

**Condensed Title:**

Request to rescind a contract to Club Car, Inc., pursuant to Invitation To Bid No. 38-07/08 For The Lease Of Golf Carts And Other Miscellaneous Golf Equipment/Vehicles to Club Car, Inc. and authorizing the retroactive award to the second bidder, E-Z-Go.

**Key Intended Outcome Supported:**

Increase Satisfaction with Recreational Programs

**Supporting Data (Surveys, Environmental Scan, etc.):**  
 Parks and Recreation appeared as one of the most important areas affecting resident's quality of life. Of the 79% of residents and 82% of businesses rated the overall quality of the recreational programs and facilities as excellent or good and 58% of residents stated that they go to recreational facilities a couple of times a month or more. More recreational opportunities appeared as one of the changes residents would make to make Miami Beach a better place to live, work, and play.

**Issue:**

Shall the Mayor and City Commission rescind the award to Club Car, Inc. and retroactively award it to E-Z-Go?

**Item Summary/Recommendation:**

On October 7, 2008, the Commission awarded a bid to Club Car, Inc., for the lease of golf carts and other miscellaneous golf equipment to be used at the City's golf courses. The Administration and City Attorney's Office subsequently reviewed the leasing document and entered into negotiations with Club Car. Following extensive negotiations the parties were unable to reach agreement. On December 1, 2008, Club Car, Inc. withdrew from the bid process as a result of their inability to complete the required financial transaction pursuant to the invitation to bid. On December 2, 2008, the City and Club Car terminated negotiations. The Administration then contacted E-Z-Go and confirmed they were willing to provide the golf carts and other equipment included in the original ITB; reduce their bid price by \$14,249.52 to meet the price of the Club Car award; agreed to the same terms and conditions that were approved three (3) years ago for the lease that is currently in effect for the cart fleet at the Miami Beach Golf Club; and would provide a new or temporary fleet necessary to meet the grand opening of the Normandy Shores Golf Club. The Administration recommends the approval of this action.

**Advisory Board Recommendation:**

**Financial Information:**

Source of Funds:	Amount	Account	
<div style="border: 1px solid black; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center;">                     OBPI                 </div>	1	\$209,330.28	Funding in the amount of \$69,776.76 is included in the adopted FY 08/09 General Fund Normandy Shores Golf Club account # 011-0975-000323; the balance will be included in the annual budget development process in future years.
	2	\$237,850.20	Funding in the amount of \$79,283.40 is included in the adopted FY 08/09 General Fund Miami Beach Golf Club account # 011-0970-000323; the balance will be included in the annual budget development process in future years.
	<b>Total</b>	<b>\$447,180.48</b>	Lease for three (3) years

**Financial Impact Summary:** The expense will be included in the annual budget development process in future years.

**City Clerk's Office Legislative Tracking:**

Kevin Smith, Parks and Recreation Director @ 6643

**Sign-Offs:**

Department Director	Assistant City Manager	City Manager
GL _____ KS _____	RCM 	JMG 

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# MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

## COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: December 10, 2008

SUBJECT: **A RESOLUTION RESCINDING THE AWARD OF CONTRACT TO CLUB CAR, INC., PURSUANT TO INVITATION TO BID NO. 38-07/08, FOR THE LEASE OF GOLF CARTS AND OTHER MISCELLANEOUS GOLF EQUIPMENT/ VEHICLES, FOR THE NORMANDY SHORES AND MIAMI BEACH GOLF CLUBS (THE ITB), AND FURTHER APPROVING AWARD OF THE ITB TO THE SECOND BIDDER, E-Z-GO, (IN THE SAME AMOUNT OF THE ORIGINAL AWARD TO CLUB CAR, INC.); FURTHER APPROVING AND AUTHORIZING THE MAYOR AND CITY CLERK TO RETROACTIVELY EXECUTE AN EQUIPMENT LEASE AGREEMENT AND OTHER RELATED DOCUMENTS WITH E-Z-GO IN THE TOTAL AMOUNT OF \$209,330.28, FOR A PERIOD OF THIRTY-SIX (36) MONTHS, WITH MONTHLY INSTALLMENTS OF \$5,814.73 FOR THE NORMANDY SHORES GOLF CLUB; AND IN THE TOTAL AMOUNT OF \$237,850.20, FOR A PERIOD OF THIRTY-SIX (36) MONTHS, WITH MONTHLY INSTALLMENTS OF \$6,606.95 FOR THE MIAMI BEACH GOLF CLUB .**

### ADMINISTRATION RECOMMENDATION

Adopt the Resolution

### BID AMOUNT AND FUNDING

\$209,330.28 (36 months) Funding is available from the FY 2008/09 General Fund Normandy Shores Golf Club account # 011-0975-000323, (\$69,776.76), and will be included in the annual budget development process in future years.

\$237,850.20 (36 months) Funding is available from the FY 2008/08 General Fund Miami Beach Golf Club account # 011-0970-000323, (\$79,283.40) and will be included in the annual budget development process in future years.

### KEY INTENDED OUTCOME SUPPORTED

Increase Satisfaction with Recreational Programs

## **ANALYSIS**

At the October 7, 2008, City Commission meeting, a bid was awarded to Club Car, Inc., for the lease of golf carts and other miscellaneous golf equipment to be used at the City's golf courses pursuant to Invitation to Bid No. 38-07/08 for the Lease of Golf Carts and Other Miscellaneous Golf Equipment/ Vehicles (the ITB). Specifically, the lease would provide golf carts, and miscellaneous golf equipment vehicles for a period of thirty-six (36) months, for the new Normandy Shores Golf Club, and the Miami Beach Golf Club.

Following the award of bid to Club Car, Inc., the Administration and City Attorney's Office reviewed the leasing agreement and other related documents provided by Club Car. However, following extensive negotiations and discussions the parties have been unable to reach agreement.

As documented in the attached correspondence from Mr. Brad Haerlie, Director of Sales, Eastern US, dated December 1, 2008, Club Car, Inc. has withdrawn from the bid process as a result of their inability to complete the required financial transaction pursuant to the invitation to bid. On December 2, 2008, the City and Club Car terminated negotiations.

After terminating the negotiations with Club Car, the Administration contacted the second bidder, E-Z-Go. After discussing the matter E-Z-Go has committed to the following:

- Provide the golf carts and other equipment included in the original ITB;
- Although E-Z-Go's submitted bid price was \$ 14,249.52 over that submitted by Club Car, Inc., E-Z-Go agreed to reduce their cost to match that of Club Car, Inc.;
- Has agreed to use the same terms and conditions that were approved three (3) years ago for the lease that is currently in effect for the cart fleet at the Miami Beach Golf Club;
- If time permitted E-Z-Go would provide the required new fleet necessary to meet the grand opening of the Normandy Shores Golf Club in December and if time became an issue E-Z-Go would provide a temporary fleet in order to meet the opening date and switch the new fleet as soon as they were manufactured.

The City Attorney's Office has reviewed the current lease with E-Z-Go/ Textron for the fleet at the Miami Beach Golf Club and determined the terms and conditions would be acceptable for a new lease. It should also be noted that E-Z-Go is the City's current golf cart provider and has been a good vendor to deal with. The response to the City's request to be the vendor in lieu of Club Car, Inc. was excellent.

## **CONCLUSION**

Based on Club Car, Inc., inability to provide a leasing agreement that is acceptable to the City and in the best interest of the City, and the successful negotiations with the second bidder, E-Z-Go to provide the required equipment at the same price as Club Car's original bid submittal, in time to ensure the grand opening of the Normandy Shores Golf Club is met, the Administration recommends the approval of this resolution.



Club Car, Inc.  
4125 Washington Road  
Evans, Georgia 30809  
PO Box 204658  
Augusta Georgia 30917  
Tel (706) 863-3000  
Toll free (800) 227-0739  
Www.ClubCar.com

December 1, 2008

City of Miami Beach  
Attn: Mr. Kevin Smith  
Director of Parks and Recreation  
1700 Convention Center Drive  
Miami Beach, FL 33139

Dear Mr. Smith,

It is with regret that I write to inform you that Club Car Inc., has not been able to secure a funding source who is agreeable to the terms required by the City of Miami Beach pertaining to the golf car bid award for Normandy Shores Golf Club and Miami Beach Golf Club.

Standard Municipal Lease documents were provided to the City of Miami Beach on October 6, 2008 and returned to Ingersoll Rand Financial Services with revisions made by Mr. Raul Aguila, Deputy City Attorney for the City of Miami Beach on November 13, 2008. Significant changes were made to the standard documents which were deemed not acceptable by our financial partners.

Per your advice, Club Car Inc., engaged in dialogue with Mears Motor Leasing to see if we could fund the transaction through their firm. After many discussions with their President, Mr. Jim Hartman, he was not able to become comfortable funding this transaction without a guaranteed buy-back from Club Car Inc. at the back-end of this lease. This is not a business practice that Club Car Inc., can enter into per Sarbanes-Oxley accounting guidance.

We have asked other lending sources if they could move forward with this transaction with the language amendments requested by Mr. Aguila and none have been willing to do so. If Mr. Aguila can not see fit to rescind his request for document language amendments, Club Car Inc., will have to respectfully discontinue efforts to fulfill this bid award from the City of Miami Beach.

Sincerely,

Brad Haerle  
Director of Sales, Eastern US  
706-228-7179 Office  
706-373-7179 Cell  
[brad.haerle@clubcar.com](mailto:brad.haerle@clubcar.com)



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION RESCINDING THE AWARD OF CONTRACT TO CLUB CAR, INC., PURSUANT TO INVITATION TO BID NO. 38-07/08, FOR THE LEASE OF GOLF CARTS AND OTHER MISCELLANEOUS GOLF EQUIPMENT/ VEHICLES, FOR THE NORMANDY SHORES AND MIAMI BEACH GOLF CLUBS (THE ITB), AND FURTHER APPROVING AWARD OF THE ITB TO THE SECOND BIDDER, E-Z-GO, (IN THE SAME AMOUNT OF THE ORIGINAL AWARD TO CLUB CAR, INC.); FURTHER APPROVING AND AUTHORIZING THE MAYOR AND CITY CLERK TO RETROACTIVELY EXECUTE AN EQUIPMENT LEASE AGREEMENT AND OTHER RELATED DOCUMENTS WITH E-Z-GO IN THE TOTAL AMOUNT OF \$209,330.28, FOR A PERIOD OF THIRTY-SIX (36) MONTHS, WITH MONTHLY INSTALLMENTS OF \$5,814.73 FOR THE NORMANDY SHORES GOLF CLUB; AND IN THE TOTAL AMOUNT OF \$237,850.20, FOR A PERIOD OF THIRTY-SIX (36) MONTHS, WITH MONTHLY INSTALLMENTS OF \$6,606.95 FOR THE MIAMI BEACH GOLF CLUB .**

**WHEREAS**, at the October 7, 2008, City Commission meeting, a bid was awarded to Club Car, Inc., for the lease of golf carts and other miscellaneous golf equipment to be used at the City's golf courses pursuant to Invitation to Bid No. 38-07/08 for the Lease of Golf Carts and Other Miscellaneous Golf Equipment/ Vehicles (the ITB); and

**WHEREAS**, following the award of ITB to Club Car, Inc., the Administration and City Attorney's Office reviewed the lease and other documents submitted by Club Car; and

**WHEREAS**, following extensive negotiations and discussions the parties have been unable to reach agreement; and

**WHEREAS**, as documented in the attached correspondence from Club Car, Inc. representative, Mr. Brad Haerlie, Director of Sales, Eastern US, dated December 1, 2008, Club Car, Inc. has withdrawn from the bid process as a result of their inability to complete the required financial transaction pursuant to the invitation to bid; and

**WHEREAS**, on December 2, 2008, the City and Club Car terminated negotiations: and

**WHEREAS**, after terminating negotiations with Club Car, the Administration contacted the second bidder, E-Z-Go; and

**WHEREAS**, E-Z-Go has committed to providing the golf carts and other golf equipment/ vehicles included in the original ITB; has agreed to use the same terms and conditions that were approved three (3) years ago for the lease that is currently in effect for the cart fleet at the Miami Beach Golf Club; has agreed to reduce their bid price by \$14,249.52 to match the price of the Club Car award; and has agreed to provide a new or temporary fleet necessary to meet the grand opening of the Normandy Shores Golf Club and then complete the order as soon as possible.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission here by rescinds the award of a contract to Club Car, Inc., pursuant to Invitation To Bid No. 38-07/08, for the Lease of Golf Carts and Other Miscellaneous Golf Equipment/ Vehicles, for the Normandy Shores and Miami Beach Golf Clubs (the ITB); and further approves the award of the ITB to the second bidder, E-Z-GO, (in the same amount of the original award to Club Car, Inc.); further approves and authorizes the Mayor and City Clerk to retroactively execute an equipment lease agreement and other related documents with E-Z-GO in the total amount of \$209,330.28 for a period of thirty-six (36) months, with monthly installments of \$5,814.73 for the Normandy Shores Golf Club; and in the total amount of \$237,850.20, for a period of thirty-six (36) months, with monthly installments of \$6,606.95 for the Miami Beach Golf Club .

**PASSED and ADOPTED** this 10th day of December, 2008.

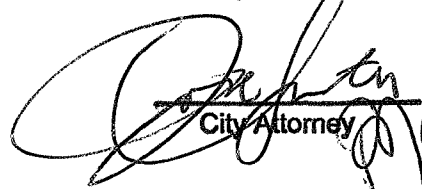
\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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**APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION**

  
\_\_\_\_\_  
City Attorney

12/4/08  
\_\_\_\_\_  
Date