



Legislation Details (With Text)

File #: 1150-2020 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 5/5/2020 **In control:** Recreation & Parks Committee

On agenda: 6/15/2020 **Final action:** 6/18/2020

Title: To authorize and direct the Director of the Recreation and Parks Department to terminate the existing lease agreement, previously authorized by ordinance number 0037-2020; to authorize the Director to enter into a new contract with PNC and Lake Erie Golf for 190 new carts delivered in June with payments beginning in July 2020 and continue through December 31, 2025; to waive the competitive bidding provisions of City Code; to authorize the expenditure of \$91,200.00 from the Recreation and Parks Operation Fund; and to declare an emergency. (\$91,200.00).

Sponsors:

Indexes:

Code sections:

Attachments: 1. cart funding, 2. Cart Contract Bid Waiver

Date	Ver.	Action By	Action	Result
6/18/2020	1	CITY CLERK	Attest	
6/17/2020	1	MAYOR	Signed	
6/15/2020	1	COUNCIL PRESIDENT	Signed	
6/15/2020	1	Columbus City Council	Approved	Pass

Background: With the current social distancing mandates, the Golf Division was researching best practices of open facilities to accommodate the requirements. Permitting golf carts for single riders only is a safe way for the Golf Division to provide the use of the carts while still maintaining a six foot space for golfers during the state wide restrictions. Single riders significantly reduces the number of golfers able to be served and creates a shortage for the demand. The Golf Division reached out to our current supplier to discuss additional carts for the golf courses to utilize since single riders potentially reduces our cart availability in half.

The proposal presented to the Golf Division was to take the following steps:

- Terminate the current cart contract ending it on June 30, 2020. · PO219322 // Ordinance No.: 0037-2020
 - o Contract payments for the current 385 carts would end with the June 2020 payment.
 - o Payment terms of the current contract will end on June 30, 2020. PO219322 // Ordinance No.: 0037-2020
- Enter into a new contract with PNC and Lake Erie Golf. This contract will be for 190 new carts delivered in June with payments beginning in July 2020 and continue thru December 31, 2025.
 - § Typically 190 carts would also be returned; however, Lake Erie Golf will permit us to keep the number of carts we deem necessary to accommodate the single cart requirement
 - § Lake Erie Golf has already provided 20 additional carts for us to utilize as a stop-gap measure
 - o The golf courses will retain 195 of the current carts with no further payments for 2020 maintaining the current number of golf carts in the fleet.
 - o Current per cart payment is \$101 per month; now contract price is \$96 per cart per month
 - o The total savings for 2020 will amount to \$103,706.25 with the per cart price reduction on the new 190 carts and the contractual relief of payments on the 195 carts the Golf Division will be retaining.
- Enter into a second contract for January 1, 2021 thru December 31, 2025.
 - o The remaining fleet of 195 carts will be delivered in November and December of 2020

- o Payments will begin in April 2021 for the additional 195 carts for the total of 385 carts
 - o For 2021 through 2025 with the reduction of \$5 per cart payment compared to the current contract, the yearly savings would be \$16,170 per year, \$80,850 total for 5 years
- Total savings for the new contracts would be \$184,556.25 compared to the current contract pricing
- In order to enter into the new contracts, the department would need a bid waiver.

All contracts would involve three parties

- The City of Columbus
- PNC is the source of financing
 - o Golf cart lease agreements and payments would be with PNC
 - o Yearly legislation would occur to fund payments
- Lake Erie Golf is the golf cart maintenance company
 - o Lake Erie Golf would provide all cart maintenance for the duration of all contracts
 - o Lake Erie Golf does not receive payment for their contracted services
 - o At the end of our lease agreement with PNC, Lake Erie Golf gains ownership of all 385 carts

Principal Parties:

PNC, Equipment Finance
655 Business Center Drive
Horsham, PA 19044
Staysi Garcia Morillo, 267-960-4076
34-1880513

Lake Erie Golf
26565 Miles Road
Warrensville Heights, OH 44128
Danny Hayes, 614-808-5735
34-1880513

Emergency Justification: An emergency is being requested due to the Golf Courses opening on May 12th and there is an immediate need for the extra carts due to the current safety protocols.

Benefits to the Public: Golf carts are necessary to the operation of the golf courses.

Area(s) Affected: All six municipal golf courses.

Fiscal Impact: \$91,200.00 is required and is budgeted from and within in the 2020 Recreation and Parks operating budget to meet the financial obligations of this lease.

To authorize and direct the Director of the Recreation and Parks Department to terminate the existing lease agreement, previously authorized by ordinance number 0037-2020; to authorize the Director to enter into a new contract with PNC and Lake Erie Golf for 190 new carts delivered in June with payments beginning in July 2020 and continue through December 31, 2025; to waive the competitive bidding provisions of City Code; to authorize the expenditure of \$91,200.00 from the Recreation and Parks Operation Fund; and to declare an emergency. (\$91,200.00).

WHEREAS, permitting golf carts for single riders only is a safe way for the Golf Division to allow golfers to maintain a six foot space during the state wide restrictions, however, single riders significantly reduces the number of golfers able to be served and creates a shortage for the demand so the Golf Division reached out to our current supplier to discuss additional carts for the golf courses to utilize; and

WHEREAS, it was determined that the best solution is to authorize the Director of Recreation and Parks to terminate the existing lease agreement, previously authorized by ordinance number 0037-2020, and to enter into a new lease agreement in the amount of \$91,200.00 for the 2020 lease-purchase payments to PNC Equipment Finance, LLC for the increased number of golf riding cars; and

WHEREAS, it is necessary to authorize the City to waive the relevant provisions of Chapter 329 of City Code relating to formal competitive bidding for this purchase; and

WHEREAS, it necessary to authorize the expenditure of 91,200.00 from the Recreation and Parks Operation Fund 2285; and

WHEREAS, an emergency exists in the usual daily operation of the Recreation and Parks Department in that it is immediately necessary to authorize the Director to enter into a new lease agreement for the lease-purchase payments of the golf riding cars as the payment is due July 1, 2020, thereby preserving the public peace, property, health, safety, and welfare; **NOW, THEREFORE**

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

SECTION 1. That the Director of Recreation and Parks Department be and is hereby authorized to terminate the existing lease agreement, previously authorized by ordinance number 0037-2020, and to enter into a new lease agreement for the lease-purchase payments of the golf riding cars with PNC Equipment Finance, LLC and Lake Erie Golf for the lease-purchase payments and maintenance of the golf riding cars.

SECTION 2. That this Council finds it to be in the best interests of the City to waive the relevant provisions of Chapter 329 of City Code relating to competitive bidding for this purchase.

SECTION 3. 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 4. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 5. That for the purpose stated in Section 1, the expenditure of \$91,200.00, or so much thereof as may be necessary to pay the cost thereof, be and is hereby authorized from the Recreation and Parks Operation Fund 2285.

SECTION 6. 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 ten days after passage if the Mayor neither approves nor vetoes the same.