



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: January 23, 2012 REPORT NO. 12-006
ATTENTION: Natural Resources and Culture Committee
SUBJECT: Authorize the Amendment to the Contract with Hawthorne Machinery Co.
to Lease Bulldozers for Refuse Disposal Operations at Miramar Landfill

REQUESTED ACTION:

1. Authorize the Mayor, or his designee, to execute an Amendment to the contract with Hawthorne Machinery Company (Hawthorne), for the lease of heavy duty tractor bulldozers with full maintenance, to extend the contract for an additional twelve months from March 15, 2012 to March 14, 2013, with options to renew for one additional one-year period, in accordance with Request for Bid No. 9469-09-Y and Hawthorne's bid in response to Request for Bid No. 9469-09-Y, with options subject to City Council approval.
2. Authorize the Chief Financial Officer to expend an amount not to exceed \$1,625,000, for the additional twelve month term from Refuse Disposal Fund No. 700039, for the purpose of the above contract, contingent on passage of the Annual Appropriations Ordinance for the applicable fiscal year and contingent on the City Comptroller first finishing one or more certificates that funds are available for the contract.
3. Authorize the Mayor or his designee to exercise option to extend the above contract for up to one additional one-year period, under the terms and conditions set forth in the contract.

STAFF RECOMMENDATIONS:

Approve the requested action.

SUMMARY:

Through a competitive process in December 2008, Hawthorne Machinery Company was selected as the lowest responsible bidder meeting City specifications to provide bulldozers for daily refuse operations at the Miramar Landfill. The lease provides for heavy duty tractor bulldozers, four D9Ts (trash dozers) and one D9R dirt dozer with rippers), and includes all maintenance and operating expenses. The bid received was for two years with options to renew for three additional one-year periods and was not to exceed \$1,625,000 per year for those first two years. The proposed amendment is to extend the contract term for an additional twelve (12) months beginning March 15, 2012 through March 14, 2013, with one option to renew for an additional one-year period.

Heavy Duty tractor bulldozers are required for processing municipal solid waste. This involves pushing and compacting municipal solid waste, applying mulch and cover dirt as well as site maintenance at the Miramar Landfill. The size, durability, reliability and low operating costs have made the Caterpillar D9T/R the industry standard track-type tractor used in landfills. This machinery is essential to the daily operation, maintenance and regulatory compliance of the Miramar Landfill.

FISCAL CONSIDERATIONS:

The estimated annual lease cost is not to exceed \$1,625,000 per year and sufficient budget exists in the Refuse Disposal Enterprise Fund.

ENVIRONMENTAL STATEMENT:

This agreement is not a "project" and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On November 3, 2003, Council approved Resolution R-298550 awarding a lease contract for bulldozers operating at the Miramar Landfill to Hawthorne Machinery Company beginning November 20, 2003 through November 19, 2004 with options to renew for four additional one-year periods, ending November 19, 2008. In December 2008, after a competitive bid process, Hawthorne was again selected as the lowest responsible bidder meeting required City specifications for the same service.

On April 14, 2010, the Natural Resources and Cultural Committee, on a motion by Councilmember Emerald, seconded by Councilmember Lightner, voted to recommend approval of the two year contract with options to renew with any price escalation not to exceed 5% annually for three additional one-year periods to the full City Council. All the Committee members voted in favor (Council members DeMaio, Emerald, Frye and Lightner voted yea).

On May 25, 2010, the full City Council approved a contract for sixteen (16) months, retroactive to March, 15 2009 through July 14, 2010, pending further discussion.

On June 16, 2010, the Natural Resources and Cultural Committee approved an eight (8) month extension through March 15, 2011. All Committee members voted in favor (Council members DeMaio, Frye and Lightner voted yea, Councilmember Emerald was absent).

On July 20, 2010, the full City Council approved Resolution R-305979 extending the terms of the agreement with Hawthorne Machinery Company for heavy duty tractor bulldozers for eight (8) additional months, beginning July 15, 2010 and ending March, 14 2011 with three one year options to renew.

On March 8, 2011, the full City Council approved Resolution R-3006659 extending the terms of the agreement with Hawthorne Machinery Company for heavy duty tractor bulldozers for twelve (12) additional months, beginning March 15, 2011 and ending March 14, 2012 with two one year options to renew.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

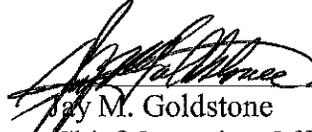
None

KEY STAKEHOLDERS & PROJECTED IMPACTS:

City of San Diego, Citizens of the City of San Diego, and Hawthorne Machinery Company



Chris Gonaver
Environmental Services Director



Jay M. Goldstone
Chief Operating Officer

