
RESOLUTION PROPOSAL

DATE: August 26, 2010

SUBJECT: Golf Club Car Lease

SPONSOR: Solicitations and Contracts Administrator

BACKGROUND INFORMATION:

In February 2007, LMOA entered into a five (5) year lease agreement with Peebles Golf Car Sales, Inc. and Club Car for sixty (60) Club Car golf carts. This was a total commitment of approximately \$242,400.00. This is an industry standard lease, funded through a third-party financial company, with no “out-clause”.

The 2007 models of Club Car carts had an “innovative” system of four (4) 12-volt batteries which turned out to be very unreliable. LMOA Golf has experienced many and frequent battery failures, all of which have been replaced by Club Car/Peebles; however, we are coming to the end of the warranty period and have reached expiration on some of the carts based on logged EUs. We can anticipate replacing most, if not all, of the batteries in the 18 months that remain on the current lease and they will still be the unreliable 12-volt batteries, which will likely be reconditioned because the 12-volt batteries are no longer manufactured.

STAFF RECOMMENDATION:

LMOA Staff and the Solicitation and Contract Review Committee recommend that in the best interest of LMOA the current lease agreement be replaced.

PROPOSED FINANCIAL IMPACT: _____

PROPOSED SOURCE OF FUNDING: Operations Budget

STRATEGIC PLAN REFERENCE:

2.3 Maintain and improve the golf course, its ancillary facilities and fee structure so that it is the venue of choice for LMOA Members and an attractive choice for many non-member golfers

POSSIBLE MOTION:

Move that the Board of Directors authorize the President and the General Manager to execute _____ with _____ in the amount of _____ to be funded from the Operations Budget.

PERSON RESPONSIBLE FOR FOLLOW-UP: Solicitations and Contracts Administrator