



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Modify a Blanket Purchase Order with Yamaha Motor Finance Corp USA for Electric Golf Cart Lease for the Sunnyvale and Sunken Gardens Golf Courses (F21-021)

REPORT IN BRIEF

Approval is requested to amend an existing blanket purchase order with Yamaha Motor Finance Corp. of Newnan, GA for Electric Golf Cart Lease for the Sunnyvale and Sunken Gardens Golf Courses, increasing the not-to-exceed contract amount by \$13,408.42 for a new not-to-exceed total contract amount of \$298,806.82.

EXISTING POLICY

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, City Council approval is required for the procurement of goods and/or services exceeding \$100,000 in any one transaction.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonable foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

In January 2017, Council awarded a Municipal Master Lease Agreement to Yamaha Motor Finance Corp. for the lease of eighty (80) electric golf carts for a 48-month period for use by the Department of Public Works Golf Program at Sunnyvale and Sunken Gardens Golf Courses (RTC No. 16-1140).

During the lease period, Yamaha Motor Finance Corp. contacted the City and indicated that property taxes, not included in the original award amount, were required for the leased equipment. Staff reviewed the Master Lease Agreement and State law and concluded the City is responsible for the property taxes assessed for leased equipment. The City does not qualify for an exempt status for the property taxes since the golf carts are used for business purposes and not for City staff use. The City is currently deciding on a selection process for electric golf carts after this lease expires.

FISCAL IMPACT

The total additional cost to the City is \$13,408.42, which will be absorbed in Program 647's operating budget. The additional cost should have minimal impact on the Program's expenditures.

Funding Source

The funding source for Program 647 is Fund 525 - The Golf and Tennis Enterprise Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

RECOMMENDATION

Authorize the City Manager to amend the existing blanket purchase order with Yamaha Motor Finance Corp USA for lease of electric golf carts, in substantially the same format as Attachment 1 to the report, increasing the not-to-exceed contract amount by \$13,408.42 for a new not-to-exceed total contract amount of \$298,806.82.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Chip Taylor, Director of Public Works

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Draft Change Order to Blanket Purchase Order