

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: February 14, 2011
	Agenda Item No. 37 Roll Call No. [_____] Communication No. <u>11-061</u> Submitted by: Allen McKinley, Deputy City Manager

AGENDA HEADING:

Setting date for public hearing on a municipal lease for the purchase of six dump trucks for the Public Works Department.

SYNOPSIS:

Setting date for public hearing on February 28, 2011, to consider lease-purchasing six dump trucks for the Public Works Department. This action initiates the financing process for this equipment acquisition.

FISCAL IMPACT:

Amount: Not to exceed \$945,000, plus interest.

Funding Source: FY 2011 Operating Budget, Debt Service Fund, DS001, FIN900100, page 116.

ADDITIONAL INFORMATION:

The City utilizes the lease purchase program from time to time to finance vehicles and equipment as a means to avoid large one-time expenditures. Previously, the City utilized a master lease agreement that was awarded under a separate contract. However, due to changes in the economy over the past few years, the City has not been able to secure a master lease relationship with a financial institution through the request for proposals (RFP) process. In accordance with the City’s procurement ordinance, the City can negotiate a lease purchase arrangement when the RFP process yielded no responses. As such, the Finance Department intends to negotiate a lease purchase arrangement with the vendor who is awarded the equipment contract.

PREVIOUS COUNCIL ACTION(S):

Date: August 23, 2010

Roll Call Number: 10-1394

Action: [O’Halloran International](#) (Jim O’Halloran/President) and Peterbilt of Des Moines (Brad Wilson/President) for various replacement heavy duty trucks to be used by the Public Works Department, \$2,385,926. (Six bids mailed, four received). ([Council Communication No. 10-538](#))
Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hearing to consider lease purchase of six dump trucks.

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