

# Championship Golf Cart Replacement Project (CIP#314LV1898)

Board of Trustees Meeting

October 13, 2021

# Background

- A Request for Proposals was developed seeking quotes for the manufacture and delivery of 80 new electric golf carts to serve the Championship Golf Course.
- Quotes were solicited both for alternative models of electric golf carts (ex. acid-lead battery and Lithium battery) as well as pricing for procurement through either purchase or a lease.
- The bid package was issued on August 18, 2021 and quotes received by two vendors on September 15, 2021.
- Based on a review of the proposals received by both vendors, additional information was requested from the vendors in order to ensure a comparative analysis of pricing options provided.

# Summary of Response to RFP

Championship Course - Golf Cart Replacement Proposals					
Purchase Options	EZ GO			CLUB CAR	
	Base	w/ GPS Package Pace 7EX Pace 10EX		Base	w/ GPS Package Visage 10.1
Acid Batteries	N/A			■ \$ 395,960.00	\$ 395,960.00
Lithium Batteries	■ \$ 459,484.80	\$ 588,332.00	\$ 605,461.60	■ \$ 533,360.00	\$ 533,360.00
<b>48-Month Lease Term</b>					
Acid Batteries	N/A			■ \$ 165,657.60	\$ 326,937.60
<i>Annual Cost</i>				\$ 41,414.40	\$ 81,734.40
Lithium Batteries	■ \$ 269,952.00	\$ 408,153.60	\$ 426,508.80	■ \$ 191,116.80	\$ 352,396.80
<i>Annual Cost</i>	\$ 67,488.00	\$ 102,038.40	\$ 106,627.20	\$ 47,779.20	\$ 88,099.20
<b>60-Month Lease Term</b>					
Acid Batteries	N/A			N/A	
<i>Annual Cost</i>					
Lithium Batteries	■ \$ 314,352.00	\$ 471,648.00	\$ 488,400.00	■ \$ 184,752.00	\$ 386,352.00
<i>Annual Cost</i>	62,870.40	94,329.60	97,680.00	\$ 36,950.40	\$ 77,270.40
<b>48-Month Installment Purchase Lease Term</b>					
Acid Batteries				■ \$ 275,289.60	\$ 436,649.60
<i>Annual Cost</i>					\$ 109,162.40
w/ Balloon Payment				■ \$ 282,556.80	\$ 443,836.80
<i>Annual Cost</i>					\$ 110,959.20
Lithium Batteries				■ \$ 420,825.60	\$ 582,185.60
<i>Annual Cost</i>					\$ 145,546.40
w/ Balloon Payment				■ \$ 435,718.40	\$ 596,998.40
<i>Annual Cost</i>					\$ 149,249.60

- Formal Bids per RFP Responses
- Informal quotes (supplemental request)

# Evaluation of RFP Responses

- Selection of Low-Bid Vendor

Based on the bids received in response to the District's Request For Proposal, Staff recommends that the District accept Club Car, LLC's as the low-bid vendor for the procurement of replacement of the Championship Course golf cart fleet.

*This determination is being made without regard to the specific financing alternative that may be selected by the Board, based on separate criteria.*

- Recommendation Related to Preferred Model and Features

Staff further recommends that the District select Club Car's Tempo-Lithium Battery, equipped with the Visage (10.1 Screen) Fleet Management Module.

- Recommendation Related to Purchase vs. Leasing

Staff recommends that the Board of Trustees direct staff to initiate procurement of 80 Club Car Tempo-Lithium golf carts to replace the Championship Course golf cart fleet through a lease agreement, in the amount not-to-exceed \$386,352\* over a lease term of 60 months (average annual lease cost of \$77,270).

\*  Based on 60-month lease informal quote

# Other Considerations

- Pursuing ANY lease option requires that the District follow the requirements of NRS 350.089, related to medium-term financing obligations.
- These include directing staff to prepare a Resolution of Intent, to be voted on at a future meeting, with final pending review by the State of Nevada Department of Taxation. (*This process must be completed prior to first lease payment, estimated to be May 2022*).
- Should the Board concur with the recommendation to procure the replacement Championship Course golf cart fleet through the lease of Lithium-battery electric carts, staff recommends exploring the potential for a 54-month lease term option. This option would allow for the lease term to end at the end of the 2026 golf season (October 2026), rather than April 2027

# Other Considerations

- It should be noted that the fiscal analysis could support a recommendation to replace the Championship Course golf cart fleet through outright purchase.
- However, this option requires a significant up-front payment which, for the Lithium-battery model (\$533,360) which exceeds the funding currently budgeted for this purpose.
- This option nonetheless would have the advantage of the District owning the golf carts which would carry a significant trade-in value at the end of their use.
- Staff would not recommend pursuing out-right purchase of lead-acid battery golf carts at this time due to the shorter useful life of these batteries and the general trend in the industry away from lead-acid batteries, significantly impacting future trade-in value.

# Fiscal Impact of Deferring Procurement of Replacement Golf Carts

- The District incurred significant incremental costs to maintain the existing golf cart fleet over the course of the 2021 season, with costs expected to increase over the 2022 golf season (with likely decreasing cart reliability).
- Using conservative assumptions, staff believes that it is no longer cost-effective to defer the replacement of the Championship Course golf cart fleet, when considering current replacement options and the likelihood of increasing replacement costs in the future.

# Historical Championship Golf Course Cart Maintenance Costs





# Staff Recommendation

- It is recommended that the Board of Trustees review, discuss and approve award of procurement contract to replace 80 Championship Course Golf Carts through the following actions:
  - Authorize Staff to accept the low-bid quote from Club Car, LLC. for the manufacture and delivery of 80 Tempo - Lithium Battery electric golf carts, and,
- Consider authorizing Staff to:
  - initiate process to procure the replacement fleet of golf carts serving the Championship Course through a Fair Market Value Lease, though a medium-term lease for a term of no more than 60 months,
  - Solicit pricing for a 54-month lease term, and
  - return to the Board of Trustees with a Resolution of Intent to enter into a medium-term obligation financing, subject to approval by the State of Nevada Department of Taxation, pursuant to NRS 350.089.