



Legislation Text

File #: 19-2414, **Version:** 1

Resolution to Approve Golf Cart Lease Agreement with CCB's, LLC, DBA Golf Cars Plus (\$68,904.00 annually)

Attached for your review and action is a resolution to enter into a contract with CCB's LLC (DBA 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. Parks staff are working with the Office of Sustainability to explore a transition to electric golf carts and identify funding sources for the project. This will require a significant capital outlay to build structures at both Huron Hills and Leslie Park Golf Courses to house the golf carts and charge them. This work was bid out in 2016 and the cost to outfit Leslie Park Golf Course with the necessary infrastructure to support electric golf carts was \$429,900.00. A transition to electric carts by the start of the 2020 season is not feasible. When a transition is possible staff will work with the vendor to transition carts in the fleet from gas to electric.

It is requested that the lease agreement be approved 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.

Prepared by: Doug Kelly, Director of Golf, Colin Smith, Parks and Recreation Services Manager

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, Golf carts are an important aspect of the City's 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 enter in the attached lease agreement with CCB's, LLC (dba Golf Cars Plus) ;

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

Whereas, Golf Cars Plus has submitted all required Non-Discrimination, Prevailing Wage, Living Wage, and Conflict of Interest Disclosure forms and complies with the requirements of the City's Non-Discrimination, Prevailing Wage and Living Wage Ordinances;

RESOLVED, That City Council approve the attached Equipment Lease Agreement with CCB's LLC (dba Golf Cars Plus) for the lease of 97 golf carts and three utility vehicles for the 2020 and 2021 calendar years with an option for renewals in 2022 and 2023;

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 \$68,904.00 per year; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution including execution of any related sublease agreements, renewals, and any changes or amendments that do not exceed the amounts authorized herein, which the City Administrator deems in the City's best interest.