



CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

CASH AND CAPITAL FUNDING
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Executive Summary

Resolutions to amend 1) the zero-dollar purchase agreement with Hardline Equipment LLC for the purpose of changing specifications related to twenty-five (25) Dennis Eagle cab and chassis for trash/compost trucks to support Department of Transportation and Infrastructure' ("DOTI") Solid Waste Division and 2) the capital lease purchase agreement for the purpose of modifying lease exhibits related to payments to Hardline Equipment LLC.

Background:

On May 18th, 2022, the City and County of Denver executed a zero-dollar vendor purchase agreement with Hardline Equipment LLC ("Hardline") for delivery of (9) Dulevo street sweepers to support DOTI's Street Maintenance Division and twenty-five (25) Dennis Eagle cab and chassis for trash/compost trucks to support DOTI's Solid Waste Division ("Equipment"). The Equipment is being acquired through a capital lease purchase transaction through JPMorgan Chase Bank ("JPM"). This lease purchase agreement also supports seven (7) other vendor agreements for equipment. Lease payments will be repaid from the Planned Fleet Fund and are subject to annual appropriation by City Council.

In order to keep up with an aging fleet and deliver on the Volume Based Pricing initiative scheduled to roll out January 1, 2023, the specification changes outlined in this amendment request will ensure that procured vehicles will be delivered expediently, despite known supply chain issues. The specifications have been reviewed by DOTI's teams to ensure that they meet program needs for service delivery to Denver's addresses and can be maintained by the Fleet Management Division. These specification changes will also keep DOTI on track for the rollout of the Volume Based Pricing program in 2023 and allow the Department to retire fleet that is well beyond its useful life.

Proposed Amendments:

Hardline Purchase Agreement: Approval of the equipment resolution requests will allow DOTI to continue forward with scheduled replacement cycles and retire existing vehicles that are past their useful life.

We are modifying the scope of work to the Hardline Contract, as detailed below, to address specification changes within the existing agreement that will better meet program and service delivery needs and address existing supply chain issues that threaten original delivery timelines.

EQUIPMENT/ LINE ITEMS	ORIGINAL COST	AMENDED COST	COST CHANGE	SPECIFICATION CHANGE AND REASON
2023 Dennis Eagle Pro View single steer (Left Hand Drive) cab and chassis equipped Cummins L9 350HP (8.9 liter in line diesel)	\$ 1,181,204.75	\$ 1,177,454.75	\$ (3,750.00)	Vendor found changes needed during the build due to chassis using the Canadian spec, which is too wide for street legal standards in Colorado. To stay on delivery schedule, steel wheels will be subbed for aluminum to narrow overall width.
2023 Dennis Eagle Pro View single steer (Left Hand Drive) cab and chassis Cummins L9 350HP (8.9 liter (CNG-EPA, CARB 2018 L9N 8.9L))	\$ 838,266.60		\$ (838,266.60)	Vendor found changes needed during the build to specs which will not accommodate Denver's fuel tank placement to meet Denver's needs. To stay on schedule, Denver will swap three additional 8.9 liter inline diesel trucks and add the three CNGs to a later delivery date. See below.
2023 Dennis Eagle Pro View single steer (Left Hand Drive) cab and chassis equipped Cummins L9 350HP (8.9 liter inline diesel)	\$ 3,071,132.35	\$ 3,767,855.20	\$ 696,722.85	Vendor found changes needed during the build due to chassis using the Canadian spec, which is too wide for street legal standards in Colorado. To stay on delivery schedule, steel wheels will be subbed for aluminum to narrow overall width.
2023 Dennis Eagle Pro View single steer (Left Hand Drive) cab and chassis equipped Cummins L9 350HP (8.9 liter inline diesel)**	\$ 905,420.80	\$ 902,420.80	\$ (3,000.00)	Vendor found changes needed during the build due to chassis using the Canadian spec, which is too wide for street legal standards in Colorado. To stay on delivery schedule, steel wheels will be subbed for aluminum to narrow overall width.
	\$ 8,414,151.28	\$ 8,265,857.53	\$ (148,293.75)	

Impacts: The reduced scope and cost necessitate revised exhibits/schedules to the Hardline Vendor Agreement previously approved by City Council. The modifications do not significantly alter the types of vehicles being procured but do need to be documented for contract purposes.

JPMorgan Chase – Lessor: Due to the amendments referenced above, the original Equipment list for Hardline is no longer accurate.

Impacts: An administrative change to the lease purchase agreement exhibits lead by the adjustments to the Hardline Equipment LLC contract. There is no change to the cost of the lease and the \$148,293.75 delta due the change in scope of the Hardline contract will be applied to the lease rental payments, in accordance with the lease purchase agreement.

For more details on the amendments, please see the accompanying resolution requests.