


## COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>23-051</b>	Meeting:	<b>February 6, 2023</b>
	Agenda Item:	<b>44</b>	Roll Call:	<b>23-182</b>
	Submitted by:	<b>Nickolas Schaul, Finance Director</b>		

### AGENDA HEADING:

On the proposition to authorize a lease purchase agreement in the principal amount, not to exceed \$900,000, for the purpose of acquiring up to 14 vehicles for various City Departments.

### SYNOPSIS:

Recommend approval of the proposition of a lease purchase agreement for up to 14 vehicles in an amount not to exceed \$900,000 utilizing an existing Master Lease agreement with Texas Capital bank for use in the Facilities, Sewer Maintenance, and Forestry Divisions, Police Department, and Parks and Recreation Department maintenance operations.

### FISCAL IMPACT:

Amount: \$900,000

Funding Source: Equipment Replacement Fund, FY 2023 Operating Budget, page 80.

### ADDITIONAL INFORMATION:

- Multiple vehicle orders previously authorized utilizing various State of Iowa Department of Administrative Services purchasing contracts have been cancelled by the manufacturer due to production constraints and new vehicle market conditions. Vehicles for these cancelled orders may be available nationwide from in stock dealer inventory and may be acquired under short term lease purchase agreements.
- Due to the fluidity of the current in stock inventory typical request for competitive bids with minimum specifications cannot be utilized in a time sufficient manner to acquire in stock vehicles. With this approval to lease purchase vehicles, the leasing company can acquire in stock vehicles meeting the City's needs on demand to fulfill cancelled orders.
- Nine (9) of the 14 vehicles are medium duty diesel engine pickup cab and chassis to be uniquely upfitted for specific City operations. There is not current market availability of electric vehicles in this class. The remaining light vehicles of cargo vans, SUVs, and sedan were previously approved with internal combustion engines.

**PREVIOUS COUNCIL ACTION(S):**

Date: January 23, 2023

Roll Call Number: [23-0101](#)

Action: Setting date of hearings:

- (A) On the proposition to authorize lease purchase agreements in the total principal amount not to exceed \$900,000 for the purpose of acquiring certain items of equipment consisting of up to fourteen vehicles, (2-6-23). Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).