

MEETING DATE/TYPE: VOTING MEETING 9-12-17

DEPARTMENT: Field and Facilities Services

AGENDA ITEM: Approval of City Contract No. 2018-051 for the Purchase of one hundred and thirty (130) 2018 E-Z-GO Elite Golf Parts and Accessories for a total of \$698,212.45, with trade-in of the current carts for an estimated \$182,000.00 for an anticipated net cost of \$516,212.45 from E-Z-GO using National IPA Contract No. R161101. Funding for this purchase will be part of the internal loan arrangement between the Golf Course and the General Fund.

FUNDING SOURCE: Golf Course Fund

Approved By: Michael Lamar, City Manager

Item Summary

The Recreation Services Department is requesting authorization to purchase one hundred thirty (130) 2018 EZGO Elite golf carts using the National Intergovernmental Purchasing Alliance (National IPA) Contract No. R161101 for rental at Antelope Hills golf course.

Background

The Recreation Service Department is responsible for purchasing and maintaining golf carts for the Antelope Hills golf course. The golf carts are essential to daily operations of the golf course, providing customers with transportation while playing a round of golf. Revenue from golf cart rentals at Antelope Hills in FY 17 was \$539,315.00.

Industry standards for useful life wear and tear and component failure on golf carts is four years. In an effort to save the City money the Recreation Services Department has extended the life of our current fleet of 130 carts to 6 years. At this time it is evident that the carts are in need of replacement. Cart batteries typically only last 3 years, and require constant maintenance and occasional replacement in order to be operational. Our current fleet had all of the batteries replaced after three years in service. Currently the fleet is experiencing frequent battery failures along with other component failures due to the age of the carts.

Failures in batteries lead to an increased downtime of carts, a lack of carts available for rent, and in some cases stranded players on the course. The cost of replacing all of the batteries in the fleet would be approximately \$135,000.00. Replacing the batteries will

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fix the charging issues but will not address the wear in steering, suspension, seats, and body panels of the carts. The Recreation Services Department determined that replacing the carts with new units would be the most beneficial to the City and customers of the golf course.

The Department contacted multiple vendors, and reviewed three types of carts for use on the Antelope Hills Golf Course. The Elite cart from EZGO stood out in our comparison, as it uses lithium ion battery technology instead of led acid batteries. There are many benefits to using lithium ion batteries including: quicker charging times, using less energy to charge, require no maintenance, weigh 280 pounds less, have a 5 year battery warranty, and will have a higher trade in value.

The Elite golf cart battery will save the City money over the life cycle of the carts. They have a 5 year warranty on all batteries regardless of duty cycles, or use, which means that at no cost to the City, the battery will be replaced if it fails within 5 years. This will save as much as \$270,000.00 over 6 years compared to the led acid batteries. They also do not require constant maintenance which includes filling them with distilled water daily, cleaning the contact posts, and tightening the contacts which will save an additional \$40,000.00 in maintenance over their life.

Additionally the reduction in weight of 280 pounds will decrease ground compaction on turf areas caused from driving the carts on them and will result in cost savings on turf maintenance.

Cost breakdown for the carts is as follows:

Per Cart	X 130 Carts	Accessories	Trade in value	Net	Freight	Taxes	Purchase Price
\$4,601.95	\$598,253.50	\$28,392.00	\$182,000.00	\$444,645.50	\$31,785.00	\$39,781.95	\$516,212.45

The Recreation Services Department will be receiving a trade in value of \$182,000.00 to be applied to the purchase price for the existing fleet of one hundred thirty (130) carts.

The revenue generated from cart rentals in FY 17 was \$539,315.00. The return on investment for these carts is approximately 11.5 months. The Recreation Services Department expects to increase annual rental revenues with the Elite cart due to decreased down time, quick charging, and improved reliability. This will result in more cart rental hours available to the golf course customers.

Financial Impact

Funding for this purchase will be part of the internal loan arrangement between the Golf Course and the General Fund.

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Attachments

1. EZGO Elite Golf Cart Quote Dated 8.23.17

Recommended Action: MOVE to approve City Contract No. 2018-051 with E-Z-GO for an anticipated net cost of \$516,212.45.