



Legislation Text

File #: 15-1208, **Version:** 1

Resolution to Approve Amendment No. 2 to Golf Cart Lease with Pifer Inc. (NTE \$57,618.00)
Attached for your review and action is a resolution to amend the current lease with Pifer Inc. to lease 99 golf carts for the 2016 season for use at Huron Hills and Leslie Park Golf Courses for an amount not to exceed \$57,618.00. The current lease with Pifer Inc. expires in December 2015.

Budget/Fiscal Impact: Funding is available for FY2016 in the approved Parks & Recreation Services General Fund and in the approved budget plan for FY2017.

Both Huron Hills and Leslie Park Golf Courses offer golf carts for rental. This is significant revenue generator for both courses. In FY2015 golf cart rentals resulted in approximately \$220,000.00 in revenue.

Leslie Park Golf Course has been working towards designing and constructing a new golf cart storage facility that will allow for a transition from gas carts to electric. The original goal was to have this facility completed in the spring of the 2016 - thus the reason for the end of the current golf cart lease for gas carts in 2015. The City has since combined the design and engineering for the cart storage building with another building project within the City (a storage facility for recycle / compost carts) for better bid purposes and potential cost savings for both projects. However, the combining of these projects has delayed the cart storage facility completion seven - ten months, pushing the transition to electric golf carts at Leslie Park to the 2017 season. This leaves the golf courses with a one year gap (the 2016 golf season) in which a fleet of golf carts is needed for lease.

The current vendor of our golf carts (Pifer, Inc.) has agreed to honor the existing lease conditions for another year. The original Invitation to Bid (ITB #4259) was advertised on the Michigan Inter-governmental Trade Network as well as on the City of Ann Arbor Purchasing website and bids were received from four companies. The monthly lease amount of \$97.00 per cart is substantially less than the next lowest bidder (\$153.00) when the services were put out to bid in 2013. Staff also contacted the next two lowest original bidders to inquire about the opportunity of a one-year lease and neither company was able to provide a fleet of carts under such terms.

Pifer Inc. has conducted business with the City golf courses from since 2013 and the City is satisfied with their service. The lease agreement includes weekly maintenance throughout the contract period and emergency service within 24 hours of reporting a problem, by a certified service technician.

Pifer, Inc. complies with the requirements of the non-discrimination and living wage ordinances.

Attachment: Amendment No. 2 to Lease Agreement
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 desires to amend their existing lease agreement with Pifer Inc. to extend the term of the lease for one additional year to end December 31, 2016;

Whereas, Pifer Inc. has agreed to honor terms and conditions of the existing lease agreement and those conditions clearly offered the lowest lease price per cart;

Whereas, Funding is available for FY2016 in the approved Parks & Recreation Services General Fund and in the approved budget plan for FY2017; and

Whereas, Pifer Inc. complies with the requirements of the City Non-discrimination and Living Wage ordinances;

RESOLVED, That City Council amend a lease contract with Pifer Inc. for the lease of 99 golf carts for the 2016 calendar year;

RESOLVED, That the Mayor and City Clerk authorize and direct the City Administrator to execute the lease contract after approval as to form by the City Attorney for an amount not to exceed \$57,618.00; and

RESOLVED, That the City Administrator is authorized to any other necessary actions to implement this Resolution.