

ITEM #: 28
DATE: 06-14-22

COUNCIL ACTION FORM

SUBJECT: FLEET REPLACEMENT PROGRAM – UTILITY VEHICLE WITH TURFGRASS SPRAY SYSTEM FOR HOMEWOOD GOLF COURSE

BACKGROUND:

Homewood Golf Course staff uses one utility vehicle equipped with a turfgrass spray system to chemically treat turfgrass on the fairways and adjacent areas on the golf course. This utility vehicle also is used to transport staff and light tools to perform grounds maintenance. The current vehicle is scheduled for replacement in the FY 2021/22 budget year. Therefore, bids were solicited for a new utility vehicle and spray system.

Only one bid was received for this equipment, from Van Wall Equipment of Nevada:

Bidder	Make	Model	Year	Bid
Van Wall Equipment Co., Nevada, IA	John Deere	2020A Pro Gator with HD 300 Sprayer	2022	\$57,852.71

The bid from Van for the 2022 John Deere Gator with HD 300 Sprayer \$57,852.71 meets the City's specification and is acceptable. The bid included an offer to accept the City's existing utility vehicle and sprayer as a trade-in, as outlined below:

Trade-in offer	Make	Model	Year	Bid
For the City's existing Utility Vehicle and Sprayer	John Deere	2020A Pro Gator with HD 200 Sprayer	2011	\$15,000.00

The \$15,000 trade-in offer from Van Wall for the City's existing 2011 John Deere Gator with HD 200 Sprayer is acceptable considering the age and condition of the equipment.

The existing utility vehicle and sprayer were purchased for approximately \$22,200 in 2011. At the time City vehicles and equipment are purchased, staff estimates the duration of their useful life, and then calculates a projected cost to replace the vehicle at that time. The cost to replace this utility vehicle and sprayer was projected to increase at a rate of approximately 3% per year (approximately \$31,000 in the year 2022). Therefore, replacement funds of \$33,893 were accumulated to finance the replacement.

Unfortunately, the replacement costs for specialty equipment in particular have outpaced staff's projections in recent years. Therefore, this purchase relies on three funding sources: 1) the accumulated replacement funds, 2) the trade-in value of the existing equipment, and 3) a portion of undesignated funds received when a piece of golf

course mowing equipment was sold and it was determined replacement of it was not necessary—that sale resulted in approximately \$26,000 in undesignated funds from the accumulated depreciation and the sale.

Therefore, funding for this purchase is available as shown in the budget below:

Available Funding:

Replacement funds for the existing utility vehicle with sprayer	\$33,893
Undesignated equipment funds for Homewood Golf Course	10,000
<u>Trade-in offer from Van Wall for the existing equipment</u>	<u>15,000</u>
Total Available Funds	\$58,893

ALTERNATIVES:

1. Award a contract in the amount of \$57,852.71 to Van Wall Equipment Co., Nevada, IA, for one 2022 JD Gator 2020A with HD 300 Sprayer.
2. Reject the bid, and direct staff to re-bid this equipment.

CITY MANAGER’S RECOMMENDED ACTION:

Staff from Parks and Recreation and Fleet Services have evaluated this purchase and are confident the proposed utility vehicle and sprayer will meet the needs of the department for Homewood Golf Course.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.