

Condensed Title:

Request For Approval To Award A Contract To ShowTurf, LLC., Pursuant To Invitation To Bid (ITB) No. 38-10-11 For Lease Of Golf Course Turf Maintenance Equipment For The Miami Beach Golf Club, For A Period Of Forty-Eight (48) Months, With Monthly Installments of \$7,521.38 For The First Lease Schedule Beginning On October 1, 2011, And Monthly Installments Of \$3,804.46 For The Second Lease Schedule Beginning April 1, 2012, For A Total Annual Amount Of \$135, 910.08, And Authorize The Mayor And City Clerk To Execute A Four Year Master Lease Agreement With Deere Credit, Inc. In The Total Amount Of \$543,640.32.

Key Intended Outcome Supported:

Increase Satisfaction with Recreational Programs

Supporting Data (Surveys, Environmental Scan, etc.): Parks and Recreation appeared as one of the most important areas affecting resident's quality of life. Of the 79% of residents and 82% of businesses rated the overall quality of the recreational programs and facilities as excellent or good and 58% of residents stated that they go to recreational facilities a couple of times a month or more. More recreational opportunities appeared as one of the changes residents would make to make Miami Beach a better place to live, work, and play.

Issue:

Shall the Mayor and City Commission approve the award of contract and execution of lease agreement?

Item Summary/Recommendation:

The ITB was issued on July 28, 2011 with an opening date August 18, 2011. BidSync issued bid notices to 7 prospective bidders, and Bidnet issued bid notices to (18) prospective bidders, additionally, the Procurement Division sent notices to two (2) prospective bidders. The notices resulted in the receipt of three (3) bids from the following firms: ShowTurf, LLC; Horizon; and Hector Turf.

The purpose of this ITB is to establish a 48-month Lease Agreement, by means of sealed bids, to a qualified bidder for the lease of all new Golf Course Turf Maintenance Equipment for the Miami Beach Golf Club. Two lease terms were specified as follows:

- 48-month lease for Items 1 through 16 listed above, for delivery on October 1, 2011.
- 48-Month lease for Items 17 through 21 listed above, for delivery on April 1, 2012.

The lowest and best bid was submitted by ShowTurf, LLC. The Parks and Recreation Administration stated that after reviewing the three (3) bids they feel comfortable awarding a contract to the lowest overall responsive bidder, ShowTurf, LLC., for items 1 through 16 to be delivered on October 1st, 2011, and items 17 through 21 to be delivered on April 1st, 2012.

APPROVE THE AWARD OF CONTRACT AND AUTHORIZE EXECUTION OF LEASE AGREEMENT

Advisory Board Recommendation:

N/A

Financial Information:

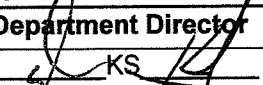
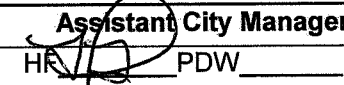

Source of Funds:	Amount	Account
1	\$135, 910.08	Parks and Recreation Fund Account No. 011-0940-00312
OBPI	Total \$135,910.08	

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Gus Lopez Procurement Division Director @ 6641

Sign-Offs:

Department Director	Assistant City Manager	City Manager
GL KS 	HR PDW 	JMG 

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MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: September 14, 2011

SUBJECT: **REQUEST FOR APPROVAL TO AWARD A CONTRACT TO SHOWTURF, LLC., PURSUANT TO INVITATION TO BID (ITB) NO. 38-10-11 FOR LEASE OF GOLF COURSE TURF MAINTENANCE EQUIPMENT FOR THE MIAMI BEACH GOLF CLUB, FOR A PERIOD OF FORTY-EIGHT (48) MONTHS, WITH MONTHLY INSTALLMENTS OF \$7,521.38 FOR THE FIRST LEASE SCHEDULE BEGINNING ON OCTOBER 1, 2011, AND MONTHLY INSTALLMENTS OF \$3,804.46 FOR THE SECOND LEASE SCHEDULE BEGINNING APRIL 1, 2012, FOR A TOTAL ANNUAL AMOUNT OF \$135,910.08, AND AUTHORIZE THE MAYOR AND CITY CLERK TO EXECUTE A FOUR YEAR MASTER LEASE AGREEMENT WITH DEERE CREDIT, INC. IN THE TOTAL AMOUNT OF \$543,640.32.**

ADMINISTRATION RECOMMENDATION

Approve the award of contract and authorize the execution of leases.

KEY INTENDED OUTCOME SUPPORTED

Increase satisfaction with recreational programs.

FUNDING

\$135,910.08/Year Parks and Recreation Fund Account No. 011-0970-000323

The Parks and Recreation Department annual budget is \$138,000; by awarding the contract to the lowest total bid, the City realizes annual cost savings of \$2,089.92 per year.

BACKGROUND

The Parks & Recreation Department's Golf Courses Division currently has a lease for Toro turf maintenance equipment distributed by Hector Turf, and financed through Siemens Financial Services, which provides the majority of the turf grooming equipment used to maintain the Miami Beach Golf Club. That lease expired on January 10, 2011. At the January 19, 2011, Commission meeting the Administration submitted a resolution seeking authorization to extend the lease, on a month-to-month basis until such time as the ITB was issued. It was noted that the issuance of the ITB for the golf course equipment was being temporarily delayed in order to permit the Administration to fully

examine a potential corporate sponsorship opportunity that could augment the required equipment list, obtain the equipment at a reduced price and/or provide the City revenue as a result of an agreed upon sponsorship package.

To this end the Administration had discussions with various potential corporate partners for the provision of golf course turf maintenance equipment, as well as other multi-task maintenance equipment that could be utilized throughout the city. These potential partners included Cub-Cadet, John Deere and Toro. Although substantive discussions were held, and there may be opportunities for partnerships in the future, none of the corporations were able to commit to a workable sponsorship at this time. It should be noted however, that components of the John Deere leasing package which will result in a substantial savings to the City, can be attributed in part to the relationship built with the John Deere team during our corporate sponsorship discussions.

ANALYSIS

The purpose of this ITB is to establish a 48-month Lease Agreement, by means of sealed bids, to a qualified bidder for the lease of all new Golf Course Turf Maintenance Equipment for the Miami Beach Golf Club.

The Bidder's lease price includes a minimum 900-hour use time per equipment, per year. The Vendor is responsible for any/all pickup, delivery, and transportation charges should an equipment replacement and/or maintenance that must be provided at a location other than the City's designated facility, including all equipment pickup transportation at the end of the 48-month lease or after any extended lease use period.

Any equipment(s) which must be removed from the City's designated facility/premises for service, in excess of twenty-four (24) hours, will be replaced with another similar unit within forty eight (48) hours at no additional cost to the City. Preventive/Routine Maintenance such as cleaning, greasing and lubrication, and oil change maintenance, will be performed by the City. See below a list of the equipment included in the lease:

	<u>Quantity</u>
1. John Deere 2500E E-Cut Hybrid Riding Greens Mower – Gas	6 each
2. John Deere Gator TX Turf Utility complete with Linex Under-Coating Rust Protection.	8 each
3. John Deere 1200 Hydro Rake	2 each
4. John Deere 220 E-Cut Hybrid	4 each
5. John Deere Aercore 800 Aerator	1 each
6. John Deere 22B Walk Greens Mower Trailer	4 each
7. John Deere 997 Commercial L.C. Diesel Max-Frame Z-Trak with 72-inch Side Discharge 7-Iron PRO Deck	2 each
8. RYAN Jr. Sod Cutter	1 each
9. Wiedenmann Super 500 Multi-Purpose Sweeper	1 each
10. DMI Speed Rollers	2 each
11. John Deere set of greens Tender Conditioners/Drives for 2500EG	1 each
12. Buffalo K Debris Blower	1 each
13. John Deere Set of Vertical Cutting Units for the 2500EG	1 each
14. AGRI-Metal Roller Set for the John Deere 2500	1 each
15. Custom Spiker Set for the John Deere 2500	1 each

16.	5-Gang Mowing Unit	1 each
17.	John Deere 8700 Precision Cut Fairway Mower QA7	2 each
18.	John Deere Pro Gator 2020A With Vicon Attachment	1 each
19.	John Deere HD200 Select Spray With Hose Reel Attachment Complete With Foam Marker Kit	1 each
20.	Dakota 410, with Top Dresser Mounted on a John Deere Pro Gator 2020A	1 each
21.	John Deere 7200 Precision Cut Trim And Surrounds Mower	2 each

Two lease terms were specified as follows:

- 48-month lease for Items 1 through 16 listed above, for delivery on October 1, 2011. As an alternate option, bidders were requested to submit pricing for a 48-month lease for Items 1 through 15 listed above, for delivery on October 1, 2011.
- 48-Month lease for Items 17 through 21 listed above, for delivery on April 1, 2012.

BID PROCESS

The ITB was issued on July 28, 2011, with an opening date of August 18, 2011. BidSync issued bid notices to seven prospective bidders, and Bidnet issued bid notices to (18) prospective bidders. Additionally, the Procurement Division sent notices to two (2) prospective bidders. The notices resulted in the receipt of three (3) bids from the following firms: Show Turf, LLC; Horizon; and Hector Turf.

On August 18, 2011, the Procurement Division sent the bids received to the following individuals for evaluation:

- Kevin Smith, Parks and Recreation Director
- Steve Farrell, Director of Golf for the Miami Beach and Normandy Shores Golf Clubs
- Alberto Pozzi, General Manager of PCM
- Carlos DaCruz, Office Associate V

The Individuals evaluated the three (3) bids received. The lowest and best bid was submitted by ShowTurf, LLC. The Parks and Recreation Administration stated that after reviewing the three (3) bids they feel comfortable awarding a contract to the lowest overall responsive bidder, ShowTurf, LLC., for items 1 through 16 to be delivered on October 1st, 2011, and items 17 through 21 to be delivered on April 1st, 2012.

BID TABULATION

The following Table provides the bid tabulation results for all three (3) responses to ITB No. 38-10/11:

	Lease Term	SHOW TURF		HORIZON		*HECTOR TURF	
		Monthly	Total	Monthly	Total	Monthly	Total
1 st Lease (Items 1-16)	48 Months	\$7,521.38	\$ 361,026.24	\$9,637.06	\$ 462,578.88	\$7,924.71	\$380,386.08
Personal Property Taxes			\$0		\$ 32,406.28		\$ 28,499.34
Total 1st Lease			\$ 361,026.24		\$ 494,985.16		\$408,885.42
Alternate to 1 st Lease (Items 1-15)	48 Months	\$7,171.72	\$ 344,242.56	\$9,096.80	\$ 436,646.40	\$7,478.19	\$358,953.12
Personal Property Taxes			\$0		\$ 30,588.96		\$ 27,093.53
Total Alternate to 1st Lease			\$ 344,242.56		\$ 467,235.36		\$386,046.65
2 nd Lease (Items 17-21)	48 Months	\$3,804.46	\$ 182,614.08	\$4,853.96	\$ 232,990.08	\$3,171.81	\$152,246.88
Personal Property Taxes			\$0		\$ 15,954.72		\$ 11,169.01
Total 2nd Lease			\$ 182,614.08		\$ 248,944.80		\$163,415.89
First and Second Lease Total (Items 1 through 21)			\$ 543,640.32		\$ 743,929.96		\$572,301.31

*Hector Turf failed to submit an itemized price list of the equipment for Items 1 through 21 and was deemed non-responsive.

The Master Lease Agreement has been reviewed by the City's Chief Financial Officer relative to the interest rates of financing, and the predetermined percentage of the residual value.

SHOWTURF, LLC

ShowTurf, LLC. is a full-line John Deere Golf & Turf Distributor. They serve the golf and sports turf market in Southern Florida, Southern Georgia, Hilton Head and the Caribbean. Some of their clients include Parkland Golf and Country Club, Boca West Country Club, Indian Creek Country Club, and La Gorce Country Club, among others. Their leasing agent is John Deere Credit, Inc., owned by John Deere Financial.

It should also be noted that:

- John Deere Financial/Manufacturer owns the equipment directly; therefore, they will not pass on the cost for Personal Property Tax to a Municipal Government. This represents an additional cost savings of approximately \$30,000 to the City. In our previous lease with Toro's financial representative, Siemens Financial, we were required to pay property tax in excess of \$26,000 for the 48 month lease.

- John Deere has agreed to include rust-preventing under coating at no additional cost on the Turf Utility Vehicles. This is very important due to the fact the golf course frequently uses salt water from the lakes for irrigation.
- John Deere is providing the new 2500E-Series, Hybrid Riding Mowers, which offers fuel economy, reduces the noise of mower operations and a significant reduction in the chance for hydraulics leaks that can damage the putting greens.
- John Deere has reduced the residual buy back option from 20% of the original lease value proposed during sponsorship discussions, down to 17.5% on all or any individual item.

CONCLUSION

Based on the analysis of the bids received, the Administration recommends that the City award a contract to ShowTurf, LLC., pursuant to ITB 38-10-11 For Lease of Golf Course Turf Maintenance Equipment For the Miami Beach Golf Club.

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