



Legislation Text

File #: AGR 20-015, **Version:** 1

Consideration of and action on an agreement with E-Z-GO via the OMNIA Partners purchasing cooperative for leasing golf carts for the Battleground Golf Course.

Summary:

The City of Deer Park and Battleground Golf course are currently in a lease agreement with EZGO to provide the golf carts that are currently being utilized at the golf course. This lease agreement will be expiring in June of 2020. Upon expiration of this agreement, the City of Deer Park will be required to pay a balloon payment of \$97,600 for the golf cart lease. However, if a new lease is signed, the balloon payment will be incorporated into the new lease.

Touchstone, the company that manages the Battleground Golf Course, has expressed that they would like to stay with EZGO brand golf carts for the future. City staff has reached out to EZGO to provide the City with a proposal for 80 golf carts via the OMNIA Partners Purchasing Cooperative.

City staff met with Touchstone personnel on Monday, March 30, 2020 to discuss the EZGO Golf cart options. There were two options provided with the major issue being the decision to go with the Lithium or Lead based batteries. Please see attached proposals. In discussion, the merits of both options were weighed.

Although the Lithium battery will provide longer charging period, it was determined to proceed with the RXV Electric proposal most appropriate choice for continuing the lease. This proposal will entail entering into a 48 month operating lease to contractually begin on July 1, 2020. This proposal is similar to what is currently in place with minimal differences and cost factors. In addition, the production of the new carts will take approximately 4 - 6 weeks. City staff are recommending moving forward with this proposal to all ample time for production and delivery and to avoid any potential penalties or balloon payments.

The City of Deer Park would receive a \$16,000 trade in credit for the current golf carts. The lease price for the new golf carts will be \$80.62 per cart for 48 months. The lease price would be \$77,395.20 annually.

Fiscal/Budgetary Impact:

The current EZGO Cart lease agreement (expiring in June 2020) for 80 Carts was approximately \$72,000 annually.

The below is a cost comparison of the two proposed EZGO Cart lease options with cost.

Monthly Per Cart:	RXV Elite/Lithium Battery	RXV Electric/Standard
Operating Lease 48 Month	\$ 89.51/Cart	\$ 80.62/Cart
Operating Lease 60 Month	\$ 82.47/Cart	\$ 69.91/Cart
Capital Lease 48 Month	\$ No Option	\$104.39/Cart w/ \$1 Balloon
Capital Lease 48 Month	\$ No Option	\$79.72/Cart w/ \$1,300 Balloon
Capital Lease 60 Month	\$ 121.18/Cart w/\$1 Balloon	\$ 85.33/Cart w/\$1 Balloon
Capital Lease 60 Month	\$ 91.52/Cart w/2,000 Balloon	\$ 69.03/Cart w/\$1,100 Balloon

* All capital lease options include a balloon payment.

RXV Electric Cart with Standard battery:

Price per cart: \$80.62

Price per 80 carts (monthly): \$6,449.60

Price per 80 carts (annually): \$77,395.20

Recommendation is to enter into an agreement with E-Z-GO via the OMNIA Partners purchasing cooperative for a 48 month operating lease for 80 E-Z-GO RXV Electric Carts for the amount of \$77,395.20 annually for the Battleground Golf Course.