

MEMORANDUM

TO: Park Advisory Commission

FROM: Colin Smith, Parks & Recreation Services Manager

DATE: November 19, 2019

SUBJECT: Resolution to Recommend Approval of a Golf Cart Lease with Golf Cars Plus (\$68,904.00)

Attached for your review and action is a resolution recommending entering into a lease agreement with Golf Cars Plus to lease 97 golf carts and three utility vehicles for the 2020 and 2021 seasons with an option to renew for the 2022 and 2023 seasons, for use at Huron Hills and Leslie Park Golf Course. The current golf cart lease expired at the end of the 2019 season.

Both Huron Hills and Leslie Park Golf Courses offer golf carts for rental. This is a significant revenue generator for both courses. In FY2019 golf cart rentals resulted in approximately \$248,000 in revenue.

An Invitation to Bid (ITB #4602) was advertised on the Michigan Inter-governmental Trade Network as well as on the City of Ann Arbor Purchasing website. Three bids were received by the City:

Golf Cars Plus

97 Golf carts (2019) at \$114.00 per month for six months: \$66,348.00
2 Utility carts (2016) at \$126.00 per month for six months: \$1,512.00
1 Beverage cart (2016) at \$174.00 per month for six months: \$1,044.00

Total: \$68,904.00 per year

Midwest Golf & Turf

97 Golf carts (2020) at \$110.67 per month for six months: \$64,409.94
2 Utility carts (2020) at \$326.97 per month for six months: \$3,923.64
1 Beverage cart (2020) at \$689.26 per month for six months: \$4,189.56

Total: \$72,523.14 per year

Spartan Distributors, Inc.

97 Golf carts (2020) at \$204.52 per month for six months: \$119,030.64
2 Utility carts (2019) at \$376.07 per month for six months: \$4,512.84
1 Beverage cart (2016) at \$276.01 per month for six months: \$1,656.06

Total: \$125,199.54 per year

Staff recommends moving forward with Golf Cars Plus and their annual bid of \$68,904.00 per year. In this case the lowest bidder offered used carts from 2019 while the second lowest bidder offered carts from 2020. However, the low bidder was significantly more affordable on their utility cart bids, resulting in the overall bid being \$3,619.14 less annually. Staff are satisfied with the 2019 carts as they are a lightly used tournament fleet. Additionally, staff have worked with Golf Cars Plus for the last three seasons and have been extremely satisfied with the performance of the carts and responsiveness in regards to maintenance needs. This bid compares favorably in cost to the expiring contract, which was for \$69,951.72 for 97 carts and 3 utility carts.

The golf carts selected are a more fuel efficient model than the carts they will replace and this is expected to reduce fuel consumption by about 600 gallons per season.

It is requested that the lease agreement be recommended for approval for two years (with a two year renewal option), for an amount not to exceed \$68,904.00 per year. Funding is available in the FY2020 approved Parks & Recreation Services General Fund operating budget and will be included in the budget plan for future years.

.

RESOLUTION TO RECOMMEND APPROVAL OF A GOLF CART LEASE WITH GOLF
CARS PLUS (\$68,904.00)

Whereas, Golf carts are an important aspect of the golf operations and are available for rental 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 desires to enter in a lease agreement with Golf Cars Plus;

Whereas, Golf Cars Plus was the low bidder for ITB#4602; and

Whereas, Funding is available for FY2020 in the approved Parks & Recreation Services General Fund operating budget and will be included in the budget plan for future years of the lease;

RESOLVED, That the Park Advisory Commission recommend approval of a lease contract with Golf Cars Plus for the lease of 97 golf carts and three utility vehicles for the 2020 and 2021 calendar years with a renewal option for the 2022 & 2023 seasons, for an annual amount not to exceed \$68,904.00.