

<b>REQUEST FOR COUNCIL ACTION</b> CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)
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TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Environmental Services	DATE: 07/16/2012
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SUBJECT: Authorize Amendment to Hawthorne Machinery Contract for Landfill Compactor

PRIMARY CONTACT (NAME, PHONE): Meghan Cannis, 858-492-5009 1103-b	SECONDARY CONTACT (NAME, PHONE): Ken Prue, 858-492-5085 1103-b
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**COMPLETE FOR ACCOUNTING PURPOSES**

FUND	700039				
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER	2115121101				
OBJECT / GENERAL LEDGER ACCT	512036				
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	\$400,000.00	0.00	0.00	0.00	0.00

FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE):

**ROUTING AND APPROVALS**

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
	ORIG DEPT.		
	CFO		
	DEPUTY CHIEF		
	COO		
	CITY ATTORNEY		
	COUNCIL PRESIDENTS OFFICE		

PREPARATION OF:     RESOLUTIONS     ORDINANCE(S)     AGREEMENT(S)     DEED(S)

1. Authorize the Mayor or his designee to execute an amendment to the Agreement with Hawthorne Machinery Company for the lease of a heavy duty landfill compactor with full maintenance, extending the term of the Agreement from July 1, 2012 through June 30, 2013, with an option to renew for one additional one-year period, all in accordance with Request for Bid No. 9683-09-E and under the terms and conditions set forth in the Amendment to the Agreement.

2. Authorize the Chief Financial Officer to expend an amount not to exceed \$400,000 from Refuse Disposal Fund No. 700039, solely and exclusively to provide funds for the Amendment, contingent on passage of the Annual Appropriations Ordinance for the applicable fiscal year and provided that the City Comptroller first furnishes one or more certificates demonstrating that the funds are, or will be, on deposit in the City Treasury for the Amendment.

3. Authorize the Mayor or his designee to exercise the last option to extend the above Agreement for up to one additional one-year period, under the terms and conditions set forth in the Agreement.

4. If the Mayor determines to exercise the last one-year option, authorize the Chief Financial Officer to expend an amount not to exceed \$400,000. from Refuse Disposal Fund No. 700039 and contingent on: (i) execution of an appropriate amendment to the Agreement; (ii) passage of the Annual Appropriations Ordinance for the applicable fiscal year; and (iii) the City Comptroller first furnishing one or more certificates demonstrating that the funds are, or will be, on deposit in the City Treasury.

**STAFF RECOMMENDATIONS:**

Approve the requested actions

**SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)**

COUNCIL DISTRICT(S): All

COMMUNITY AREA(S): All

ENVIRONMENTAL IMPACT: This activity is not a “project” and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3)

CITY CLERK INSTRUCTIONS: Please notify Meghan Cannis x25009 when item has been forwarded to P&C following Mayoral approval.

**COUNCIL ACTION  
EXECUTIVE SUMMARY SHEET  
CITY OF SAN DIEGO**

DATE: 07/16/2012

ORIGINATING DEPARTMENT: Environmental Services

SUBJECT: Authorize Amendment to Hawthorne Machinery Contract for Landfill Compactor

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Meghan Cannis/858-492-5009 1103-b

**DESCRIPTIVE SUMMARY OF ITEM:**

Amendment to Hawthorne Machinery Contract for the lease of one heavy duty Landfill Compactor for operations at the Miramar Landfill.

**STAFF RECOMMENDATION:**

Approve the requested actions

**EXECUTIVE SUMMARY OF ITEM BACKGROUND:**

Through a competitive process in June 2009, Hawthorne Machinery Company (Hawthorne) was selected as the lowest responsive bidder meeting City specifications to provide a heavy duty landfill compactor for daily refuse compaction at the Miramar Landfill. The original agreement provides for one Caterpillar Model 836H Landfill Compactor (Compactor) and includes all maintenance. The original agreement was for two years, FY10 and FY11, with options to renew for three additional one-year periods.

The Compactor is the essential piece of heavy machinery needed for maximizing compaction and hence, lengthening the life of Miramar Landfill. It is used for trash compaction on a daily basis. Total expenditures for the initial two year term (FY10 & FY11) totaled \$587,307. The first option to extend the agreement for one year was exercised by the Purchasing Agent. Expenditures in FY12 totaled \$333,093. ESD anticipates that the total contract amount will approach \$1M at the close of the first quarter of FY13. Thus, ESD seeks Council approval to exercise and fund the next option year.

**FISCAL CONSIDERATIONS:**

The per hour rate for the lease of one heavy duty landfill compactor is \$159.76 per hour of use with a minimum requirement of 2,000 hours per year. Total expenditures for the lease of one compactor over the five-year period beginning FY 10 and including FY 14 are shown in the table below:

ESD recently piloted several alternative methods of compacting refuse in order to achieve maximum compaction rates; the key component in preserving landfill capacity. As a result of the pilots, the compactor was utilized for more hours; hence, increasing the cost. It is anticipated that in FY13 and FY14 the cost of the compactor may reach \$400,000 per year. Therefore, the total value of this agreement over a five-year period is not anticipated to exceed \$1.8M.

Irl. 2-yr Term FY10 & FY11	1st Option Yr. FY12	Proposed 2nd Option FY13	Proposed 3rd Option FY14
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\$587,307

\$333,093

\$400,000

\$400,000

**EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):**

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

**PREVIOUS COUNCIL and/or COMMITTEE ACTION** (describe any changes made to the item from what was presented at committee): To be heard at NR&CC on July 25, 2012

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**None

**KEY STAKEHOLDERS AND PROJECTED IMPACTS:** City of San Diego, City of San Diego Residents, Contractor

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Originating Department

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Deputy Chief/Chief Operating Officer