



City of Killeen

Legislation Text

File #: RS-22-071, **Version:** 1

Consider a memorandum/resolution awarding Bid No. 22-17, Mowing Equipment Lease, to Austin Turf & Tractor authorizing a sixty (60) month lease agreement with Wells Fargo Financial Leasing, Inc. for seven (7) mowers in the amount of \$345,430.20 to maintain Stonetree Golf Club.

DATE: June 7, 2022
TO: Kent Cagle, City Manager
FROM: Joe Brown, Executive Director of Recreation Services
SUBJECT: Stonetree Mower Lease

BACKGROUND AND FINDINGS:

Stonetree Golf Club (SGC) Agronomy provides daily maintenance for the entire golf course grounds. Specialized equipment is needed and utilized to maintain 100 acres of turf grass. Mowing routines associated with turf grass subject this equipment to excessive usage. Mowers are utilized in more than 5,000 hours per year. Due to the high amount of usage placed on these specialized pieces of equipment and the specific precision of industry standards for playable course conditions, they are subject to maintenance issues at a greater frequency than typical mowing equipment.

Recreation Services had an existing lease with Professional Turf Products L.P., financed by TCF Capital Solutions, which started in August 2017 and expired in July 2021. This lease consisted of (2) greens mowers and (2) fairway mowers.

The recommended lease was brought to council in January, but direction was given to competitively bid this lease.

The City of Killeen began the process of soliciting bids for seven (7) pieces of mowing equipment to ensure that mowers could be obtained at the best value. The seven pieces of equipment include three (3) greens Triplex mowers, two (2) of which are electric hybrid, two (2) Fairway units, one (1) Countour rough mower, and one (1) Zereturn mower.

Bid # 22-17 was advertised on March 20, 2022 and March 27, 2022 and followed the Texas Local Government Code and the City's Financial Management Policy.

Recreation Services received responses on April 19, 2022 from:

- Austin Turf & Tractor
- Professional Turf Products
- Turf and Soil Management Contract Services

Recreation Services, along with Purchasing evaluated each bid's conformance with the bid information and instructions. RS is seeking to enter into a new lease with Austin Turf & Tractor, financed through Wells Fargo Financial Leasing Inc. for sixty (60) month lease for seven (7) mowers. Staff will have access to modern, up-to-date equipment that is covered under warranty for the duration of the lease. Total cost of the new lease is \$345,430.20, \$5,757.17 per month.

Company	Bids
Austin Turf & Tractor Bid # 22-17	\$345,430.20
Professional Turf Products Bid # 22-17	\$434,548.80
Turf & Soil Management Contract Services* Bid # 22-17	\$233,700.00

*Did not meet specifications

Previous Equipment	Replacement Equipment (all leased)
3 Greens Mowers (2 leased/1 owned)	3 Greens Mowers
2 Fairway Units (2 leased)	2 Fairway Units
2 Zero Turn Mowers (owned)	1 Zereturn Mower
	1 Contour Rough Cut Mower

THE ALTERNATIVES CONSIDERED:

Option 1 - Decline the bid and find an alternative option for mowers.

Option 2 - Approve the bid and enter into an agreement with Austin Turf & Tractor, financed through Wells Fargo Financial Leasing, Inc.

Which alternative is recommended? Why?

Option 2 - To approve the sixty (60) month lease with Austin Turf & Tractor financed through Wells Fargo Financial Leasing, Inc. for a total of \$345,430.20 as they are the lowest responsible bidder that meets bid specifications.

CONFORMITY TO CITY POLICY:

This lease conforms to City policies and Texas Local Government Code, Section 252.021.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The total cost of the lease is \$345,430.20. This includes \$297,154.20 of principal and \$48,276.00 of interest.

Financial Impact:
FY22 - \$40,300.19
FY23 - \$69,086.04
FY24 - \$69,086.04

FY25 - \$69,086.04
FY26 - \$69,086.04
FY27 - \$28,785.85

Is this a one-time or recurring expenditure?

Recurring for the term of the lease.

Is this expenditure budgeted?

Yes, funds are available in the General Fund Golf Course account 010-3020-424.47-09.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

Staff recommends City Council approve the sixty (60) month lease with Austin Turf & Tractor, financed through Wells Fargo Financial Leasing, Inc. as submitted in the amount of \$345,430.20 over the course of the lease and that the City Manager or designee be authorized to execute any change orders as permitted by state and local law.

DEPARTMENTAL CLEARANCES:

Legal
Purchasing
Finance

ATTACHED SUPPORTING DOCUMENTS:

Bid Tabulation
Bid Proposal
Recommendation Letter
Certificate of Interested Parties