



# City of San Antonio

## Agenda Memorandum

**File Number:**19-8109

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**Agenda Item Number:** 4.

**Agenda Date:** 12/5/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Ratification of a Contract for the Replacement of an Engine for a Tub Grinder at the Bitters Brush Recycling Center

### **SUMMARY:**

An ordinance ratifying a contract with Holt Texas LTD dba Holt Cat in the amount of \$76,001.85 for the replacement of an engine in a tub grinder located at the Bitters Brush Recycling Center for the Solid Waste Management Department (SWMD). Funding is available from the FY 2020 Fleet Services Fund Budget. This contract was procured citing an Unforeseen Damage to machinery, equipment or other property according to the provisions of Texas Statutes Local Government Code 252.022.03.

### **BACKGROUND INFORMATION:**

Submitted for Council consideration and action are invoices from Holt Texas LTD dba Holt Cat in the amount of \$76,001.85 for the purchase of a remanufactured C27 Caterpillar engine and necessary parts to install the engine into a tub grinder located at the Bitters brush site. In July 2019, one of the two tub grinders at the site suffered an engine failure at the height of the brush collection and required immediate replacement to support the demand of the Bitters brush site. The final invoices were approved by the Solid Waste Management Department in September 2019.

During this time of the year, SWMD receives several thousand tons of brush monthly that must be ground into mulch in order to maintain sufficient space for additional incoming loads of brush. While both are flammable, a brush fire is potentially more hazardous than a mulch fire. More importantly, mulch is a valuable commodity and can be moved from the site as a product. The State of Texas has specific requirements for processing this

type of material quickly and requires that this type of material received in Bexar County must be processed within 90 days of receipt.

## **ISSUE:**

According to Texas Commission on Environmental Quality (TCEQ) Site Operations Plan (SOP), Bitters Recycling Center is to process 90% of the material received annually which equates to approximately 4,500 tons monthly. TCEQ has regulations in place under Title 30 of the Texas Administrative Code (TAC) 332.3 (d) (1) or (3) which could lead to disciplinary action for violations of the guidelines. Without the repair of the tub grinder, these guidelines would not have been met.

This ordinance ratifies payment of invoices in the amount of \$76,001.85 for the replacement of an engine in a tub grinder at the Bitters brush site. This ratification was necessary to expedite the replacement of the engine to repair a large tub grinder that supports 50% of the Bitters brush site's grinding responsibilities. It is extremely important to repair this type of high priority equipment quickly as heavy usage on the large brush grinders can cause breakdowns on a daily basis. The second grinder at the Bitters brush site was also in need of repair at the time of this major breakdown.

This action is an exception to the Small Business Economic Development Advocacy (SBEDA) and Local Preference Programs.

The Veteran-Owned Small Business Preference Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

## **ALTERNATIVES:**

The Solid Waste Management Department could have bid out repairs to the tub grinder which would have delayed the necessary repairs and potentially put the Bitters brush site in violation of TCEQ regulations. Due to the failure of the engine at the height of the brush collection season, the tons of brush built up during the equipment down time would have resulted in a delay in processing and potential fire hazard. As a result, immediate repair of the tub grinder was required.

## **FISCAL IMPACT:**

An ordinance ratifying a contract with Holt Texas LTD dba Holt Cat in the amount of \$76,001.85 for the replacement of an engine in a tub grinder located at the Bitters Brush Recycling Center for the Solid Waste Management Department (SWMD). Funding is available from the FY 2020 Fleet Services Fund Budget. This contract was procured citing an Unforeseen Damage to machinery, equipment or other property according to the provisions of Texas Statutes Local Government Code 252.022.03.

## **RECOMMENDATION:**

Staff recommends approval of payment of invoices to Holt Texas LTD dba Holt Cat in the amount of \$76,001.85 for the purchase of a replacement engine and associated parts for the repair of the tub grinder located at the Bitters brush site.

This contract was procured on the basis of a Certificate of Exemption due to Unforeseen Damage to Machinery, Equipment or other Property Procurement and a Contracts Disclosure Form is not required.