



INTER-OFFICE MEMO

TO: Russ Blackburn, City Manager

VIA: David Graham, Assistant City Manager *DG*
Caroline Sturgis, Director, Office of Management & Budget *CS*

FROM: Sherman Conrad, Director, Parks & Recreation Department *SC*

RE: UPDATE: THE SAINTS GOLF COURSE – GOLF CART FLEET PURCHASE DECISION

DATE: July 6, 2022

After receiving direction from Caroline Sturgis, Office of Management & Budget, recommendations were to have the City Manager sign and approve the June 17, 2022, memo for the purchase of the 80 Yamaha golf carts with lithium-Ion batteries. Based upon approval, OMB will be able to create a Purchase Order and secure the current terms and conditions and place the order. Due to the limited number of vendors that provide this type of product and substantial difference in proposed pricing between the three manufacturers (Yamaha, E-Z-Go, and Club Car), we would classify this purchase as being a Select Source purchase and being best value to the City.

If approved, staff would work with OMB to create the required documents for Budget Amendment #2 to cover the shortfall in funding and provide the necessary documentation to request approval from Council to waive the bidding process and approve B/A #2 for \$231,600.

In addition, staff has already confirmed with the Yamaha Dealer, and they will honor the quoted price to the end of July 2022 without a price increase.

If you concur to purchase the Yamaha DR2 Lithium-Ion Model as set forth above, please indicate that consent below. Thank you for the opportunity to provide you with this request.

Thank you for the opportunity to provide you with this update.

Approved:

Russ Blackburn

Date:

c: Kristina Ciuperger, Deputy City Manager
Mike Kendrick, Deputy Director-Parks, Parks & Recreation Department
Keith Bradshaw, Administrator, Saints Golf Course



INTER-OFFICE MEMO

TO: Russ Blackburn, City Manager

THROUGH: David Graham, Assistant City Manager
Sherman Conrad, Director, Parks & Recreation Department *SC*

FROM: Keith Bradshaw, Administrator, The Saints Golf Course *KB*

RE: THE SAINTS GOLF COURSE – GOLF CART FLEET PURCHASE DECISION

DATE: June 17, 2022

The Saints Golf Course currently owns a fleet of 80 golf carts. These electric Yamaha model DR2 carts were purchased by the City in October 2019 with a 3-year warranty. These units operate with an older generation DC motor with lead-acid type batteries which are coming upon the end of their warranty period. The batteries used in these carts (six per cart) are also getting close to the operating life period due to their extensive use over the last couple of years.

To avoid the possibility of having to replace all of the batteries for the existing golf cart fleet (approximately \$90,000 for 480 batteries) and also being aware of major supply chain delivery delays within the golf cart industry, an RFP has been sent to the industry's leading golf cart companies, Yamaha, E-Z-Go, and Club Car, in preparation of replacing the current fleet. Proposals have been received from each of these companies with options to lease or purchase a new fleet of 80 golf carts including a buy back of the existing fleet. Lease options, in lieu of purchase options, were determined not to be financially practical due to the large monthly expense proposed and the incumbent interest rates with each payment, thus the analysis below only includes the proposed purchase options.

Below is a summary of their proposals along with a technical analysis of their proposed options:

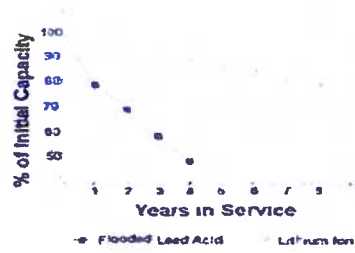
New AC Motors versus DC Motors.

- AC Motors have higher efficiencies and use less battery life
- AC Motors have longer warranty periods.
- AC Motors include optional electric braking systems.

Lithium-Ion Batteries versus Lead-Acid Batteries

- Lithium batteries are more reliable and use less energy, up to 7 rounds per charge.
- Lithium batteries use less power to re-charge, allowing up to a 50% savings on electricity costs.
- Lithium batteries last longer and have longer warranty periods.
- Lithium batteries also charge faster and can allow a cart to be put into service sooner.

Battery Capacity Years in Service



Yamaha (estimated delivery March 2023)

- DR2 Model (AC Motor) with GPS.
- Lead Acid batteries with trade-in = \$217,800.
- Lithium-Ion batteries with trade-in = \$379,600.



E-Z-Go (delivery TBD)

- RXV ELiTE Model (AC Motor) with GPS.
- Lithium-Ion batteries with trade-in = \$573,819.



Club Car (estimated delivery June 2023)

- Tempo Lithium Model (AC Motor) with GPS (Lithium model only).
- Lead Acid batteries with trade-in = \$270,801.
- Lithium-Ion batteries with trade-in = \$460,401.



Due to the substantial difference in proposed pricing between the three manufacturers and wanting to move forward with the latest generation technology, it is recommended that we proceed with the Yamaha proposal for their DR2 Lithium-Ion model golf carts for \$379,600. Obtaining these carts would ensure on-going savings with lower daily re-charging costs and long-term maintenance repairs. It would also allow for a higher re-sale value of the fleet once the end-of-life period for this fleet of golf carts occurs.

Prior to the industry rate increases across the board that now have been applied, staff requested, through Budget Amendment #1, \$148,000 to apply towards purchasing a new fleet of golf carts. Unfortunately, our requested amount to purchase a new fleet proves to be insufficient. To offset the remaining funds required for the above referenced \$379,600 purchase, it is proposed to utilize a portion of The Saints Golf Course's current cash balance, due to The Saints' current financial projections indicating an end-of-year cash balance of \$300,000-\$400,000.

Option 1 is requesting your approval to proceed with an immediate Purchase Order for the Yamaha DR2 Lithium-Ion Model golf carts for \$379,600. Based upon the Budget Amendment #1 approved amount of \$148,000, we would be requesting \$231,600 from the FY 21-22 cash balance. This option also provides the lowest maintenance and electrical cost and is expected to be in operation for 60 months without battery replacement.

As an alternate option #2, if we move forward with the Yamaha DR2 Model (AC Motor) with the older generation lead acid batteries, we would be requesting an additional \$69,800 from the FY 21-22 cash balance. If this option is chosen, it should be noted that this base model will be phased out by the manufacturer and will not carry the same resale value as the new lithium technology and will continue to have higher maintenance and electrical charges.

If you concur with us pursuing Option 1 to purchase the Yamaha DR2 Lithium-Ion Model as set forth above, please indicate that consent below. Thank you for the opportunity to provide you with this request.

Approved:



Russ Blackburn

Date: 6-4-2022

c: Mike Kendrick, Deputy Director-Parks, Parks & Recreation Department