

**DRAFT****RESOLUTION 20xx-xxx**

**RESOLUTION AUTHORIZING AMENDMENT NO. 1 WITH HAWTHORNE MACHINERY CO. FOR AS-NEEDED HEAVY EQUIPMENT RENTAL SERVICES. THE MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENT WILL BE INCREASED BY \$175,000 FOR A NEW MAXIMUM AMOUNT OF \$350,000. FUNDS REQUIRED FOR THE CURRENT FISCAL YEAR ARE INCLUDED IN THE APPROVED FISCAL YEAR 2023 BUDGET. ALL FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1, (Port Act); and

**WHEREAS**, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 to establish a policy governing the processing and administration of public projects, consulting and service agreements, the purchasing of supplies, materials, and equipment, and grants; and

**WHEREAS**, the District uses a service contract for as-needed heavy equipment rental and repair services for use on District tidelands; and

**WHEREAS**, utilizing a heavy equipment rental and repair service agreement has been determined to be the most cost-effective means to supplement the District's maintenance requirements and operations; and

**WHEREAS**, services include rental of heavy equipment that is not part of the District's vehicle and equipment fleet to include excavators, cranes, back-holes, scissor lifts, steel trench plates, and pavement rollers; and

**WHEREAS**, the agreement is also used to repair District owned heavy equipment to include the FMT passenger boarding bridge at the B Street Cruise Ship Terminal; and

**WHEREAS**, the current agreement with Hawthorne Machinery Co. (Hawthorne) commenced on August 27, 2021, and will expire on August 26, 2024; and

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**WHEREAS**, unforeseen maintenance and repair requirements at the maritime terminals and other locations on District tidelands has accounted for a large percentage of the original maximum amount payable during Term One (1) of the agreement; and

**WHEREAS**, this includes the \$80,000 cost for the urgent repair of the FMT passenger boarding bridge and \$40,000 in equipment rental cost to support unplanned maintenance operations at both the Tenth Ave and National City Marine Terminals; and

**WHEREAS**, based on current and forecasted expenditures, the agreement will reach its maximum amount payable of \$175,000 during the third quarter of Fiscal Year 2023; and

**WHEREAS**, Amendment No. 1 is needed to increase the maximum expenditure under the agreement by \$175,000 to account for unplanned maintenance and repair operations at District facilities; and

**WHEREAS**, the proposed amendment will increase the maximum expenditure under the agreement from \$175,000 to \$350,000; and

**WHEREAS**, staff requests BPC authorization to execute Amendment No. 1 to the agreement with Hawthorne for as-needed heavy equipment rental services, increasing the maximum expenditure of \$175,000 for a new total agreement maximum expenditure amount of \$350,000; and

**WHEREAS**, funds for the remainder of FY 2023 are included in the current year approved budget for the General Services Department's Equipment Rental and Leasing budget and anticipated funds required for future fiscal years will be budgeted in the appropriate year subject to Board approval upon adoption of each fiscal year's budget.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the Executive Director or his designated representative is hereby authorized to enter into Amendment No. 1 to Agreement with Hawthorne Machinery Co. increasing the amount by \$175,000 for a new not-to-exceed amount of \$350,000.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 11<sup>th</sup> day of October 2022, by the following vote: