



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Modify a Purchase Agreement with Yamaha Motor Finance Corp USA for Electric Golf Cart Lease for the Sunnyvale and Sunken Gardens Golf Courses (F21-0158)

#### **REPORT IN BRIEF**

Approval is requested to amend an existing purchase agreement with Yamaha Motor Finance Corp. of Newnan, GA for Electric Golf Cart Lease for the Sunnyvale and Sunken Gardens Golf Courses, increasing the term of the contract as discussed and the not-to-exceed contract amount by \$43,812.40 for a new not-to-exceed total contract amount of \$342,619.22.

#### **EXISTING POLICY**

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, Council approval is required for the procurement of good and/or services greater than \$250,000 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. USA (Yamaha) 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).

The Sunnyvale and Sunken Gardens Golf Courses have largely remained open during the pandemic and have returned to being open 7 days a week, 364 days a year. This is one of the few recreational activities that has remained accessible and able to comply with the changing County Health Orders. In summer, the average cart rental demand is 85 per day. These carts are typically sold out by 11am on the weekends. Cart availability has been strained due to the pandemic, because only single riders were allowed. With restrictions loosening, staff anticipate cart rentals returning to their anticipated level of use.

The current lease for golf carts with Yamaha expired on May 31. Staff is currently negotiating a new lease agreement for electric golf carts with a different provider through an available cooperative contract from Omnia, a national cooperative procurement organization. However, until a new lease agreement for golf carts is executed and the new carts are ordered and delivered, staff has secured a 6 month extension to the term of the contract, with explicit monthly "extension payments," which will

terminate upon the return of the golf carts. The monthly extension payment is the same as the original monthly lease fee.

### **FISCAL IMPACT**

For the proposed lease extension, the net new not to exceed cost to the City is \$43,812.40, which includes estimated sales and use tax. As a month to month contract, the City will end this lease agreement once the new carts are procured and on site, so the total contract amount may be less than the requested not to exceed amount. These costs can be funded in Program 14000 operating budget. The total cost includes an estimated inclusion of \$2,000 for sales and use taxes that will cover previous monthly lease payments. The additional costs should have minimal impact on the Program's expenditures.

### **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 Office of the City Clerk, and on the City's website.

### **RECOMMENDATION**

Authorize the City Manager to amend the existing purchase agreement with Yamaha Motor Finance Corp USA in substantially the same form as Attachment 1 to the report, for lease of electric golf carts, extending the term of the contract until December 31, 2021 or until the carts are returned and increasing the not-to-exceed contract amount by \$43,812.40 for a new not-to-exceed total lease contract amount of \$342,619.22.

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. Yamaha Master Lease Amendment #2