



## Legislation Text

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File #: 2022-0259, Version: 1

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**DATE:** October 11, 2022

**SUBJECT:**

**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.**

### **EXECUTIVE SUMMARY:**

The San Diego Unified Port District (District) uses an as-needed service agreement for heavy equipment rental services for use on District tidelands. The current agreement with Hawthorne Machinery Co.(Hawthorne) commenced on August 27, 2021, and will expire on August 26, 2024.

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. The proposed amendment will increase the maximum expenditure under the agreement from \$175,000 to \$350,000. This request is in accordance with Board of Port Commissioners Policy No. 110, Section II.D.2.

Staff requests Board 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.

### **RECOMMENDATION:**

Adopt a Resolution authorizing Amendment No. 1 to the agreement with Hawthorne Machinery Co. For As-Needed Heavy Equipment Rental services, increasing the maximum expenditure under the agreement by \$175,000 for a new maximum expenditure amount of \$350,000.

### **FISCAL IMPACT:**

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. 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.

## **COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A Port that is a safe place to visit, work and play.
- A financially sustainable Port that drives job creation and regional economic vitality.

## **DISCUSSION:**

The District uses a service contract for as-needed heavy equipment rental and repair services for use on District tidelands. 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.

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. 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.

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. 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. 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.

Staff recommends the Board authorize Amendment No. 1 to the agreement with Hawthorne for as-needed heavy equipment rental services, increasing the maximum amount payable of \$175,000 for a new total agreement maximum amount of \$350,000.

## **Procurement Details:**

Pursuant to Board of Port Commissioners Policy No. 110, District staff issued RFB No. 20-24JR seeking qualified firms to provide As-Needed Heavy Equipment Rental and Repair Services from August 27, 2021, through August 26, 2024.

The RFB was advertised through Planet Bids and the solicitation was issued on January 13, 2021, with bids due by February 11, 2021. Five (5) bids were received, and Hawthorne provided the lowest bid for the services requested.

## **General Counsel's Comments:**

The Office of the General Counsel has reviewed this agenda as presented to it and approves the same as to form and legality.

### **Environmental Review:**

The proposed Board action, including without limitation, authorizing amendment no. 1 with Hawthorne for as-needed heavy equipment rental services to increase the maximum amount payable under the agreement by \$175,000 for a new maximum amount of \$350,000, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because there is not a potential to result in a direct or indirect physical change in the environment. Therefore, the proposed Board action is not subject to CEQA and no further action under CEQA is required.

The proposed Board action complies with Sections 21 and 35 of the Port Act, which allow the Board to pass resolutions; and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or an exclusion finding is not required.

### **Diversity, Equity, and Inclusion Program:**

Due to limited sub opportunities, no SBE goal was established for this agreement.

### **PREPARED BY:**

Allen Broughton  
Assistant Director, General Services

### **Attachment(s):**

Attachment A: Amendment No. 1 with Hawthorne Machinery Co. for As-Needed Heavy Equipment Rental Services.