



Legislation Text

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MOTION TO APPROVE THE LEASE AGREEMENT WITH EZ-GO DIVISION OF TEXTRON, INC. AS A RESULT OF BEING THE MOST RESPONSIVE/RESPONSIBLE BIDDER TO IFB # RE-19-04 "GOLF CART LEASING FOR PEMBROKE LAKES GOLF COURSE" FOR AN AMOUNT NOT TO EXCEED \$888,408 FOR THE EIGHT YEAR CONTRACT PERIOD EFFECTIVE JANUARY 15, 2020.

PROCUREMENT PROCESS TAKEN:

- On May 1, 2019, the City Commission approved the advertisement of the following solicitations:

- IFB # RE-19-04 "Golf Cart Leasing for Pembroke Lakes Golf Course"**
- IFB # RE-19-05 "Rental of GPS for the Pembroke Lakes Golf Course"**

- An IFB or Invitation for Bid is a written solicitation for competitive sealed bids with the title date and hour of the public bid opening designated therein and specifically defining the commodities or services for which bids are sought. The IFB shall be used when the City is capable of specifically defining the scope of work for which a service is required or when the City is capable of establishing 15 precise specifications defining the actual commodities required. The invitation for bid shall include instruction to bidders, plans, drawings and specifications, if any, bid form and other required forms and documents to be submitted with the bid.

ITEM DEFERRED AT DECEMBER 4, 2019 COMMISSION MEETING

1. This item was originally presented to the City Commission on December 4, 2019. At the meeting the Commission questioned the term of the agreement and noted that the backup was missing Addendum #1 and Addendum #2 to IFB #RE-19-04 "Golf Cart Leasing for Pembroke Lakes Golf Course." The City Commission deferred this item requesting additional information to clarify the item.
2. Exhibit #2 "EZ GO Exhibit A - IFB # RE-19-04" has been updated to include Addendum #1 and Addendum #2. Exhibit 5 was added. This attachment is the list of vendors that viewed the solicitation on BidSync and each of the addenda posted. Exhibit 6 was also added. This attachment is the canceled solicitation RE-19-05 "Rental of GPS for Pembroke Lakes Golf Course."

SUMMARY EXPLANATION AND BACKGROUND:

1. The Pembroke Lakes Golf Course currently operates with a fleet of seventy five (75) leased golf carts and five utility vehicles. The golf carts are a vital part of the successful operation of the golf

course. The current lease with Wells Fargo expired on December 1, 2019. As a result of the deferral on December 4, 2019, the lease agreement with Wells Fargo was extended through January 30, 2020.

2. On May 7, 2019, the City advertised its notice to bidders for IFB # RE-19-04 "Golf Cart Leasing for Pembroke Lakes Golf Course" and IFB # RE-19-05 "Rental of GPS for Pembroke Lakes Golf Course."

3. After the notice to bidders was posted, the Procurement Department received a few questions about the two solicitations mainly focused on whether the City would consider newer technology for the batteries on the golf carts and the possibility of combining the two solicitations as the golf cart vendors are now capable of providing the GPS equipment.

4. The Recreation & Cultural Arts Department considered this information and decided to combine the two solicitations and update the scope of work to include the lithium batteries on the golf carts and the GPS. In addition, the term of the lease was modified from six years to eight years as the lithium batteries extend the life of the golf carts. The solicitation also calls for the entire golf cart fleet and all equipment to be replaced at the end of the first four year period.

5. How do the lithium batteries extend the useful life of the carts? The new lithium batteries provide a benefit that is two fold. The first is the battery itself. The current golf fleet has lead acid batteries. These batteries have are good for about 3 years or 25,000 amp hours. The lead acid batteries also require about six to eight hours to fully recharge and require monthly maintenance to fill the batteries with water and remove any corrosion from the battery terminals. In addition, as a lead acid battery is being used throughout the day, the amount of output it gives decreases as the battery life decreases thus slowing down the carts. The lithium ion batteries require little to no maintenance. The warranty is good for 5 years. The battery will recharge in about two to three hours. Towards the end of the lease, staff is constantly rotating out carts for charging because of the age of the batteries and trying to keep up with the demand on the fleet. With the new lithium batteries and the five year warranty, there is no issue with the batteries not maintaining their charge or having the batteries run past the warranty. The second component of the new batteries is their weight. The battery is considerably lighter, about 270 pounds less than the lead acid batteries. This reduction in weight reduces the stress and wear and tear on the cart, thus extending its useful life.

6. On May 20, 2019, the Procurement Department issued a cancelation notice for IFB # RE-19-05 "Rental of GPS for Pembroke Lakes Golf Course" and issued addendum # 1 to IFB # RE-19-04 "Golf Cart Leasing for Pembroke Lakes Golf Course" extending the bid for four weeks while staff revised the scope of work.

7. On June 24, 2019, addendum # 2 was issued for IFB # RE-19-04 with the revised scope of work.

8. On July 23, 2019, the City received one bid from EZ-GO Division of Textron in the amount of \$123.39 per month for 96 months for a total cost of \$11,845.44 over the eight year period.

9. The solicitation requested a monthly price for the lease of all items listed in the scope of work for ninety six (96) months or eight years. The vendor submitted an amount of \$123.39 per month which BidSync calculated as a total cost for eight years of \$11,845.44 for the lease. The amount could not be correct as the total cost over eight years was anticipated to be over \$950,000

10. The Recreation & Cultural Arts Department and the Procurement Department discussed the discrepancy and decided to contact the vendor for clarification. The vendor said they misunderstood the entry to BidSync. The amount they submitted on BidSync of \$123.39 is the per month cost for one golf cart. The per month price per golf cart is inclusive of the utility vehicles as the vendor spreads this amount over the cost of the 75 golf carts. The monthly price of \$123.39 per golf cart for seventy five (75) carts is \$9,254.25. This amount over ninety six (96) months is \$888,408 or \$111,051 annually. The current annual lease cost for both golf carts and the GPS is \$118,728. This new contract would provide an annual savings of \$7,677.

11. In addition, EZ-GO Division of Textron has also completed the Equal Benefits Form and has stated that the "Contractor currently complies with the requirements of this section."

QUESTIONS/CLARIFICATION FROM DISCUSSION AT DECEMBER 4, 2019 COMMISSION MEETING

1. The agenda item published for the December 4, 2019 Commission meeting stated that the contract was for four years with one four year renewal. This language was a mistake written by the Recreation and Cultural Arts Director. The contract attached to the agenda item was correct. The contract is for eight years with the entire fleet being replaced after four years. The previous contract for leasing golf carts was for six years with the entire fleet being replaced after three years.

2. Addendum #1 & 2 for RE-19-04 was missing from the backup. This has been corrected and can be found in Exhibit #2.

3. A comment was made about only one vendor responding to the bid. The bid was viewed by forty-two (42) different companies. Of those companies, the two biggest players in the golf cart fleet industry, Textron and Yamaha, both viewed the initial bid and all addenda. This information is provided in Exhibit #6. Yamaha chose not to participate in this solicitation.

RECOMMENDATION:

1. The Recreation & Cultural Arts Department has budgeted for this contract in account 1-575-7006-34900 - Contract Cart Rental. The golf carts are a vital part of the operation of the golf course. The current fleet has reached the end of its warranty period. Soon staff will have to start replacing batteries on the current fleet at a cost of approximately \$600 per cart. A new fleet of golf carts is needed as soon as possible.

2. The Recreation and Cultural Arts Department requests commission approval of the lease agreement with EZ-GO Division of Textron, Inc. as a result of being the most responsive/responsible bidder to IFB # RE-19-04 "Golf Cart Leasing for Pembroke Lakes Golf Course" for an amount of \$888,408 for the eight year contract period effective January 15, 2020.

FINANCIAL IMPACT DETAIL:

a) Initial Cost: \$83,288.25 or \$9,254.25 monthly for the nine months of FY 2020. January 2020 - September 2020

b) Amount budgeted for this item in Account No: \$83,288.25 has been budgeted in 1-572-7006-34900

c) Source of funding for difference, if not fully budgeted: Not Applicable

d) 5 year projection of the operational cost of the project:

	Jan2020- Sept2020	FY2021	FY2022	FY2023	FY2024
Revenues	\$1,087,500	\$1,450,000	\$1,450,000	\$1,450,000	\$1,450,000
Expenditures (\$83,288.25)		(\$111,051.00)	(\$111,051.00)	(\$111,051.00)	(\$111,051.00)
Net Cost	\$1,004,211.75	\$1,338,949.00	\$1,338,949.00	\$1,338,949.00	\$1,338,949.00

e) Detail of additional staff requirements: Not Applicable