

Agenda Report

September 22, 2014

TO: Honorable Mayor and City Council

THROUGH: The Municipal Services Committee (September 9, 2014)

FROM: Water and Power Department

SUBJECT: AUTHORIZE A CONTRACT WITH UTILITY TREE SERVICES, INC., TO PROVIDE POWERLINE CLEARANCE TREE TRIMMING SERVICES FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is categorically exempt from environmental review pursuant to the California Environmental Quality Act ("CEQA") Guidelines Section 15301, Class One, Existing Facilities; and
2. Accept the bid dated July 29, 2014 from Utility Tree Services in response to Specifications LD-14-7 for tree trimming services for the Water and Power Department ("PWP"); and authorize a contract for an initial period not to exceed four years or until \$5,200,000 has been expended, whichever comes first; with two additional extensions, each not to exceed \$1,000,000; prices may increase annually but they may not exceed the increase in the Consumer Price Index for the Los Angeles County-Riverside-Orange County area for the most recently available 12-month period.

BACKGROUND:

It is a best business utility practice to trim trees located in close proximity to overhead distribution lines to improve safety and reliability of service; such a practice is also required by the State of California, Public Utilities Commission, General Order 95.

Pasadena Water and Power (PWP) requires an average of 7,800 trees be trimmed in proximity to City overhead energized electrical lines annually; 80 percent of which are not on public right of ways, but in the rear of private properties. Tree trimming around energized lines is essential to maintain the safety and reliability of the electrical service.

The existing contract with Asplundh Tree Expert Company for tree trimming services has expired due to Asplundh's decision to stop doing business in California and

subsequent refusal to execute previously Council authorized contract extensions. Pasadena has been issuing Purchase orders starting in June 2014 to fill the tree trimming needs until a new contract is in place.

In order to meet PWP's need for such services for the next few years, a Notice Inviting Bids on Specification LD-14-7 was published on July 10, 2014 in *The Pasadena Journal* and posted on the City's web page. In addition, specifications were mailed to thirty businesses on the Purchasing Division's vendor list. On July 29, 2014, three bids were opened in the City Clerk's office.

<u>Contractor/ Location</u>	<u>Bid Amount</u>
Utility Tree Services, Willow Grove, PA	\$1,295,715
Davey Tree Surgery Company, Livermore, CA	\$1,299,104
WCA, Anaheim, CA	\$1,686,400

The evaluation was based on criteria set forth in the specifications to determine the average grand total to adjust tree tops, clear limbs, remove and dispose of trees, tree branches and brush, prune overhanging branches and maintain proper tree structure around energized electrical distribution lines on private properties. Costs are billed on an hourly basis.

Utility Tree Services submitted the lowest bid that met all requirements of the specifications. Staff recommends award of a labor and service contract to Utility Tree Services for an initial period not to exceed four years or until \$5,200,000 has been expended, whichever comes first. The contract may be extended for up to two additional periods, not to exceed \$1,000,000 each. Following the initial term of the contract, the contractor may increase prices annually but it may not exceed the increase in the Consumer Price Index for the Los Angeles County-Riverside-Orange County area for the most recently available 12-month period. This contract will enable PWP to meet the requirements of General Order 95.

The proposed contract is in compliance with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

The PWP specification included the requirement to have an onsite tree trimming job supervisor who is a certified arborist. In addition, a certified City of Pasadena arborist will conduct periodic inspections to ensure tree trimming operations are in compliance with the specifications and the law. Every effort is made to maintain the natural character of the trees being trimmed.

Unlike contractors performing work for the Forestry Section of the Public Works Department, all tree trimmers and climbers must be Qualified Line Clearance tree workers who have had training, experience and demonstrated familiarity with the techniques and hazards of tree maintenance, removal, and the equipment around electrical energized lines. They use equipment that is electrically insulated and perform the majority of the work on private property typically in backyards.

In November 2013, Council authorized two contracts with George Salinas Tree Preservation (from Yorba Linda) to supplement Forestry Section crews in performing hardwood tree pruning services for \$630,300 over a three year period and two additional one year term not to exceed \$210,100 per year and another for palm tree pruning services for \$379,500 over a three year period and two additional one year term not to exceed \$126,500 per year. This contractor is expected to prune approximately 5,300 mature hardwood and 2,100 palm trees annually on streets and in parks in Pasadena. George Salinas Tree Preservation will be paid for work performed on a per tree basis.

The PWP tree pruning services were not included in the specifications Public Works issued in October 2013 for a multitude of reasons: tree pruning around energized lines is specialized and requires qualified tree trimmers, majority of the work is performed on a variety of trees on private properties not on public right of ways or parks, contract price is based on crew and hourly rates not on a per tree basis, and the work is funded by the Power operating fund. Also when Public Works issued the specifications in October 2013, PWP had an existing contract with Asplundh and expected to extend this contract in June 2014 for two more one year term as previously authorized by Council in June 2010.

COUNCIL POLICY CONSIDERATION:

The proposed contract supports the Council's goal to improve, maintain and enhance public facilities infrastructure, to provide a high level of service through more efficient management of resources.

ENVIRONMENTAL ANALYSIS:

The proposed contracts are exempt from environmental review pursuant to the State CEQA Guidelines 15301, Class 1 Existing Facilities. Class 1 exempts from environmental review the maintenance of existing public or private facilities where there is negligible or no expansion of the use. Subsection 15301 (h) of this exemption specific includes the maintenance of existing landscaping and native growth. The proposed project is a contract to continue services for tree trimming in close proximity of overhead energized distribution lines. There will be no expansion of the use. All trimming will continue to comply with applicable code requirements.

FISCAL IMPACT:

The cost of this action if all extensions are approved will be \$7,200,000 through fiscal year 2020. It is anticipated that approximately \$750,000 will be spent during the remainder of fiscal year 2015. This cost will be addressed by utilizing existing appropriations in the Power Operating Fund 401, account 8116-843210-0593. Funds will be requested in future years' operating budgets to cover anticipated expenses for

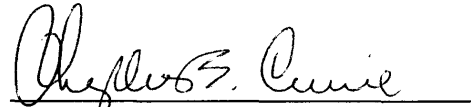
each year. Work will not be authorized under this contract unless sufficient funding is available in the Power Fund Operating Budget.

The following table represents the total cost under this contract:

	FY2015	Remainder of Initial term	Extension 1	Extension 2	Total
Base Contract	\$750,000	\$4,450,000	\$1,000,000	\$1,000,000	\$7,200,000
Admin/Inspections	\$20,000	\$80,000	\$25,000	\$25,000	\$150,000
Fiscal Impact	\$770,000	\$4,530,000	\$1,025,000	\$1,025,000	
Total Maximum Fiscal Impact					\$7,350,000

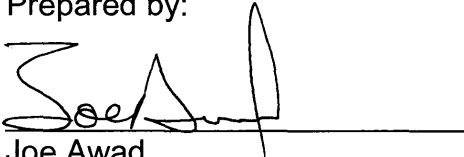
The anticipated impact to other operational programs or capital projects as a result of this action will be \$150,000 for administrative and inspection expenses.

Respectfully submitted,



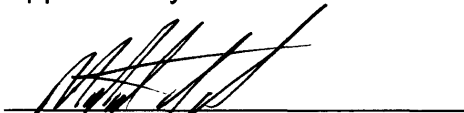
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