TO:             HONORABLE CITY COUNCIL  
FROM:          CITY MANAGER            DEPARTMENT: PUBLIC WORKS  
DATE:          OCTOBER 6, 2008            CMR:386:08  
REPORT TYPE:   CONSENT  
SUBJECT:       Approval Of A Utilities Enterprise Fund Contract With Asplundh Tree Expert Company In An Amount Not To Exceed $797,080 For The First Year And $1,062,000 For Up To Four Additional Years For The 2008 Power Line Clearing Project  

RECOMMENDATION  
Staff recommends that Council:  

1. Approve and authorize the City Manager or his designee to execute the attached contract with Asplundh Tree Expert Company (Attachment A) in an amount not to exceed $797,080 for the first year (through June 30, 2009) of the 2008 Power Line Clearing Project.  

2. Authorize the City Manager or his designee to exercise the option to renew the contract for up to four additional years through June 30, 2013 in an amount not to exceed $1,062,000 each year, provided the contractor is responsive to the City’s needs and the quality of the contractor’s work is acceptable. Funding for each additional year is contingent upon Council approval of that Fiscal Year’s budget.  

DISCUSSION  
Project Description  
The work to be performed under the contract includes clearing of trees and other vegetation from electrical conductors, poles, substations, fiber optic, traffic signals and street lights throughout the City. Clearing vegetation from power lines is an on-going operation necessary to provide safe, reliable power to the City’s utility customers. Clearance is mandated by the California Public Utilities Commission and the City can be subject to fines if the required clearances are not maintained at all times. All tree work shall conform to the techniques and standards specified in ANSI A300 (Tree, Shrub and Other Woody Plant Maintenance – Standard Practices). City staff will monitor for adherence to these standards.  

The term of the contract will be for up to five years. Staff has found that a multi-year contract is advantageous to the City because it allows a contractor to amortize major equipment purchases, retain highly qualified workers, and bid lower prices for the work. The amount of work in the bid items is based on work recently completed by the current line clearing contractor. Tree growth is highly dependent on precipitation. Therefore, the actual work levels and costs may be
higher or lower than the estimated quantities in the bid. The bid establishes the unit and hourly rates for each type of work.

Staff has previously determined that using contract forces to perform this work is much more efficient than tying up limited City tree crew resources due to the large size and ongoing nature of the project.

A notice inviting formal bids for the project was posted at City Hall and sent to six contractors on August 13, 2008. The bidding period was 27 days. Bids were received from three qualified contractors on September 9, 2008, as listed on the attached bid summary (Attachment B). Bids ranged from a high of $1,073,200 to a low bid of $932,836. Although the low bid for this project was $932,836, the contract amount is $797,080 since the first year costs of the contract are prorated for a period of less than nine months (from award of contract through June 30, 2009). The quantities given in the bid schedule were based on an average amount of work that might be expected in a twelve-month period. They were given only as a basis for comparison of bids and the City did not guarantee that the actual amount or proportion of work would correspond therewith.

### Summary of Bid Process

<table>
<thead>
<tr>
<th>Bid Name/Number</th>
<th>2008 Power Line Clearing Project /RFQ #127935</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>1 “year” – renewable for up to 4 additional years</td>
</tr>
<tr>
<td>Number of Bids Mailed to Contractors</td>
<td>6</td>
</tr>
<tr>
<td>Number of Bids Mailed to Builder’s Exchanges</td>
<td>0</td>
</tr>
<tr>
<td>Total Days to Respond to Bid</td>
<td>27</td>
</tr>
<tr>
<td>Pre-Bid Meeting?</td>
<td>Yes</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-Bid Meeting</td>
<td>6</td>
</tr>
<tr>
<td>Number of Bids Received:</td>
<td>3</td>
</tr>
<tr>
<td>Bid Price Range</td>
<td>From a low of $932,836 to a high of $1,073,200.</td>
</tr>
</tbody>
</table>

*Bid summary provided as Exhibit E to the contract.

Staff has reviewed all bids submitted and recommends that the bid of $932,836 submitted by Asplundh Tree Expert Company be accepted and that Asplundh Tree Expert Company be declared the lowest responsible bidder. The bid is 1.2 percent above the staff estimate of $921,750.

Staff confirmed with the Contractor's State License Board that the contractor has an active license on file. Staff checked references supplied by the contractor for previous work performed and found no significant complaints.

**RESOURCE IMPACT**

Funds for this project are included in the FY 2008-2009 Utilities Department budget. For each additional year, the contractor’s rates may be increased by an amount not to exceed the percentage increase in the Consumer Price Index for the San Francisco-Oakland-San Jose area.
In no event shall the contractor’s compensation rates be increased by an amount exceeding five percent of the rates effective during the immediately preceding term.

**POLICY IMPLICATIONS**
The approval of this contract is consistent with existing policies.

**ENVIRONMENTAL REVIEW**
The recommended action is exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(h) [maintenance of existing landscape].

**ATTACHMENTS**
Attachment A: Contract (includes Certification of Nondiscrimination)
Attachment B: Bid Summary

PREPARED BY: 

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DEPARTMENT HEAD: 

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CITY MANAGER APPROVAL: 

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