

EXHIBIT "A"

Supplier: Joe Johnson Equipment LLC
Solicitation/ Award Title: **Strategic Long-Term Street Sweeper
Procurement with Service & Parts
Considerations**

Solicitation No. /Internal File Reference Location: 10883A_2022

It is recommended that you use your Supplier Contract No. SC-00007597, in all future correspondence and/or other communications.

Description of the goods, and services related thereto, being purchased and pricing:

A.1 SCOPE OF WORK / DELIVERABLES:

- A. The primary objective of this contract is to establish a long-term agreement with a vendor with regards to procuring Commercial Street Sweepers.
 - a. The City intends to Purchase eighteen (18) Street Sweepers over the course of the agreement.
- B. A secondary objective is to establish:
 - a. Firm long-term pricing structures/ rates with regards to:
 - i. Additional vehicle/ equipment procurements in the future
 - ii. Parts and component pricing
 - iii. Hourly Labor Rates: Shop and Field
 - b. Warranty Protocols
 - c. Customer Service Protocols
- C. Relevant NIGP Codes/ Descriptions:
 - a. 765 – Road & Highway Equipment (Except Asphalt, Concrete, and Earth Handling Equipment in Classes 755 and 760)
 - i. 76577 – Street Sweepers, Road Sweepers

A.2 OEM PARTS VENDOR CRITERIA:

Definitions:

- OEM: Original Equipment from the Manufacturer
 - OEM Manufacturer applies to the following
 - Equipment Manufactures
 - Sundry Equipment Manufacturers
1. Vendors who intend propose OEM parts shall abide by the following:
- a) OEM Parts and Components that awarded vendor sells to the City and County of Denver shall be sourced **directly** from the OEM Manufacturer Parts and Components Distribution Center(s) and/or manufacturer.
 - b) Part Numbers: Supplied Parts and Components Nomenclature/ Identifiers are to correspond with OEM Originally Equipped Parts and Components Nomenclature/ Identifiers.

- The City will allow Parts and Components Identifiers (Part Numbers) to be superseded only as initiated and authorized by the OEM Manufacturer.
- c) Aftermarket parts can be proposed; however, they need to be identified as such and cannot void the manufacturer's warranty.

A.3 ESTIMATED QUANTITIES:

Quantities listed are the City and County of Denver's best estimate and do not obligate the Analyst to order or accept more than City and County of Denver's actual requirements during the period of this contract, as determined by actual needs and availability of appropriated funds. It is expressly understood and agreed that this contract is to supply the City with its complete actual requirement of the services and/or related materials specified in this proposal for the contract period.

A.4 F.O.B. POINT:

All prices quoted must be quoted at a firm price F.O.B. Denver, Colorado, delivered to the following site.

**City and County of Denver Fleet Management – Roslyn location
5440 Roslyn Street
Building C
Denver, CO 80216**

A.5 DELIVERY/SERVICE CONSIDERATIONS:

All deliveries/ services shall be made between the hours of 7:00 A.M and 4:00 P.M., Monday through Friday, excluding holidays.

A.6 AIRPORT SECURITY:

It is a material requirement of this Contract that the Vendor shall comply with all rules, regulations, written policies and authorized directives from the City and/or the Transportation Security Administration with respect to Airport security. The Vendor shall conduct all of its activities at the Airport in compliance with the Airport security program, which is administered by the Security Section of the Airport Operations Division, Department of Aviation. Violation by the Vendor or any of its employees, subcontractors, and vendors of any rule, regulation, or authorized directive from the City or the Transportation Security Administration with respect to Airport Security shall be grounds for immediate termination by the City of this Contract for cause.

The Vendor shall promptly upon notice of award of this Contract, meet with the Airport's Assistant Security Manager to establish badging and vehicle permit requirements for Vendor's operations under this Contract. The Vendor shall obtain the proper access authorizations for all of its employees, subcontractors, and vendors who will enter the Airport to perform work or make deliveries and shall be responsible for each such person's compliance with all Airport rules and regulations, including without limitation those pertaining to security. Any person who violates such rules may be subject to revocation of his/her access authorization. The failure of the Vendor or any subcontractor to complete any required services hereunder shall not be excused on account of the revocation for good cause of access authorization of any person.

The security status of the Airport is subject to change without notice. If the security status of the Airport changes at any time during the term of this Contract, the Vendor shall take immediate steps to comply with security modifications which occur as a result of the changed status. The Vendor may at any time obtain current

information from the Airport Security Office regarding the Airport's security status in relation to the Vendor's operations at the Airport.

The Vendor shall return to the City at the expiration or termination of this Contract, or upon demand by the City, all access keys or access badges issued to it for any area of the Airport, whether or not restricted. If the Vendor fails to do so, the Consultant shall be liable to reimburse the City for all the City's costs for work required to prevent compromise of the Airport security system. The City may withhold funds in the amount of such costs from any amounts due and payable to the Vendor under this Contract.

LAWS, REGULATIONS, TAXES AND PERMITS

The Vendor shall procure all permits and licenses, pay all charges, taxes and fees and give all notices necessary and incidental to the due and lawful prosecution of the work. All costs thereof shall be deemed to be included in the prices proposed for the work.

The Vendor, at all times, shall observe and comply with all federal, state, county, city and other laws, codes, ordinances, rules and regulations in any manner affecting the conduct of the work.

Without limiting the foregoing, the Vendor shall establish appropriate procedures and controls so that services under this Contract will not be performed by using any alien who is not legally eligible for such employment under United States Immigration laws. Failure to comply with this condition satisfactorily may cause the City to terminate this Contract.

A.7 EMERGENCY PURCHASES:

The City and County of Denver reserves the right to purchase from other sources those items which are required on an emergency basis and cannot be supplied immediately by the vendor.

A.8 VENDOR PERFORMANCE MANAGEMENT:

The Purchasing Department may administer a vendor performance management program as part this proposal and resulting contract. The purpose of this program is to create a method for documenting and advising the Purchasing Department of exceptional performance or any problems related to the purchased goods and services.

FOR GOODS AND SERVICES

- Total dollar value of purchases per City Agency.
- Total number of transactions per City Agency.
- Average response time after receipt of call from the City.
- Average time for job completion.
- Equipment delivery time.
- Operator training.
- Warranty support.
- On-Going Parts and Service Support.

A.9 COOPERATIVE PURCHASING:

The City and County of Denver encourages and participates in cooperative purchasing endeavors undertaken by or on behalf of other governmental jurisdictions, pursuant to Denver Revised Municipal Code Sec. 20-64.5. To

the extent other governmental jurisdictions are legally able to participate in cooperative purchasing endeavors, the City and County of Denver supports such cooperative activities. Further, it is a specific requirement of this proposal or Request for Proposal that pricing offered herein to the City and County of Denver may be offered by the vendor to any other governmental jurisdiction purchasing the same products.

SECTION B: PRICING**B.1 PRICING:**

All prices and percentages quoted shall be firm and fixed for the initial year of the contract period. Prices and percentages regarding all OEM Parts, Shop Rate, Field Rate, Parts and Components Discounts, and Percentage Discounts towards future Sweeper Units shall remain firm and fixed for the duration of the entire contract period.

Prices regarding the purchases of future Street Sweeper Main Units after initial year may be adjusted upon request based on Federal PPI Index PCU333120333120 (Construction machinery mfg, not seasonally adjusted).

- Base Index shall be established on the average of the following six (6) monthly data points: November 2021, December 2021, January 2022, February 2022, March 2022, and April 2022. The Adjusted PPI will be based on the six (6) semi-annual data points that are most recent to the future purchase.
- Future vehicle procurements (as applicable) pricing will be calculated as indicated in the following example:
 - Street Sweepers have an original unit purchase price of \$250,000.00 in August of 2022
 - The Base Index is equal to 294.53
 - In June of 2024, the City desires to purchase an additional Street Sweeper with specifications equivalent to originally purchased units from RFP # 10883A (Fall 2022)
 - PPI Adjustment index in June of 2024 is 300 and was averaged over the previous 6 data points
 - The anticipated percentage adjustment would be 1.86%
 - $[(\text{New PPI} - \text{Old PPI}) / \text{Old PPI}] \times 100\% = \text{Adjusted PPI \% increase/decrease}$
 - $[(300 - 294.53) / 294.53] \times 100\% = 1.86\%$
 - The anticipated price for June 2024 for an equivalent unit would be $\$250,000.00 + 1.86\% = \$254,650.00$