection of recyclables.

**FISCAL IMPACT -**

The cost of pre-paying (and thereby owning outright) the 15 recycling trucks currently under a lease-purchase agreement with Norwest Investment Services, Inc. would be \$601,973.19, including interest. The sale revenue for the seven recycling trucks would be \$246,725. The remaining funds are currently available in the City Solid Waste Fund.

**RECOMMENDATION -**

**Approve sale of the seven recycling trucks to Artistic Waste Services, Inc.**

**BACKGROUND -**

On October 24, 1994, the City entered into a lease-purchase agreement with Norwest Investment Services, Inc. for 15

recycling trucks. Due to a revised service level for the collection of recyclables (now every two weeks), the Public Works Department has arranged for sale of seven of the original 15 recycling trucks. Bids were taken by the Purchasing Agent and two companies responded. The high bid received averaged \$35,246 per unit, for a total of \$246,725. Staff considers this to be a very favorable bid for used specialized equipment such as the recycling trucks.

Upon Council approval, staff will proceed to pre-pay the remaining debt on all 15 remaining trucks, thereby saving an estimated \$51,000 in interest on the loan from Norwest Investment Services, Inc.