

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 06/24/25 M&C FILE NUMBER: M&C 25-0576

LOG NAME: 13P COOP GOLF CART LEASE PARD JJ

SUBJECT

(ALL) Authorize Execution of Cooperative Agreements Using Sourcewell Cooperative Contracts with NCL Government Capital, an Affiliate of Lease Servicing Center, Inc. for 48-Month Lease of 264 Club Car Golf Carts for a Lease Amount Up to \$1,333,211.00 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. Authorize the execution of cooperative agreement with NCL Government Capital, an affiliate of Lease Servicing Center, Inc. using Sourcewell Cooperative Contract No. 092424-NCL for 48-month leasing of 264 Club Car Golf Carts for a lease amount up to \$1,333,211.00; and
2. Authorize the execution of cooperative contract 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 four (4) one-year renewal for the Park & Recreation Department.

DISCUSSION:

At the request of the Park & Recreation Department (PARD), the Purchasing Division procured agreements for a golf cart lease, with 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 lease and the delivery of all golf carts will occur before Meadowbrook reopens in late August 2025.

The City will enter into a 48-month lease 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 lease 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. 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, covering the outstanding principal. This arrangement is incorporated into the lease agreement. While the PARD has the option to purchase the carts at the end of the lease, it is not obligated to do so and does not intend to exercise this option. Lease payments will be funded through the Municipal Golf annual operating budget. Treasury has reviewed the terms of the lease and find them to be fair and reasonable, noting that the structure accommodates operational flexibility, albeit with a modest premium embedded in the rate.

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. 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.

BUSINESS EQUITY: A business equity goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

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 agreement may be renewed in accordance with the terms and conditions of the cooperative agreement using Sourcewell Cooperative Contract with NCL Government Capital for 48 months of lease. 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 lease payments associated with the golf carts.

This project will serve ALL COUNCIL DISTRICTS.

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.

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Expedited