



Legislation Text

File #: 0354-2016, Version: 1

This ordinance is to authorize the Director of the Recreation and Parks Department to set up a purchase order with PNC Equipment Finance, LLC for year one - 2016 - of the five-year modification/extension 2016-2020 for 385 golf riding cars for Airport, Mentel, Champions, Raymond, Turnberry and Wilson Road Golf Courses; to provide adequate funding through December 31, 2016 in accordance with the terms of the Riding Car Lease-Purchase Agreement; and to authorize the expenditure of \$311,850 from the Recreation and Parks Operation Fund 285 (\$311,850). To appropriate and issue the 2016 purchase order to PNC for the first year's payment of the five-year modification/extension of agreement(s) with PNC Equipment Finance, LLC and Lake Erie Golf Cars, LLC for golf riding cars for the Recreation and Parks Department's six municipal golf courses which was modified by authorization of the Recreation and Parks Commission on June 10, 2015 and approved by Columbus City Council Ordinance Number 1485-2015 on June 8, 2015. An emergency is requested to assure timely set up of purchase order and payments for 2016 which commence in April 2016; banking rules mandate finance charges for late payments.

Background:

There are three separate lease-purchase agreements and service contracts: 1) 2011-2015; 2) 2012-2016; and 3) 2013-2017 which were modified and extended. This modification accomplished the following:

- Combined all three lease-purchase/service agreements into one;
- Extended this modified lease-purchase/service agreement by an additional five years for a term of 2016-2020;
- Exchanged existing cars assigned to each golf course with 385 all new 2015 manufactured riding cars;
- Locked in the monthly cost per car by the last bid price (in lease #3) of \$101.25;
- Assigned ownership of the seven ADA riding cars to the Division at no charge (not included in the new PNC payment schedule) with refurbishing (fitted with new batteries), maintenance and care still covered by Lake Erie Golf Cars, LLC;
- Enabled a realized savings of \$88,761 in 2015 as well as providing for multiple years savings (potential increases of the yearly rates of future bids throughout the extended time period).

All other terms and conditions of the lease to purchase agreements and services contracts remain the same. This agreement/contract extension was in the best interest of the City.

Payment for each year of the lease continues to be subject to annual approval by City Council and a yearly purchase order certified by the Auditor's Office for one year at a time. The total cost of the five-year extended lease is expected to be not more than \$1,559,250.

LAST YEAR'S 2015 INDIVIDUAL LEGISLATION INFO SHEETS:

Lease #1 - Three bids (2 competitive & 1 "No Bid") (#SA003778 Lease of 198 Golf Riding Cars-Golf Division 2011-2015) for related services were opened by the Recreation and Parks Department Golf Division on November 24, 2010. The three bidders were Lake Erie Golf Cars, LLC, Mid-Ohio Golf Car and a "no bid" from Century Equipment Club Car. A Services Contract award was made with Lake Erie Golf Cars, LLC, to provide all services, maintenance and repairs for the golf cars. A Lease-Purchase Agreement was entered into with PNC Equipment Finance, LLC, which is the entity that holds title to and provides the financing for these 198 Golf Riding Cars. This is the fifth and final year of the five-year agreement for 198 riding cars which are leased for three of the six Columbus Municipal Golf Courses - Airport, Mentel and Champions Golf Courses - for a total yearly amount of \$130,080.

Lease #2 - Two bids (both competitive) (#SA004187 Lease of 154 Golf Riding Cars-Golf Division 2012-2016) for related services were opened by the Recreation and Parks Department Golf Division on November 21, 2011. The two bidders

were: Lake Erie Golf Cars, LLC with financial institution PNCEF, LLC and Mid-Ohio Golf Car, Inc. with financial institution Yamaha Motor Corporation. A Services Contract award was made with Lake Erie Golf Cars, LLC, to provide all services, maintenance and repairs for the golf cars. A Lease-Purchase Agreement was entered into with PNC Equipment Finance, LLC, which is the entity that holds title to and provides the financing for these 154 Golf Riding Cars. This is the fourth year of the five- year agreement for 154 riding cars which are leased for three of the six Columbus Municipal Golf Courses - Raymond, Turnberry & Wilson Road Golf Courses - for a total yearly amount of \$111,324.

Lease #3 - Two bids (1 competitive & 1 "No Bid") (#SA004771 Lease of 40 Golf Riding Cars-Golf Division 2013-2016) were opened by the Recreation and Parks Department Golf Division on January 28, 2013. The two bidders were: Lake Erie Golf Cars, LLC with financial institution PNCEF, LLC and a "no bid" from Mid-Ohio Golf Car, Inc. A Services Contract award was made to Lake Erie Golf Cars, LLC, to provide all services, maintenance and repairs for the golf cars. A Lease-Purchase Agreement was entered into with PNC Equipment Finance, LLC, which is the entity that holds title to and provides the financing for these 40 Golf Riding Cars. This is the third year of the four-year agreement for 40 riding cars which are leased for three of the Columbus Municipal Golf Courses - Airport, Mentel and Wilson Road Golf Courses - for a total yearly amount of \$32,400.

Principal Parties:

PNC Equipment Finance, LLC

995 Dalton Avenue

Cincinnati, OH 45203

Contact: Daniel Smith

Contract Compliance #: 221146430 expires 3-27-2016

Per the search of the State Auditor's site for unresolved findings for recovery

PNCEF & PNC has no findings. SSS 1-27-16

PNC -Lease to Purchase Agreement

Lake Erie Golf Cars, LLC

26565 Miles Road, Suite 200

Warrensville Heights, Ohio 44128

Local Rep: Danny Hayes

614-808-5735

Contract Compliance #: 341880513 (expires 12-02-2016)

Lake Erie Golf Cars, LLC; Frank Cisterino, General Manager &

Danny Hayes, Fleet Sales & Local Rep have no findings. SSS 1-27-16

Lake Erie Golf Cars, LLC - Services Contract

Benefits to Public: The Columbus Municipal Golf Division operates six golf courses providing the rental of golf riding cars, a necessary service for our golfers and generating revenues for our operations.

Emergency Justification: An emergency is requested to assure timely set up of purchase order and payments for 2016 which commence in April 2016; banking rules mandate finance charges for late payments.

Financial Impact: The financial impact will be realized at each yearly request for issuing a purchase order for lease payments.

To authorize and direct the Director of the Recreation and Parks Department to set up a purchase order with PNC Equipment Finance, LLC for year one - 2016 - of the five-year modification/extension 2016-2020 for 385 golf riding cars for Airport, Mentel, Champions, Raymond, Turnberry and Wilson Road Golf Courses; to provide adequate funding through December 31, 2016 in accordance with the terms of the Riding Car Lease-Purchase Agreement; and to authorize the expenditure of \$311,850.00 from the Recreation and Parks Operation Fund 285; and to declare an emergency. (\$311,850.00)

WHEREAS, it is necessary to authorize and direct the Director of the Recreation and Parks Department to set up a purchase order with PNC Equipment Finance, LLC for year one - 2016 - of the five-year modification/extension 2016-2020 for 385 golf riding cars for Airport, Mentel, Champions, Raymond, Turnberry and Wilson Road Golf Courses; and

WHEREAS, it is necessary to authorize and direct the Director of the Recreation and Parks Department to provide adequate funding through December 31, 2016 in accordance with the terms of the Riding Car Lease-Purchase Agreement; and

WHEREAS, it is necessary to authorize the expenditure of \$311,850 from the Recreation and Parks Operation Fund 285; and

WHEREAS, it is necessary to appropriate and issue the 2016 purchase order to PNC for the first year's payment of the five-year modification/extension of agreement(s) with PNC Equipment Finance, LLC and Lake Erie Golf Cars, LLC for golf riding cars for the Recreation and Parks Department's six municipal golf courses which was modified by authorization of the Recreation and Parks Commission on June 10, 2015 and approved by Columbus City Council Ordinance Number 1485-2015 on June 8, 2015; and

WHEREAS, an emergency exists in the usual daily operation of the Recreation and Parks Department in that it is immediately necessary to set up a purchase order to assure the delivery of the golf riding cars for 2016; **NOW, THEREFORE**,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Recreation and Parks be and he is hereby authorized and directed to set up a purchase order with PNC Equipment Finance, LLC for year one - 2016 - of the five-year modification/extension 2016-2020 for 385 golf riding cars for Airport, Mentel, Champions, Raymond, Turnberry and Wilson Road Golf Courses.

SECTION 2. To authorize the expenditure of \$311,850 from the Recreation and Parks Operation Fund 285.

SECTION 3. To appropriate and issue the 2016 purchase order to PNC for the first year's payment of the five-year modification/extension of agreement(s) with PNC Equipment Finance, LLC and Lake Erie Golf Cars, LLC for golf riding cars for the Recreation and Parks Department's six municipal golf courses which was modified by authorization of the Recreation and Parks Commission on June 10, 2015 and approved by Columbus City Council Ordinance Number 1485-2015 on June 8, 2015

SECTION 4. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or 10 days after passage if the Mayor neither approves nor vetoes the same.