

**CITY OF PALMER
ACTION MEMORANDUM NO. 11-032**

Subject: Authorize the City Manager to Award a Proprietary Procurement Purchase to Western Equipment Distributors in the Amount of \$96,170.15 for a New Irrigation System for the Palmer Golf Course

Agenda of: April 26, 2011

Council Action: Postponed to the May 10 meeting

Approved for presentation by:

City Manager *Douglas B. Griffin*
City Attorney *[Signature]*
City Clerk *JG*

Route To:	Department/Individual:	Initials:	Remarks:
X	Originator – Director of Community Development	<i>JG</i>	
	Director of Administration		
	Director of Community Development		
	Director of Public Safety		
	Director of Public Works		

Certification of Funds:

Total amount of funds listed in legislation: \$ 96,170.15 (2011=\$21,371.20)
 Future years \$32,056.80/yr subject to council appropriation.

This legislation (√):

Has no fiscal impact
 Funds are budgeted from this (these) line item(s): 15-01-10-6040 Irrigation supplies
 Funds are not budgeted. Budget modification is required. Affected line item(s):

Unrestricted/undesignated fund balance (after budget modification) \$ _____

Director of Administration signature certifying funds: *[Signature]*

Attachment(s):

- 4/20/11 Memo from City Manager Griffin Re: Proprietary Procurement Purchase Recommendation
- Quote from Western Equipment and Irrigation
- 3/24/11 Memo from Golf Course Director Collum requesting Proprietary Procurement
- 3/25/11 Letter from Toro regarding Service Area designation for Western Equipment

- Quote from Rain Bird

Summary statement: As described during FY 2011 Budget presentations by City Contractor George Collum, the irrigation electronics system currently in place at the Palmer Golf course is antiquated and in need of replacement. Mr. Collum has researched the availability of equipment and has found that a Toro Lynx Synergy Central system would be the best replacement as the Golf Course already has a Toro system in place that can be upgraded with the least amount of disruption to the golf course. If another system was introduced, over 200 sprinkler heads would need to be dug up and the sensors changed.

The quote from Western Equipment Distributors for this equipment, installation and training for Eagle Golf Course Management employees is \$96,170.15. This purchase is offered on a thirty-six month interest free payment plan which Mr. Collum proposes to pay for within the golf course budget over the next three years. Mr. Collum also received a price quote from Rain Bird for comparative purposes. Rain Bird also offered a three year payment plan, but with interest, bringing the total price to \$101,941.62.

Compatibility with the current water system, less disruption to the golf course, and an interest free thirty six month payment plan make the Toro system the recommended option for a proprietary procurement purchase.

This must be subject to an annual appropriation and any agreements must so reflect.

Administration recommendation: Approve action memorandum 11-032.



MEMORANDUM

TO: The Honorable Mayor and Members of the Palmer City Council
FROM: Douglas B. Griffin, City Manager
DATE: April 19, 2011
RE: Golf Course Irrigation Controls Proprietary Procurement Justification
PMC 3.21.230 A.3

The above-referenced item which is coming before the City Council for authorization to purchase of a Toro Lynx Synergy Central System, does not lend itself to a competitive bid process. I offer justification for this determination under PMC 3.21.230 A.3 as follows.

The irrigation system presently used at the Palmer Golf Course is manufactured by Toro and for purposes of compatibility and continuity the choice of the City was limited. The City contractor at the Golf Course, George Collum also received a formal quote from Rain Bird, the only other major vendor of these systems for comparative purposes. While the Toro system was a couple thousand dollars more, Toro offered a better extended payment plan with no interest over 36 months. Rain Bird also offered a three year purchase, but with interest. As a lease/purchase the Toro system will be less expensive to the City.

Once it was determined that the Toro option made the most sense, inquiry was made whether other vendors also are selling Toro products. Mr. Collum provided me with a letter dated March 25, 2011, verifying that Western Equipment Distributors is the "sole Toro distributor of Commercial Equipment and Golf Irrigation Products and Services in the designated 'Service Area', which includes the entire State of Alaska."

The compatibility issue in staying with Toro is significant. In speaking with the Mr. Collum and Course Superintendent Mike Barnhart, switching to Rain Bird would require digging up over 200 sprinkler heads to replace sensors. That additional labor represents a minimum additional cost of \$12,000 cost, in addition to the disruption it would cause for the golf course. The circumstances warranted that this purchase was justified under provisions of PMC 3.21.230 A.3. This section of the Palmer Municipal Code states that:

"A. The purchasing officer may contract with the use of the competitive source selection procedures of this chapter, for the following supplies, services, professional services, or construction: ...3. For contracts where the purchasing officer determines in writing that the city's requirements reasonably limit the source for the supplies, services, professional service or construction to one person."

This upgraded control system will also save money over time in more efficient use of water and labor. Even given the short season for the Palmer Golf Course compared to courses in warmer climates, Mr. Collum believes the system will pay for itself in 10 years due to these labor, water, and fuel savings.



PROPOSAL

DATE **31-Mar-11**

710 SW 174 Terrace
 Pembroke Pines, FL 33029
okeefe@bankgrouponline.com

(954) 450-4343
 (954) 450-4352 Fax
 (800) 603-1644 Toll Free

A product offered by Bankgroup Financial Services

CLUB INFORMATION		
CLUB NAME Palmer Golf Course	PHONE NO. (907) 745-4653	EMAIL eaglegolf@mtaonline.net
ADDRESS 100 Lepak Avenue	CITY, STATE AND ZIP CODE Palmer, AK 99645	
DISTRIBUTOR INFORMATION		
DISTRIBUTOR NAME Horizon	PHONE NO. (206) 396-1382	SALES REP George Collum

PROPOSAL

EQUIPMENT DESCRIPTION	PROJECT COST	STRUCTURE
Controller Package	ESTIMATED PROJECT COST \$93,000.00	3-4-5 year terms Annual Payments Finance Lease

TERM		PAYMENT
3 years	@	\$33,980.54
4 years	@	\$26,026.14
5 years	@	\$21,259.63

CONDITIONS / ADDITIONAL ITEMS REQUIRED

- Subject to receipt and satisfactory review of credit application and will possibly need financial disclosure from city.
- Contract can be written as a finance lease (\$ 1 option) with first payments due at signing.
- Municipal contracts will be used.
- Proposal based on current market conditions and subject to change prior to approval.

THE ABOVE TERMS AND CONDITIONS HAVE BEEN READ AND UNDERSTOOD BY PROPOSED

Palmer Golf Course

Signature _____

Title _____

Date _____

Memo

To: Doug Griffin
From: George Collum
CC: Kelli Veech and Sandra Garley
Date: 3/24/2011
Re: Golf Course Irrigation Electronics System

I am requesting a proprietary procurement (Section 3.21.230) of a new irrigation electronics system for Palmer Golf Course. We have determined that Toro's Lynx Synergy Central system will best fit our particular situation. We already have Toro equipment in the ground, so the Lynx Synergy Central system can easily upgrade what we already have with the least amount of disruption to the golf course. The quote we received from Western Equipment Distributors (owner of Toro) is \$96,170.15. However, they offer a thirty-six month interest free payment plan, making it possible to pay for this within our golf course budget over the next few years. This quote includes equipment, installation and training.



Toro Irrigation

5825 Jasmine Street • Riverside • California • 92504-1183 • (951) 688-9221

March 25, 2011

Subject: Western Equipment Distributors

Mr. George Collum
Director of Golf
Palmer Golf Course
PO Box 4773
Palmer, AK 99645

Dear Mr. Collum,

This letter is to give some history and state the role and "service area" for Western Equipment Distributors.

Western Equipment Distributors is a wholly owned subsidiary of the Toro Company for the **service area** of Oregon, Washington, Northern Idaho, and Alaska. Toro's intent is to take a first-hand approach of building a local distributor outlet that would fulfill our vision of supplying Turf Maintenance Systems packaged with high levels of service and support.

Western Equipment Distributors is the Sole Toro distributor of Commercial Equipment and Golf Irrigation Products and Services In the designated "Service Area". This includes the entire State of Alaska.

Please let me know if you have any question concerning this or any other issue. Thank you for your interest in Toro Products.

Best Regards,

William Thornton

A handwritten signature in cursive script that reads "William S. Thornton".

Western Region Sales Manager
2071 Blue Water Drive
Fruita, CO 81521
970-396-4355