

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

01-421

AGENDA:

AUGUST 6, 2001

SUBJECT:

PURCHASE OF
INVENTORY AND
FIXED ASSETS FROM
SKE SUPPORT
SERVICES, INC.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

WILLIAM STOWE
PUBLIC WORKS
DIRECTOR

ITEM _____

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

SYNOPSIS -

On June 25, 2001, by Roll Call No. 01-1986, the City Council granted a 90-day waiver of existing purchasing ordinance provisions requiring competitive bidding in the purchase of services and commodities for operation of the Equipment Maintenance Center. Along with goods and services, staff now recommends purchase of the existing inventory in the amount of \$297,238.92, and the procurement of fixed assets, including computer hardware and software and associated printers and servers, in the amount of \$32,244.61.

FISCAL IMPACT -

Purchase of the existing inventory and necessary fixed assets totals \$329,483.53 and is available in the adopted budget for Fiscal Year 2002.

RECOMMENDATION -

Approval.

BACKGROUND -

Following four years of providing contracted fleet maintenance services to the City of Des Moines, SKE Support Services, Inc. ceased operations on June 30, 2001. Citing unknown financial risks in the absence of a collective bargaining agreement, SKE declined an opportunity by the City to extend their contract.

The majority of SKE's employees applied for employment with the City and are serving on a temporary basis for a period of approximately 90 days. Only those employees deemed necessary for the effective and efficient operation of the garage will become permanent.

Funding previously approved in the adopted budget for contracted garage operations in the amount of \$4,122,496 will be used to finance the in-house fleet maintenance operations.

To facilitate the transition, staff is recommending the purchase of the existing inventory, which has been verified by City staff, and procurement of fixed software and hardware assets required to maintain efficient operation.
