TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: JUNE 20, 2005

DEPARTMENT: PUBLIC WORKS

SUBJECT: APPROVAL OF AN ENTERPRISE CONTRACT WITH KELLY’S STUMP REMOVAL COMPANY, INC. IN AN AMOUNT NOT TO EXCEED $150,000 FOR FY 2005–2006 STUMP REMOVAL PROJECT

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached contract with Kelly’s Stump Removal Company, Inc. (Attachment A) in an amount not to exceed $150,000 for the FY 2005–2006 Stump Removal Project, contingent upon Council approval of the FY 2005-2006 budget.

2. Authorize the City Manager or his designee to exercise the option to renew the contract for the second year (FY 2006-2007) in an amount not to exceed $125,000, provided the contractor is responsive to the City’s needs and the quality of the contractor’s work is acceptable. Funding for the second year is contingent upon Council approval of the FY 2006-2007 budget. The 2-year contract total will not exceed $275,000.

DISCUSSION

Project Description
The work to be performed under the contract includes the removal of stumps throughout the City and, when necessary, the grinding of excessive surface roots outside the limits of work for stump removal. The City has outsourced stump removal since 1982. Staff will identify stumps for removal during the term of the contract and will compile this information into removal lists that will periodically be issued to the contractor. The cost of stump removals for the term of the contract will be in conformance with the unit prices listed in the bid summary (Attachment B). The quantities and sizes of stumps in the Bid Schedule were given for the comparison of bids and are based on historical experience and use.

Bid Process
A notice inviting formal bids for the FY 2005-2006 & FY 2006-2007 Stump Removal Project/111624 was posted at City Hall and sent to sixteen contractors on April 18, 2005. The bidding period was 29 days. Bids were received from 2 qualified contractors on May 17, 2005, as listed on the attached bid summary (Attachment B). Bids ranged from a high of $344,160.00 to a low bid of $237,545.00. Two other bids were submitted but were deemed non-responsive due to bid submittal irregularities or missing bid bonds.
## Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>2005-2006 &amp; 2006-2007 Stump Removal Project / 111624</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>1 year – renewable for 1 additional year</td>
</tr>
<tr>
<td>Number of Bids Mailed to</td>
<td>16</td>
</tr>
<tr>
<td>Contractors</td>
<td></td>
</tr>
<tr>
<td>Number of Bids Mailed to</td>
<td>0</td>
</tr>
<tr>
<td>Builder’s Exchanges</td>
<td></td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>29</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of Company Attendees at</td>
<td>6</td>
</tr>
<tr>
<td>Pre-Bid Meeting</td>
<td></td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>2*</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $237,545.00 to a high of $344,160.00 for 2 years</td>
</tr>
</tbody>
</table>

*Bid summary provided in Attachment B. The Certification of Nondiscrimination is Attachment C.

Staff has reviewed all bids submitted and recommends that the low bid of $237,545 submitted by Kelly’s Stump Removal Company, Inc. be accepted and that Kelly’s Stump Removal Company, Inc. be declared the lowest responsible bidder. The bid is 14 percent below the staff estimate of $275,000.

Staff confirmed with the Contractor's State License Board that the contractor has an active license on file. The contractor is currently working on the 2004-2005 Stump Removal Project and has been responsive to the City’s needs and the quality of the contractor’s work has been acceptable.

### RESOURCE IMPACT

Funds for this project are included in the FY 2005-2006 Public Works Department Operations Division budget. Staff has traditionally outsourced stump removal work on a unit cost basis to ensure fixed costs for the work. Outsourcing of the work also eliminates the need to purchase and maintain expensive and high maintenance stump removal equipment while freeing up City tree maintenance personnel for the higher skill level work they perform.

### POLICY IMPLICATIONS

The approval of this contract is consistent with existing policies.

### ENVIRONMENTAL REVIEW

The proposed City of Palo Alto stump removal project is a necessary component of ongoing tree maintenance throughout the city and does not have significant environmental impacts. The stumps are located within the public right-of-way and their removal is categorically exempt from California Environmental Quality Act (CEQA) review under Section 15301(h), covering the replacement and minor alteration of existing facilities, including specifically the maintenance of existing landscaping.
PREPARED BY:  ____________________________________________
EUGENE F. SEGNA
Project Manager

DEPARTMENT HEAD:  _________________________________________
GLENN S. ROBERTS
Director of Public Works

CITY MANAGER APPROVAL:  ____________________________________
EMILY HARRISON
Assistant City Manager

ATTACHMENTS
Attachment A:  Contract
Attachment B:  Bid Summary
Attachment C:  Certification of Nondiscrimination