



500 West Big Beaver
Troy, MI 48084
troymi.gov

J-14

CITY COUNCIL AGENDA ITEM

Date: January 23, 2019

To: Mark F. Miller, City Manager

From: MaryBeth Murz, Purchasing Manager
Tom Darling, Director of Financial Services
Brian Goul, Assistant Recreation Director
Elaine S Bo, Recreation Director

Subject: Bid Waiver - Golf Carts

History

- The current golf cart fleet for both courses are Club Car – Precedent and are six (6) years old.
- The 150 carts are lead battery powered with mechanical parking brakes.
- Issues with these carts include: battery failure (due to high usage and poor storage conditions in extreme temperatures), brakes need constant adjustment/repair, roof support failures, and longer charging periods.
- Currently, Sanctuary Lake golfers have to exchange carts after 9 holes because the batteries will not hold a charge for 18 holes.

Purchasing

- City management is recommending the purchase of one hundred and fifty (150) E-Z-GO RXV ELiTE Carts that are Lithium Battery-powered.
- These golf carts are lighter in weight so there will be less turf damage, the batteries will have a 5-year unlimited amp hour warranty and will be more efficient charging, cutting the required charging time by half, and reducing utility costs by an estimated 25%.
- The carts will have zero emissions and include Intellibrake and AC Technology. The RXV model utilizes electric parking brake technology to increase the efficiency and safety of the brakes versus older mechanical brakes. It's also better on natural terrain such as Sanctuary Lake golf course.
- Lastly, each cart will have a built in bag cover, USB ports and windshields. Sample cart photos are included with this memo.
- It is recommended to waive the bid process and utilize the Billy Casper National Account pricing.
- *The E-Z-GO Company of Augusta, GA* is a National Partner with Billy Casper Golf.
- The total cost of the fleet is \$603,817.50 which includes trade-in and delivery.



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Financial

- The City secured the availability of lease financing for the golf carts through *Comerica Leasing, a division of Comerica Bank* at an imputed interest rate of 3.336%.
- The financing recommendation is a result of the lowest quote from three sources including two banks of which the City performs regular business (*Comerica* (3.336%) and *Fifth Third* (4.85%)) and the golf cart vendor *E-Z-GO* (4.375%). The savings are estimated at \$4,521 annually or \$27,126 over the life of the lease.
- The term of the lease is for 72 months (6 years) with 6 payments per year in the amount of approximately \$18,377 per month from May through October each year.
- The payments will be made from revenues generated at the golf courses and the total payments through the term of the lease are approximately \$661,588. The City will own the golf carts free and clear of all liens created by or through the lessor upon receipt of the final lease payment.

Recommendation

City Management recommends approval of the purchase of 150 E-Z-GO golf carts utilizing the Billy Casper National Account Pricing for a total of \$603,817.50 including trade-in and delivery.

City Management further recommends utilizing *Comerica Lease, a division of Comerica Bank* to finance the purchase/lease of the equipment to the City at an interest rate of 3.336% per annum with total payments over the life of the lease at approximately \$661,588.



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Sample photos of the E-Z-GO RXV ELiTE

