

# CITY OF BLUE ASH

## Interoffice Memo – City Manager's Office

**TO:** City Council  
**FROM:** City Manager and Department Directors  
**SUBJECT:** Agenda Items for the March 28<sup>th</sup> Council Meeting  
**DATE:** March 26, 2013  
**COPIES:** Department Directors, Press, Clerk of Council, Solicitor

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This memo offers a brief description of the topics included on the March 28<sup>th</sup> Council agenda.

### **9.a.1. Ordinance No. 2013-15 – Authorizing lease agreement related to mowing equipment for Golf Maintenance**

In an effort to minimize fluctuations in capital budget requests and attempt to reduce repair costs related to maintaining older mowing equipment, the Golf Course Maintenance Department has looked into the possibility of leasing a few pieces of equipment. They have been working with John Deere, through Deere Credit, Inc., to provide leasing options for three replacement mowers.

Administration recommends that we accept the lease proposal provided by Deere Credit, Inc. The terms of the four- year lease includes a 1.9% lease rate as well as State Purchasing Program pricing on the equipment. We reviewed other lease proposals; however, those lease rates were considerably higher.

This lease is considered an operating lease, as we will not own the equipment at the end of lease. We would simply return the equipment and review our options and equipment needs again in four years. Lease payments for all three pieces of equipment will not exceed \$30,000 per year. This compares to an upfront capital cost of approximately \$130,000. Given that the useful life of said equipment tends to be not much longer than four years without considerable repair and maintenance cost, we believe that the proposed lease agreement will result in some savings.

Please direct any question regarding this Ordinance to the Parks and Recreation Director or the Treasurer.

### **9.b.1. Resolution No. 2013-2 – Authorizing participation in ODOT cooperative purchasing program**

The Ohio Department of Transportation (ODOT) has a Cooperative Purchasing Program that provides political subdivisions a means to purchase items from ODOT purchasing contracts. It is similar to the State's Cooperative Purchasing Contract program administered by the Ohio Department of Administrative Services (DAS) in which the City already participates; however, the ODOT program is separately authorized by Ohio Revised Code Section 5513. As a separate program, legislation is required by ODOT to express the intent of the political subdivision to participate in the program. Purchases through this program are exempt from a separate competitive bidding process since the items under contract have already been competitively bid through ODOT, similar to the State's DAS program.

Resolution No. 2013-2 allows the City of Blue Ash to participate in the ODOT Cooperative Purchasing Program, but does not require any specific level of participation. Also, there is no fee for participation. All items considered for purchase through this program will be evaluated for applicability to Blue Ash standards and the bid price must be fair and reasonable for each item. Examples of items that may be available through this program are asphalt, crack sealing, microsurfacing, etc.

Please direct questions regarding this resolution to the Public Works Director.