



## Recommendation for Action

**File #: 22-2441, Agenda Item #: 176.**

**7/28/2022**

### **Posting Language**

Authorize negotiation and execution of a cooperative contract with PNC Bank NA d/b/a PNC Equipment Finance, LLC, PNC Bank, National Association for the lease of golf carts and utility carts, for a term of five years in an amount not to exceed \$2,211,082.

(Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

### **Lead Department**

Financial Services Department.

### **Client Department(s)**

Parks and Recreation Department.

### **Fiscal Note**

Funding is available in the Fiscal Year 2021-2022 Golf Enterprise Fund of the Parks and Recreation Department.

### **Purchasing Language:**

Multiple contractors within this cooperative purchasing program were reviewed for these goods. The Financial Services Department has determined this contractor best meets the needs of the department to provide the goods required at the best value for the City.

### **For More Information:**

Inquiries should be directed to Al Drayton, at 512-978-2298 or [Alfonso.Drayton@austintexas.gov](mailto:Alfonso.Drayton@austintexas.gov) [<mailto:Alfonso.Drayton@austintexas.gov>](mailto:Alfonso.Drayton@austintexas.gov).

### **Additional Backup Information:**

The contract is for the lease of approximately 355 Golf Carts and eight utility carts to replace the City's current fleet at City golf courses. Patrons of City golf courses may rent golf carts as an alternative to walking. City staff use utility carts in day-to-day golf course operations to manage pace of play, carry equipment and transport patrons when assistance is needed. The Golf Division will perform preventative maintenance on the leased equipment.

The City leased/purchased golf carts in January of 2018 and the carts are at the end of their useful rental life. The contract will provide carts to Jimmy Clay Golf, Roy Kizer Golf Course, Grey Rock Golf and Tennis, and Lions Municipal Golf Course. The Golf Division will utilize existing equipment as trade-in to lower the overall lease price.

The current estimated revenue is approximately \$1.9 million dollars per year. The Golf Division does not

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anticipate an increase to the Council approved golf cart rental fee schedule until at least October 2024. The City's annual lease payment for the carts is \$442,216. A delay in approving this contract will result in patrons renting potentially unreliable or unsafe golf carts, no golf cart availability in some instances and difficulty for staff to fulfill their responsibilities in operating golf courses resulting in an adverse impact to the golf enterprise fund.

The Texas Association of School Boards, Inc. (Buy Board) cooperative establishes competitively bid contracts that can be utilized by the State and other government agencies through a cooperative agreement. Cooperative agreements save taxpayer dollars by leveraging the State's volume-buying power to drive down costs on hundreds of contracts through a streamlined cooperative purchasing program.

**Strategic Outcome(s):**

Economic Opportunity and Affordability, Health and Environment, Government that Works for All.