

MEMO

To: Park Board

From: Greg Vitale, Director of Parks and Recreation

Date: November 19, 2019

Re: Centennial Park Golf Cart Fleet

The existing 5-year golf cart lease costs \$29,000 per year for a total cost of \$145,000. At the end of the lease, the carts are returned before starting the lease process over again. The existing lease has one year left, so a new lease would start in 2021. All lease expenses are paid from the operational budget.

To forecast future budget allocations, the Director of Parks and Recreation solicited 5-year lease prices from the three main golf cart companies. Starting in 2020, 5-year lease prices range from \$33,700 to \$38,100 per year (\$168,500 - \$190,500 over 5 years) with higher prices expected in 2021. Since operational spending must decrease instead of increase, it was decided to break the lease and purchase the carts from the 2019 Park Bond in one lump sum.

In accordance with Town of Munster's purchasing policy, sealed bids for 35 new golf carts were appropriately advertised. Also, all three major golf cart suppliers and two municipal purchasing agencies were individually contacted.

The thorough list of specifications requires 2020 golf carts with individual logos and numbers, and a detailed 5-year service agreement. This agreement eliminates repair and maintenance expenses and increases the trade-in value to approximately \$1450-\$1650 per cart (\$50,750 – 57,750 after 5 years).

At the public bid opening on November 13, the following three bids were read aloud:

| | |
|--|--------------|
| Golf Carts Plus – Plainwell, Michigan: | \$203,560.00 |
| Sourcewell – Staples, Minnesota: | \$210,958.65 |
| Fairway Golf Cars - Cary Illinois: | \$228,000.00 |

Golf Carts Plus provided the lowest bid. They hold the existing lease and will not charge any fees to break it if they receive the bid. Considering the expected trade-in value, future lump-sum fleet purchases will cost about the same amount as the 5-year leases. However, paying from a park bond will allow the department to decrease the operational budget by approximately \$150,000 over 5 years.

This information is for discussion purposes only until the 2019 Park Bond process is official.