



Legislation Text

File #: 24-0109, Version: 2

Resolution to Appropriate Funds and Approve a Golf Cart Lease with Golf Cars Plus (\$796,050.00) and Appropriate Funding for the Purchase of Two Groundsmaster Mowers for Parks and Recreation (\$48,921.00) **(8 Votes Required)**

Attached for your review and action is a resolution to enter into a contract with Golf Cars Plus to lease 104 golf carts (63 of which have GPS systems) and three utility vehicles for the 2024 thru 2028 seasons with a one-year renewal for the 2029 season. These golf carts will be for use at Huron Hills and Leslie Park Golf Courses. The current golf cart lease expired at the end of the 2023 season.

Both Huron Hills and Leslie Park Golf Courses offer golf carts for customer rental. This is a significant revenue generator for both courses. In FY2023 golf cart rentals resulted in approximately \$398,000.00 in revenue.

An Invitation to Bid (ITB #4725) was advertised on the Michigan Inter-governmental Trade Network as well as on the City of Ann Arbor Purchasing website.

Two bids were received by the City:

Golf Cars Plus

104 Golf carts (2024) at \$195.00 per unit per month for six months: \$121,680.00
63 YamaTrack GPS Units at \$80.00 per unit per month for six months. \$30,240.00
3 Utility UMAX carts (2023) at \$405.00 per month for six months: \$7,290.00

Total: \$159,210.00 per year

Midwest Golf & Turf

104 Golf carts (2024) at \$ 192.00 per month for six months: \$119,808.00
63 GPS* Units at \$78.00 per unit per month for six months. \$29,484.00
3 Utility carts (2023) at \$450.00 per month for six months: \$8,100.00

Total: \$157,392.00 per year

*The GPS units here did not include a 3rd customer service module that the Yamaha units did. To obtain this comparable unit, it increases Midwest Golf's bid by \$24.00 per month totaling an additional \$9,072.00 per year, raising their total to \$166,464.00 per year.

Staff recommends moving forward with Golf Cars Plus and their annual bid of \$159,210.00 per year. Staff is satisfied with the carts and GPS units bid by Golf Cars Plus. Additionally, staff has worked with Golf Cars Plus for the last eight seasons and has been extremely satisfied with the performance of the carts and responsiveness from the company for maintenance needs for the golf carts.

Also, it is worth noting that the Golf Cars Plus golf carts selected are 7 MPG more fuel efficient than

the carts offered by Midwest Golf & Turf. This will save an additional 1,100 gallons and \$2,800.00 per season.

Parks staff is working with the Office of Sustainability to explore a transition to electric golf carts and to identify funding sources for the project. Currently solar panels are being installed at both courses near the maintenance barns, irrigation pump houses and cart storage pens. They are projected to be completed at the end of the 2024 season. This will allow us to someday convert to electric golf carts and tap into these power sources. But this will also require a significant capital outlay to build cart barn structures at both Huron Hills and Leslie Park Golf Courses to house the golf carts and the charging stations needed to charge them. In 2016 we went to bid for a cart storage facility at Leslie Park Golf Course with the necessary infrastructure to support electric golf carts. The lowest bid was \$429,900.00 and at that time was deemed cost prohibitive. Because of this expense, a transition to electric carts within the next five years, though desired, probably is not feasible without new major funding or grants. Staff will work to expedite a transition toward an electric fleet of golf carts in the future.

Additionally, due to ongoing mowing operations, older mowers require replacement when their useful life ends. The Parks and Recreation Department are requesting \$48,921.00 be appropriated to the General Fund from fund balance for the replacement of two mowers. The purchase of these mowers was approved per resolution R-23-300; however, due to an increase in costs being more than expected, the Parks and Recreation General Fund budget was unable to absorb this cost when the purchase was made and an appropriation from fund balance is necessary.

Budget/Fiscal Impact: It is requested that the lease agreement be approved for four years (with a year renewal option), for a total contract amount not to exceed \$796,050.00. It is being requested that \$87,471.00 be appropriated from the General Fund fund balance to cover the additional unanticipated cost in FY24. Additional funding will be requested in the budget plan for future years.

It is also requested that \$48,921.00 be appropriated from the General Fund fund balance for Two Toro Groundskeeper Mowers that were purchased in December 2023.

Prepared by: Doug Kelly, Director of Golf

Reviewed by: Josh Landefeld, Parks and Recreation Services Manager
Derek Delacourt, Community Services Area Administrator

Approved by: Milton Dohoney Jr., 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 enter in a lease agreement with Golf Cars Plus;

Whereas, Additional funding for the lease with Golf Cars Plus and for the mowers is being requested for FY24 from the General Fund fund balance and will be requested in the budget plan for future years for the golf cart lease;

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; and

Whereas, Creating and implementing a just transition to community-wide carbon neutrality - as stipulated in the City's A2Zero Plan Strategy 2 - necessitates 100% decarbonized energy and accompanying electrified energy systems installed at all city facilities by 2030;

RESOLVED, That City Council directs the City Administrator to provide a comprehensive review of Parks Department capital needs to the Parks Advisory Commission and the City Council, inclusive of a plan to transition the City's golf cart fleet to electric no later than the end of this lease agreement;

RESOLVED, That City Council approves the Golf Cars Plus Equipment Lease Agreement (the "Lease") for the lease of 104 golf carts and three utility vehicles for the 2024-2028 calendar years with an option to renew for the 2029 season;

RESOLVED, That the Mayor and City Clerk authorize and direct the City Administrator to execute the Lease after approval as to form by the City Attorney for an amount not to exceed \$159,210.00 per year, including the optional fifth year renewal, for a total of \$796,050.00; and

RESOLVED, That City Council appropriate \$87,471.00 for the lease contract with Golf Cars Plus and appropriate \$48,921.00 for the purchase of two Toro Groundsmasters mowers from the General Fund fund balance to the FY24 Parks and Recreation General Fund expenditure budget; and

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Lease after approval as to substance by the City Administrator and approval as to form by the City Attorney and that the City Administrator be authorized to execute any additional documents required in conjunction with the Lease.

As Amended and Approved by Ann Arbor City Council on March 4, 2024