



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Cassey Ogden  
**DATE:** May 7, 2024

### SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Vermeer Equipment of Texas, LLC dba Vermeer Texas-Louisiana, Inc., through the Buy Board Cooperative Purchasing Network Contract Nos. 646-21, 684-22, 685-22, & 687-22, for the purchase, repair, and rental of construction equipment for the Fleet Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8540 – awarded to Vermeer Equipment of Texas, LLC dba Vermeer Texas-Louisiana, Inc., for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$4,500,000.00).

### STRATEGIC ALIGNMENT

This action supports the Key Focus Area: Enhance Infrastructure and Mobility.

### INFORMATION/BACKGROUND

The proposed contract will be utilized by the Fleet Services Department to procure equipment for various city departments engaged in underground utility construction, landscaping, and tree care. Examples of the equipment to be acquired or rented encompass grinders, vacuum trailers, and trenchers. Furthermore, the contract encompasses in-the-field service repairs for assets necessitating specialized diagnostic equipment. The Fleet Services Department strategizes asset management, including planning for new acquisitions and asset replacements, integrated within the city's annual budget process. Funding for all new acquisitions and replacements is allocated within the Capital Improvement Budget. The contract value is based on historical spending levels and includes estimates for future assets and services.

### Estimated Expenses

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total All Years
Acquisitions	\$400,000	\$412,000	\$424,360	\$437,090	\$450,204	<b>\$2,123,654</b>
Replacement	275,000	283,250	291,748	300,500	309,514	<b>1,460,012</b>
Rentals	50,000	50,000	50,000	50,000	50,000	<b>250,000</b>
Services	100,000	103,000	106,090	109,273	115,000	<b>533,363</b>
<b>Sub Total</b>	<b>\$825,000</b>	<b>\$848,250</b>	<b>\$872,198</b>	<b>\$896,863</b>	<b>\$924,718</b>	<b>\$4,367,029</b>
Contingency 2%	24,750	25,448	26,166	26,906	29,701	<b>132,971</b>
<b>Total</b>	<b>\$849,750</b>	<b>\$873,698</b>	<b>\$898,364</b>	<b>\$923,769</b>	<b>\$954,419</b>	<b>\$4,500,000</b>

Pricing obtained through the Buy Board Cooperative Purchasing Network has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On February 1, 2005, the City Council approved the interlocal agreement with the Buy Board Cooperative Purchasing Network (Ordinance 2005-034).

**RECOMMENDATION**

Award a contract with Vermeer Equipment of Texas, LLC dba Vermeer Texas-Louisiana, Inc., for the purchase, repair, and rental of construction equipment for the Fleet Services Department, in a one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$4,500,000.

**PRINCIPAL PLACE OF BUSINESS**

Vermeer Equipment of Texas, LLC dba Vermeer Texas-Louisiana, Inc.  
Valley View, TX

**ESTIMATED SCHEDULE OF PROJECT**

This is an initial one (1) year contract with options to extend the contract for four (4) additional one (1) year periods, with all terms and conditions remaining the same.

**FISCAL INFORMATION**

The proposed contract will be funded through the City's Capital Budget for the acquisition of assets and the Fleet Services Operating Budget for repair services. Requisitions will be entered on an as-needed basis. The City will only pay for services rendered and is not obligated to pay the total contract amount unless needed.

**EXHIBITS**

- Exhibit 1: Agenda Information Sheet
- Exhibit 2: Cooperative Pricing
- Exhibit 3: Ordinance and Contract

Respectfully submitted:  
Lori Hewell, 940-349-7100  
Purchasing Manager

For information concerning this acquisition, contact: Dustin Rolfe, 940-349-8438.

Legal point of contact: Marcella Lunn at 940-349-8333.