



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: June 8, 2010 REPORT NO: 10-85  
ATTENTION: Natural Resources and Culture Committee  
Agenda of June 16, 2010  
SUBJECT: Authorize the Amendment to the Contract with Hawthorne Machinery  
Co. to Lease Bulldozers for Refuse Operations at Miramar Landfill

REQUESTED ACTIONS:

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 eight months from July 15, 2010 through March 14, 2011, with options to renew for 3 additional one-year periods, in accordance with Request for Bid No. 9469-09-Y and Hawthorne's bid in response to Request for Bid No. 9469-09-Y.
2. Authorize the Chief Financial Officer to expend an amount not to exceed \$1,084,000, for the additional eight-month term from Refuse Disposal Fund No. 700039, for purposes of the above contract, contingent on passage of the Annual Appropriations Ordinance for the applicable fiscal year and contingent on the City Comptroller first furnishing one or more certificates that funds are available for the contract.
3. Authorize the Mayor or his designee to exercise one or more options to extend the above contract for up to three additional one-year periods, under the terms and conditions set forth in the contract.
4. Authorize the Chief Financial Officer to expend an amount not to exceed \$1,625,000 plus a price escalation not to exceed 5% in effect at the end of the prior contract year, as set forth in the contract, annually from Refuse Disposal Enterprise Fund No. 700039, contingent on passage of the Annual Appropriations Ordinance for the applicable fiscal year and contingent on the City Comptroller first furnishing one or more certificates that funds are available for the contract.

STAFF RECOMMENDATION:

Approve the requested actions.

## SUMMARY

Through a competitive process in December 2008, Hawthorne Machinery Company was selected as the lowest responsive bidder meeting City specifications to provide bulldozers for daily refuse operations at the Miramar Landfill. The lease provides for heavy duty tractor bulldozers (D9Rs) and includes all maintenance and operating expenses.

Heavy duty tractor bulldozers are required for processing municipal solid waste. This involves pushing and compacting waste and dirt, and site maintenance at the Miramar Landfill. The size, durability, reliability, and low operating costs have made the Caterpillar D9Rs bulldozer the industry standard track-type tractor used in landfills. This machinery is essential to the daily operation and maintenance at the Miramar Landfill.

On November 3, 2003, Council approved 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, an RFP was issued and Hawthorne was selected as the lowest responsible bidder meeting required City specifications for the same service. The bid received was not to exceed \$1,625,000 per year for the first two years. On May 25, 2010 Council approved a contract for 16 months, from March 15, 2009 through July 14, 2010.

The proposed amendment is to extend the contract term for an additional eight months beginning July 15, 2010 through March 14, 2011, with three options to renew for additional one-year periods.

## FISCAL CONSIDERATIONS:

Estimated annual lease cost is not to exceed \$1,625,000 for the first two years of the contract and sufficient budget exists in the Refuse Disposal Enterprise Fund.

## ENVIRONMENTAL STATEMENT:

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:

On November 3, 2003, Council approved 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 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 Culture Committee on a motion by Councilmember Emerald, seconded by Councilmember Lightner voted to recommend approval of the two year contract to the full City Council. All the Committee members voted in favor (Council members Lightner, Frye, Emerald and DeMaio voted yea).

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

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None.

KEY STAKEHOLDERS:

The City of San Diego, citizens of San Diego, and Hawthorne Machinery Company.



Chris Gonaver  
Environmental Services Director



Dave Jarrell  
Deputy Chief of Public Works