



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM



Date: November 1, 2024

To: Frank A. Nastasi, City Manager

From: Robert J. Bruner, Deputy City Manager  
Rob Maleszyk, Chief Financial Officer  
Kyle Vieth, Controller  
Brian Goul, Recreation Director  
Emily Frontera, Purchasing Manager

Subject: Bid Waiver – Golf Cart Lease (Introduced by Brian Goul, Recreation Director)

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### History

- The current golf cart fleet for both courses are E-Z-GO RXV ELITE and are six (6) years old.
- The 150 carts are Lithium Battery-powered.
- The carts are beginning to experience failures that are becoming costly due to wear and tear.
- The courses are experiencing a historic number of rounds played at the course resulting in the end of life for the carts.

### Purchasing

- City Management is recommending replacement of its current fleet of golf carts with 170 new 2025 Club Car Tempo Gen II Lithium golf carts utilizing the 55 Month Fair Market Value (FMV) Lease option.
- Each cart will come with a built in bag cover, USB ports and windshields.
- Troon solicited quotes from three industry vendors and *Club Car of August, GA* was found to be the most advantageous overall in price per cart, cart trade in value, and residual buyout at lease end.
- Club Car is a National Partner with Troon Golf.
- It is recommended to waive the bid process and utilize the Troon National Account Pricing received from Club Car at the proposed cart cost of \$4,842, which includes trade-in and delivery.
- The 55 Month FMV Lease provided by *DLL Finance LLC of Johnston, IA* will result in total payments of \$418,761. The amortization schedule will utilize the 6 months on, 6 months off schedule for 30 monthly payments of \$13,958.70 to correspond with when the golf courses are “in season”.
- The DLL Finance lease program offers an end of term buyout option for a purchase price of \$3,125 per car. The City may elect to purchase all or a portion of the fleet, or turn in all carts at the end of the lease period.

### Financial

- Club Car has secured lease financing for the golf carts through *DLL Finance LLC of Johnston, IA*. DLL was compared to other lenders including VGM Financial, and came in as the lowest available interest rate at a current rate of 5.99%. In addition, using these specific lenders provides the City with the Fair Market Value option to be pre-defined going into the lease.



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### **Financial (continued)**

- The term of the Fair Market Value lease is for 55 months with 6 payments per year in the amount of approximately \$13,958.70, which may fluctuate due to the final interest rate at time of delivery.
- The payments will be made from the revenue generated at the golf courses.
- The City will have the option to purchase the carts for \$3,125 at the end of the lease or return them.

### **Recommendation**

City Management recommends approval to lease 170, 2025 Tempo GEN II golf carts from *Club Car of Augusta, GA* utilizing the Troon National Account Pricing for an estimated cost of \$4,842 per cart which includes trade-in and delivery.

City Management further recommends utilizing *DLL Finance LLC of Johnston, IA* for the financing of the carts based on a Fair Market Value Lease at an estimated interest rate of 5.99% per annum with total payments over the life of the lease at approximately \$418,761

### **Example Photos of the Club Car Tempo GEN II Lithium golf carts**





**City of Troy Michigan**  
**Sylvan Glen and Sanctuary Golf Courses**  
 Troy, MI 48085

September 26, 2024

Club Car is pleased to present the following proposal for your consideration. See detailed specifications with pricing below.

**2025 model year Club Car Tempo Lithium golf cars**

**List Price / car**

\$ 15,105

| QTY | DESCRIPTION                    | Tron's Price        |                                   |
|-----|--------------------------------|---------------------|-----------------------------------|
| 170 | Tempo GEN II Lithium golf cars | \$ 8,036            |                                   |
|     |                                | \$ 206              | Freight                           |
|     |                                | <b>\$ 8,242</b>     | <b>Total per car</b>              |
|     |                                | <b>\$ 1,401,140</b> | <b>170 cars</b>                   |
|     |                                | <b>(\$510,000)</b>  | <b>\$3,400 per E-trades (150)</b> |
|     |                                | \$891,140           | Total Price                       |
|     |                                | <b>(\$68,000)</b>   | <b>\$400 below Tron (170)</b>     |
|     |                                | <u>\$823,140</u>    | <u>Total</u>                      |
|     |                                | <b>\$4,842</b>      | <b>Per new car</b>                |

Body: **Platinum (gray)**  
 GEN II Lithium battery pack - Shelf charger, 650 watts  
 Standard Tires & Wheels, Wheel covers  
 Seat - **Gray**  
 Comfort grip steering wheel  
 Canopy: **Black**  
 Rear Bag cover - **Black**  
 Hinged windshield  
 Dual USB Port  
 LED battery display - 25 amp DC converter  
 12 MPH  
 2 Info holders – **windshield mounted**  
**Custom Logo**  
 Silver domed # decals: # 1 - # 170  
 Freight, Delivery, & Setup from Augusta, GA to Michigan included

**Lease Options**

170 **55** Month **FMV** Lease (Payment per car) – **6 on, 6 off**

**Per Car**

\$ 82.11

**Monthly Payments**

\$ 13,958.70

**\*Interest rates and payments subject to change. They will be locked in ~90 days prior to delivery. Trade in cars must be paid off in full and free from any liens or encumbrances. Purchase price for each golf car at the end of lease term is \$3125 per car. Sales tax not included.**

Accepted By:

**The City of Troy MI Sylvan Glen**

**Club Car, Inc.**

By: \_\_\_\_\_

By: Bill Hodge

Title: \_\_\_\_\_

Title: National Account Manager

Date: \_\_\_\_\_

Date: 09.26.24