

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON JANUARY 20, 2015
FROM:	WILLIAM C. COXHEAD MANAGING DIRECTOR OF PARKS & RECREATION
SUBJECT:	SINGLE SOURCE SUPPLY AND DELIVERY OF MOTORIZED RIDING GOLF CARTS

RECOMMENDATION

That, on the recommendation of the Managing Director of Parks & Recreation, the following actions **BE TAKEN**:

- a) The negotiated amount with Canadian Cart Sales Inc for the supply and delivery of 164 refurbished motorized riding golf carts at their proposed price \$132,605 HST extra for a 1 year lease (2015 golf season) **BE ACCEPTED** on a single source basis as per section 14.4 (d) of the Procurement of Goods and Services Policy it being noted that the funding for this lease is included as part of the proposed 2015 operating budget.
- b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this lease
- c) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Community & Neighbourhood Committee, November 12, 2012
London's Municipal Golf System 2012 Financial Performance Update
- Community and Protective Services Committee, January 21, 2013
Supply and Delivery of Electric Golf Carts

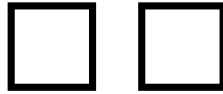
BACKGROUND

During the presentation of the 2012 Financial update staff recommended the continuation of the current system of Municipal Golf and to follow the principles of the 2012 business plan in to the 2013/2014 season. The main principles of the business plan were to; continue to improve the customer experience, increase participation and generate revenue from all sources.

The ability to meet the needs of the customer through the provision of an appropriate number of reliable, affordable golf carts for rent will help meet all of the aforementioned principles. Golf carts are an important revenue source where reliable, quality golf cart rentals can enhance the customer experience. In 2012 we identified a need for additional carts to meet the increased demand.

The current golf cart fleet of 136 carts is being leased from Canadian Cart Sales through RBC as the leasing agent. These carts have been leased for 2 years with the lease expiring on November 30, 2014. The carts used by the city were well maintained and are in good condition subject to typical maintenance and refurbishment. In an effort to maintain a reliable fleet and increase the number of carts at a reasonable cost we have explored the following opportunity:

- Canadian Cart Sales have offered the City an opportunity to re-lease the current fleet of carts plus an extra 28 comparable carts for an additional year (2015 golf season). The carts will be refurbished including any necessary maintenance, winter storage and a new 1 year warranty.



Administration believes that we can retain a reliable, expanded fleet at reduced costs and as such are recommending a single source contract to take advantage of this opportunity.

Reasons to single source include:

- Lowers the cost per unit over new
- 20% additional carts available for rent for a 14% increase in total cost
- Receive same quality carts we are familiar with and have utilized over the past 2 years.
- Carts have been cared for and will present a quality product for our golfers to use
- Maintains existing maintenance warranty program
- Maintains a reliable fleet.

An open tender process will occur following this one year extension. The fleet will be seven (7) years old at that time and replacement will be recommended to pursue a new fleet of carts with advances in technology.

Financial Impact

The total cost proposed for a 1 year lease (2015 golf season) of 164 refurbished motorized riding golf carts is \$132,605 HST extra. We have increased the number of carts by 28 and the new lease agreement has reduced our cost per cart. The proposed cost for the lease of motorized riding golf carts can be accommodated within the proposed 2015 Golf operating budget. Based on the demand for cart rentals, the extra carts will allow us to generate an increase in net revenue of \$35,000 for a total budget of \$460,000.

Conclusion

Administration has worked with Canadian Cart Sales to negotiate the agreement.

As a result Staff recommends entering into the agreement with Canadian Cart Sales for the one year lease of refurbished motorized riding golf carts.

Acknowledgements

This report was prepared by Scott Stafford, Division Manager of Parks and Community Sports.

SUBMITTED BY:	CONCURRED BY:
SCOTT STAFFORD, DIVISION MANAGER, PARKS & COMMUNITY SPORTS	JOHN FREEMAN MANAGER PURCHASING AND SUPPLY FINANCE AND CORPORATE SERVICES
RECOMMENDED BY:	REVIEWED BY:
WILLIAM C. COXHEAD, MANAGING DIRECTOR, PARKS & RECREATION	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

c James Barber, City Solicitor
Anna Lisa Barbon, Director, Financial Services