



## Legislation Text

File #: 23-0540, Version: 1

### Contract Request Template (Contracts; IGAs; Leases)

**Date Submitted: 5-1-2023**

**Requesting Agency: DDPHE**  
**Division:**

**Subject Matter Expert Name: Agatha Linger**  
**Email Address: Agatha.Linger@denvergov.org**  
**Phone Number:**

#### **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 Amendatory Agreement between the City and County of Denver and Running Creek Ranch, LLC for the purpose of grazing livestock on city-owned land near the Denver Arapahoe Disposal Site (DADS), located at Gun Club Road and Hampden Avenue in Arapahoe County.**

Amends a revenue lease agreement with Running Creek Ranch, LLC by adding \$0.37 cents per usable acre for a new total of \$8.55 per usable acre and three years for a new end date of 6-15-2026 for the purpose of grazing livestock on city-owned land near the Denver Arapahoe Disposal Site (DADS), located at Gun Club Road and Hampden Avenue in Arapahoe County (ENVHL-201101017-04/ ESEQD-202367535-04). The last regularly scheduled Council meeting within the 30-day review period is on 6-12-2023. The Committee approved filing this item at its meeting on 5-10-2023.

**Affected Council District(s) or citywide? Arapahoe County**

**Contract Control Number: ENVHL-201101017-04/ ESEQD-202367535-04**

**Vendor/Contractor Name (including any "DBA"):** RUNNING CREEK RANCH, LLC

## **Type and Scope of services to be performed:**

### **Scope of work:**

Tenant will lease City-owned land near the Denver Arapahoe Disposal Site (DADS) located at Gun Club Road and Hampden Avenue for the purpose of grazing livestock. The benefits to the City from this agreement are reduction in nonnative vegetation and therefore wildfire potential, and tenant provides a deterrent to vandalism. The extension is for a three-year period as allowed by the current contract.

**Location (if applicable):** 3500 E. Hampden Avenue in Arapahoe County

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

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

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

Amendment

**Was this contractor selected by competitive process or sole source?**

In 2011, the City issued a Request for Proposal (RFP) to lease portions of DADS for grazing purposes. This RFP process only resulted in two bidders and the highest bidder, Running Creek Ranch, LLC (the “Tenant”) was selected. The other bidder had documented issues with the State of Colorado.

Since 2011, the Tenant has been closely coordinating grazing activities with Waste Management (WM), operator of DADS under the Landfill Agreement with the City. Pursuant to the Landfill Agreement, WM has exclusive control of DADS; therefore, WM also has authority to approve and grants access to lease holders. Since the Tenant already has an established and close working relationship with WM, they are uniquely qualified to continue grazing activities at the lease area.

The Tenant also leases adjoining property from the Lowry Environmental Protection/ Cleanup Trust, which provides access to shade and water via Murphy Creek. Additionally, the Tenant has leased 3840 acres from the Colorado State Land Board, two miles east of DADS, for over 20 years. Based on the presence of these additional adjacent and nearby grazing areas, the Tenant is uniquely positioned to periodically move cattle to nearby properties to which prevents overgrazing.

The benefits to the City from this agreement are reduction in nonnative vegetation and therefore wildfire potential, and tenant provides a deterrent to vandalism. The Tenant continues to be a good steward of the leased property by also successfully maintaining a variety of native grasses which reduces and helps prevent rodent and noxious weed infestations. Additionally, the Tenant has made improvements to the lease area including installation of fencing to accommodate City needs and repairs to site structures.

The grazing period typically ranges from May 1st to September 30th. Continuing to lease to the Tenant ensures continuity of services for the current grazing period.

Finally, competitively bidding the grazing lease would not be economically favorable. The City generates less than \$3,000 per year from this lease. Competitively rebidding this agreement does not economically justify nor cover the City's expenses (i.e., CAO, purchasing, EQ, outside advertising) or WM's review, approval, and coordination efforts to competitively rebid this lease.

## **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)?**

Price and length

***If length changing***

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

Existing: 9/11/11 - 6/15/23

**What is the length of the extension/renewal?**

**3 years**

**What is the revised total term of the contract?**

Amended: 9/11/11 - 6/15/26

***If cost changing***

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

**\$8.18 per usable acre**

**What is the value of the proposed change?**

**.37 per usable acre**

**What is the new/revised total value including change?**

**\$8.55 per usable acre**

***If terms changing***

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