Overview: Iowa Department of Administrative Services is seeking bids from dealerships to provide sport utility vehicles. The vehicle price will be set by the manufacturer, this bid is to establish a fixed percentage rate above the Triple Net Invoice, including Government Incentives, for any Government Fleet rate vehicles or off the lot vehicles.

This bid will also establish a per mile rate for delivery.

Awarded vendors will be required to provide an itemized Triple Net Invoice (including Government Incentives) for each vehicle, for which the percentage service rate will be applied. DAS Fleet will review the invoice, only upon approval DAS Fleet will issue a purchase order inclusive of the vehicle and percentage cost.

This request for bids is for manufactures entire line of sport utility vehicles.

DAS reserves the right to award multiple vendors.

A "triple net invoice" is the dealer's true baseline cost, calculated as the gross invoice minus all hidden manufacturer discounts, holdbacks, and incentives. Government discounts (state fleet programs) are then applied as a fixed percentage or negative modifier directly to this true net cost.

Example Breakdown
To see how a triple net calculation works in practice, here is a hypothetical example for a vehicle like a mid-size commercial SUV with an MSRP of $45,000 and a standard dealer invoice of $41,800.

1. Calculating the Triple Net Cost

Dealers receive money back from the manufacturer that does not appear on a standard invoice.

- **Gross Dealer Invoice:** $41,800
- **Less Dealer Holdback** (typically 2% to 3% of MSRP): -$1,000
- **Less Manufacturer-to-Dealer Incentives/Volume Bonuses:** -$1,200
- **Triple Net Cost (True Dealer Cost): $39,600

2. Applying the Government Discount

Government agencies (state/local municipalities) frequently establish master agreements to purchase vehicles at the exact triple net invoice or a flat percentage rate below it.

- **Government Contract Rate:** Triple net invoice -2%
- **Discount Amount:** $39,600 × 0.02 = -$792

3. Out-The-Door (OTD) Government Cost

- **Base Vehicle Cost:** $38,808
- **Destination Fee:** +$1,200
- **Final Government Price Paid:** $40,008

Example Only * Numbers are NOT Actual * DAS Fleet will require copy of the Triple Net Invoice*

The term of the contract will begin October 01, 2026 and will expire September 30, 2027. The Agency shall have the sole option to renew the contract upon the same or more favorable terms and conditions for up to two annual extensions.

This bid is exempt from state sales tax.

Bid Lines

1 Contractor to provide a cost percentage over Triple Net Invoice, including Government Incentives, for Government Fleet vehicles and off-the-lot vehicles.

(Response required)

Quantity: 1 UOM: Percent Unit Price: %

Notes: ______

2 Contractor to provide cost per mile to delivery to DAS Fleet Services, 510 E. 12th Street, Des Moines, IA 50319.

(Response required)

Quantity: 1 UOM: Mile Unit Price: $

Notes: ______

Notes