



Legislation Text

File #: 21-0387, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 3-26-21

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

Name: Lisa Lumley
Email: lisa.lumley@denvergov.org

Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed Fourth Amendment to Lease and Agreement between the City and County of Denver and Safeway, Inc. to amend and modify the terms and conditions of the lease for a property located at 3698 West 44th Avenue, Denver, Colorado, for Denver Motor Vehicle Division.

Amends a lease agreement with Safeway, Inc. by adding \$8,152.50 for a new total of \$2,133,307.97 to fund 25% of rooftop HVAC replacement costs and clarifies the City's maintenance obligations for a department of motor vehicle branch location at 3698 West 44th Avenue in Council District 1. No change to agreement duration (FINAN-202158044). The last regularly scheduled Council meeting within the 30-day review period is on 5-10-21. The Committee approved filing this item at its meeting on 4-6-21.

Affected Council District(s) or citywide? Council District 1

Contract Control Number: FINAN-202158044

Vendor/Contractor Name (including any "DBA"): Safeway Inc.

Type and Scope of services to be performed:

This Fourth Amendment to Lease clarifies the City’s maintenance obligations by clearly stating the repair and maintenance expenses that the City is responsible for paying. It also specifically states the portion of imminent HVAC repairs that the City will fund.

The Third Amendment converted the lease from a full-service (landlord pays all expenses) lease to a Triple Net lease (landlord pays taxes, insurance, and common area maintenance (CAM); City pays maintenance costs inside the space or directly attached to the space plus its pro rata share of tax, insurance and CAM).

The rooftop HVAC units serving the City’s space were at the end of their useful lives when the lease was converted to Triple Net, as discovered by the City’s Facilities department. Per the Third Amendment, the City would have had to fund 100% of the replacement of these units. The City successfully negotiated the landlord bearing 75% of the cost of replacement, with the City funding the remaining 25% (\$8,152.50), as set forth in the Fourth Amendment.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract:

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term:

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

\$2,125,155.47

What is the value of the proposed change?

\$8,152.50

What is the new/revised total value including change?

\$2,133,307.97

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)