



Legislation Details (With Text)

File #: 13-0100 **Version:** 1 **Name:** 3/18/13 Contract for Lease of Golf Carts with Pifer
Type: Resolution **Status:** Passed
File created: 3/18/2013 **In control:** City Council
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Title: Resolution to Approve a Two-Year Contract for the Lease of Golf Carts (NTE \$20,130.00/yr; 2yr total NTE \$40,260.00) with and to Authorize the Sale of 24 City Owned Golf Carts to Pifer Inc.

Sponsors:

Indexes:

Code sections:

Attachments: 1. ITB 4259 Golf cart lease final.pdf

Date	Ver.	Action By	Action	Result
3/18/2013	1	City Council	Approved	Pass

Resolution to Approve a Two-Year Contract for the Lease of Golf Carts (NTE \$20,130.00/yr; 2yr total NTE \$40,260.00) with and to Authorize the Sale of 24 City Owned Golf Carts to Pifer Inc.

Attached for your review and action is a resolution to approve a contract with Pifer Inc. to lease 65 golf carts for the 2013 and 2014 seasons for use at Huron Hills and Leslie Park Golf Course, with an option to renew for the 2015 season. In addition, you are asked to authorize the sale of 24 City owned golf carts to Pifer Inc.

Both Huron Hills and Leslie Park Golf Course offer golf carts for rental. This is a significant revenue generator for both courses. In FY2012 golf cart rentals resulted in approximately \$250,000.00 in revenue.

In 2009 Council authorized purchasing a fleet of golf carts at the end of an existing five year lease contract. The intent was to use those carts for a short period of time and then resell them. Golf staff has managed to utilize those carts for an additional four seasons while supplementing demand through the leasing of additional carts. After reviewing the 2012 season it was determined that the many of the owned carts, now nine years old, were no long suitable for rental. As a result, the City, issued an invitation to bid (ITB #4259) for a two-year lease for 65 carts (for carts not older than 7 years).

Also requested were trade-in prices for 24City owned carts deemed no longer suitable for rental. The carts were purchased in 2009 at a price of \$950.00 per cart. Bidders offered between \$1,200.00 and \$1475.00 to buy the carts 4 years later. The purchase amount for the carts is being applied over the course of the 2 year lease for the 65 carts, lowering the monthly lease payments.

ITB #4259 was advertised on the Michigan Inter-governmental Trade Network as well as on the City of Ann Arbor Purchasing website. Bids were received from four companies:

CREDIT FOR

	LEASE COST	SALE OF 24 CARTS	NET COST
Pifer Inc.	\$75,600.00	\$35,400.00	\$40,260.00*
Michigan Tournament Fleet	\$89,700.00	\$30,000.00	\$59,700.00
Ellis Sales Inc.	\$101,400.00	\$28,800.00	\$72,600.00
Club Car - Midwest Golf & Turf	\$124,113.00	\$28,800.00	\$95,313.00

*Lowest Responsible Bid

Pifer Inc. has conducted business with the City golf courses during the 2012 season and the City is satisfied with their service. The golf carts that are to be leased are from 2009 and are the equivalent or better of an EZGO TXT, an industry standard for a golf cart. The contract includes once a week maintenance throughout the contract period and emergency service within 24 hours of reporting a problem, by a certified service technician.

It is requested that the contract be approved for two-years, for an amount not to exceed \$40,260.00. Funding is available for FY2013 in the Golf Enterprise Fund and will be contained annually in the Parks & Recreation Services General Fund for future years of the contract. The Park Advisory Commission recommended approval of this contract at their February 26th, 2013 meeting.

Pifer, Inc. meets the living wage and prevailing wage requirements and received Human Rights approval on May 11, 2012.

Prepared by: Doug Kelly, Director of Golf
Colin Smith, Parks and Recreation Services Manager
Reviewed by: Sumedh Bahl, Community Services Area Administrator
Approved by: Steven D. Powers, City Administrator

Whereas, Golf carts are an important aspect of the golf operations and are available at both Huron Hills and Leslie Park Golf Courses;

Whereas, In the interest of providing City customers with a quality and reliable vehicle for rental the City issued ITB 4259;

Whereas, Four responses to the ITB were received and Pifer Inc. was selected as the lowest responsible bid;

Whereas, Funding is available for FY2013 in the Golf Enterprise Fund and will be contained annually in the Parks & Recreation Services General Fund for future years of the contract; and

Whereas, Pifer Inc. received human rights approval on May 11, 2012;

RESOLVED, That City Council approve a lease/sale contract with Pifer Inc. for the lease of 65 golf carts and sale of 24 golf carts, with the proceeds from the sale of the carts to be applied to the annual lease payment, for a term of two years in an amount not to exceed \$40,260.00 with the option to renew for a third year;

RESOLVED, That City Council authorize and direct the Mayor and Clerk to execute the lease after approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this Resolution.