

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 08/26/25 M&C FILE NUMBER: M&C 25-0806

LOG NAME: 80AMEND 13P COOP GOLF CART LEASE PARD JJ

SUBJECT

(ALL) Rescind Mayor and Council Communication 25-0576 and Authorize Execution of Cooperative Agreements Using Sourcewell Cooperative Contracts for the Purchase of 264 Golf Carts from Club Car LLC, with Financing through NCL Government Capital, an Affiliate of Lease Servicing Center, Inc. for 48 Months in an Amount Up to \$1,333,211.00, with a One-Time Balloon Payment of \$765,600.00 Due at the End of the Term, for a Total Obligation of \$2,098,811.00 and with Club Car, LLC for Maintenance and Repair Services in an Amount Up to \$425,000.00 for 48 Months for the Park & Recreation Department

RECOMMENDATION:

It is recommended that the City Council:

1. Rescind Mayor and Council Communication 25-0576;
2. Authorize the execution of a cooperative agreement with Club Car, LLC using Sourcewell Cooperative Contract No. 091024-CCR for the purchase of 264 Golf Carts;
3. Authorize the execution of a cooperative agreement with NCL Government Capital, an affiliate of Lease Servicing Center, Inc. using Sourcewell Cooperative Contract No. 092424-NCL for 48-month financing for 264 Club Car Golf Carts in an amount up to \$1,333,211.00, with a one time balloon payment of \$765,600.00 due at the end of the term, for a total amount of \$2,098,811.00; and
4. Authorize the execution of a cooperative agreement with Club Car, LLC using Sourcewell Cooperative Contract No. 091024-CCR for maintenance and repair services for an amount up to \$425,000.00 for 48 months for the Park & Recreation Department.

DISCUSSION:

On June 24, 2025, City Council approved Mayor and Council Communication (M&C) 25-0576, authorizing the use of cooperative contracts with NCL Government Capital, an affiliate of Lease Servicing Center, Inc., under Sourcewell Cooperative Contract No. 092424-NCL, for the purpose of financing the purchase of 264 Club Car golf carts for use at the City's municipal golf courses. The purchase from Club Car, LLC and the balloon payment due at the end of the 48-month financing term was not included in the total authorization amount approved in M&C 25-0576. Additionally, the characterization of the transaction in M&C 25-0576 was of a lease instead of a purchase with financing.

Accordingly, this M&C is submitted to replace M&C 25-0576 and clarify and correct the details associated with this procurement, and reflects a total amount of \$2,098,811.00, which includes both the financed amount of \$1,333,211.00 and a one-time balloon payment of \$765,600.00 due at the conclusion of the term.

At the request of the Park & Recreation Department (PARD), the Purchasing Division procured agreements for a golf cart procurement, from Club Car, LLC through using Sourcewell Cooperative Contract No.091024-CCR with financing through NCL Government Capital, an affiliate of Lease Servicing Center, Inc., using Sourcewell Cooperative Contract No. 092424-NCL. Additionally, the Purchasing Division procured a separate agreement with Club Car, LLC for maintenance and repairs, using Sourcewell Cooperative Contract No.091024-CCR. The 264 golf carts will be rented to patrons and utilized by golf course staff at the Pecan Valley Golf Course, Rockwood Park Golf Course, and Meadowbrook Golf Course. It is anticipated that the execution of the agreements and the delivery of all golf carts will occur before Meadowbrook reopens in October 2025.

The City will enter into a 48-month finance agreement with annual payments of \$333,302.75 and a one-time documentation and processing fee of \$500.00, resulting in a total lease obligation of \$1,333,211.00. The agreement carries an annual interest rate of 5.99%. The total cost of the golf carts is \$2,098,811.00, with a remaining principal balance of \$765,600.00 at the end of the 48-month term. Payments will be funded through the Municipal Golf annual operating budget. Treasury has reviewed the terms of the finance agreement and find them to be fair and reasonable, noting that the structure accommodates operational flexibility, albeit with a modest premium embedded in the rate. As the authorized dealer for Club Car, LLC in Tarrant County, Metro Golf Cars has agreed to make a final balloon payment of \$765,600.00 on the City's behalf, should the City choose not to purchase the carts at the end of the term.

COOPERATIVE PURCHASE: State law provides that a local government purchasing an item under a cooperative purchasing agreement satisfies state laws requiring that the local government seek competitive bids for the purchase of the item. Sourcewell cooperative contracts have been competitively bid to increase and simplify the purchasing power of government entities across the State of Texas. (add sourcewell info for the purchase) Sourcewell Cooperative Contract No. 092424-NCL was published on August 8, 2024, and August 13, 2024. The responses were opened on September 24, 2024. The contract was awarded on November 19, 2024. Sourcewell Cooperative Contract No. 091024-CCR was published on July 23, 2024, and July 30, 2024. The responses were opened on September 10, 2024. The contract was awarded on December 3, 2024.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

AGREEMENT TERMS AND RENEWAL OPTIONS: The term of the City's agreement will commence on the date of receipt of golf carts, estimated

to be in August 2025, for a term of 48 months. The maintenance and repair cooperative agreement using Sourcewell Cooperative Contract for up to four (4) one-year renewal with Club Car, LLC. This action does not require City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal terms.

Funding is budgeted in the General Operating & Maintenance category within the Municipal Golf Fund for the purpose of making the necessary payments associated with the golf carts.

This project will serve ALL COUNCIL DISTRICTS.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations funds are available in the current operating budget, as previously appropriated, and upon adoption of future Fiscal Years' Budget by the City Council, funds will be available in future Fiscal Year's Operating Budget, as appropriated, in the Municipal Golf Fund. Prior to an expenditure being incurred, the Park & Recreation Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:**    Dana Burghdoff    8018

**Originating Business Unit Head:**                Dave Lewis                5704

**Additional Information Contact:**

Expedited