

## MEMORANDUM

TO: Park Advisory Commission

FROM: Colin Smith, Parks & Recreation Services Manager

DATE: December 19, 2017

SUBJECT: Resolution to Approve the Purchase of Golf Course Maintenance Equipment from Spartan Distributors (NIPA – \$140,392.08)

The attached resolution recommends the authorization of the purchase of five pieces of maintenance equipment for the two City golf courses from Spartan Distributors, Sparta, MI, under the National IPA cooperative purchasing contract #2017025. This includes one Toro Greensmaster 3150-Q, one Toro Reelmaster 5410-D, one Toro Multi Pro 1750, and two Toro Workman GTX.

The five pieces of equipment will replace five pieces of existing golf course maintenance equipment. This includes a 2008 Toro Greensmaster 3150 with 3,260 hours of use, a 2008 Toro Reelmaster 6700 with 2,574 hours of use, a 2001 Cushman Spraytek with 2,247 hours of use, and two 2004 Club Car DS with unknown hours of usage. This class of equipment is usually replaced after seven years of service and all of these pieces have exceeded this standard.

Separate from this resolution there are three additional pieces of equipment that will be purchased from different vendors. The pieces of equipment are a zero turn mower, a cyclone turbine blower and a greens roller with an estimated cost of \$33,431.00. The total expenditure for all equipment is \$173,823.04 and falls within the budgeted amount of \$175,000.00

### Budget/Fiscal Impact

The City is in year two of a three year plan to replace outdated golf course equipment and include the new equipment in the Fleet Fund for replacement funding purposes. Including these assets in the Fleet Fund allows the replacement costs to be spread over the lifetime of the asset so funds are then available in the Fleet Fund when it is time to replace this equipment. The future impact of the Fleet Replacement charges for the equipment included in this resolution will be an annual amount of approximately \$21,875.00 in the Parks & Recreation Services, Golf Courses General Fund operating budget beginning in FY 2019.

Prior to the start of this three year equipment replacement plan, golf maintenance equipment was last purchased for the golf courses in 2008. At that time the golf courses were in an Enterprise Fund and were not generating sufficient revenue to cover expenses. As such, when the equipment was purchased the decision was made not to

enter the Fleet Fund as this would have further increased annual operating costs. In 2013 the Golf Course Enterprise Fund was closed and golf course operations are now part of the Parks & Recreation Services General Fund operating budget. As the aging maintenance equipment is being replaced, inclusion in the Fleet Fund will insure that the new equipment will be included in the replacement funding process in future years.

Funding for the replacement equipment comes from the approved Parks Maintenance and Capital Improvements Millage FY 18 budget with ongoing Fleet Replacement charges coming from the golf courses General Fund operating budget.

Spartan Distributors complies with the requirements of the City's non-discrimination ordinances.

Resolution to Approve the Purchase of Golf Course Maintenance Equipment from Spartan Distributors (NIPA – \$140,392.08)

Whereas, The Fleet & Facilities Unit needs to purchase replacement golf course maintenance equipment for the City's fleet;

Whereas, Spartan Distributors, Sparta, MI, was the lowest responsive bidder to the National IPA Cooperative Purchasing Program (contract #2017025);

Whereas, Spartan Distributors complies with the requirements of the City's non-discrimination ordinances;

RESOLVED, That the Park Advisory Commission recommend the five pieces of golf course maintenance equipment being replaced be traded in or sold at the next City vehicle auction held after the equipment is removed from service; and

RESOLVED, That the Park Advisory Commission recommend approval of the issuance of a purchase order to Spartan Distributors for the purchase of five pieces of golf course maintenance equipment for a total amount of \$140,392.08 and the future budgeting of annual replacement costs of approximately \$21,875.00 in the Parks & Recreation General Fund operating budget to fund future replacements.