

CITY OF PALM DESERT SUPPLEMENTAL MEMO

MEETING DATE: September 11, 2025

PREPARED BY: Vanessa Mager, Management Analyst

REQUEST: SUPPLEMENTAL FOR ITEM 14.C

ADDITIONAL INFORMATION:

City staff, in collaboration with the City Attorney, are revising the agreement for the El Paseo Courtesy Cart Program to include the following provisions, which are intended to further define contractor responsibilities and strengthen protections for the City:

- **Vehicle Ownership:** The City will assume ownership of the two (2) GEM vehicles upon completion of the first contract year. The vehicles will then be leased back to the vendor for use during years two and three of the contract term.
- **Maintenance and Upkeep:** The contractor will be responsible for all maintenance and upkeep of the vehicles throughout the contract, including but not limited to tires, batteries, vehicle wraps, and any other components subject to breakdown.
- **Cosmetic Condition:** The contractor will be required to maintain the vehicles in pristine cosmetic condition for the duration of the contract, with all damages repaired immediately.
- **Insurance and Compliance:** The contractor will ensure that all vehicles remain properly insured, permitted, and compliant with applicable safety standards.
- **Replacement Vehicles:** The contractor will be required to provide replacement carts whenever vehicles are out of service for maintenance, including both GEM vehicles and the ADA-accessible cart.
- **Vehicle Storage:** The City will provide storage for the two (2) GEM vehicles during the program's off-season (June through early October).
- **Additional Protections:** Any additional provisions recommended by the City Attorney to further safeguard the City's interests will be incorporated into the agreement.

FINANCIAL BREAKDOWN/COMPARISON:

YEAR	Option 1 – Lease Golf Carts	Option 2 – Purchase GEM Vehicles	NOTES
Year 1	\$265,784	\$295,979	Base
Year 2	\$273,758	\$271,885	+ 3% CPI
Year 3	\$281,965	\$280,042	+ 3% CPI