

Agenda Report

August 18, 2025

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZE THE CITY MANAGER TO AMEND CONTRACT NO. 31978 WITH UTILITY TREE SERVICE, LLC. TO INCREASE THE CONTRACT AMOUNT BY \$1,800,000 FOR A REVISED TOTAL AMOUNT NOT-TO-EXCEED \$17,520,000 AND EXTEND THE CONTRACT EXPIRATION DATE FOR POWER LINE CLEARANCE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that this action proposed herein is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b); and
2. Authorize the City Manager to amend Contract No. 31978 with Utility Tree Service, LLC ("UTS") to increase the contract amount by \$1,800,000 thereby increasing the total to a not-to-exceed amount of \$17,520,000, and extend the contract expiration date to January 31, 2026.

BACKGROUND:

On February 8, 2021, the City Council accepted the bid dated August 10, 2020, from UTS in response to Specifications for Tree Trimming Services for the Water and Power Department; and authorized the City Manager to enter into a contract for an initial term not to exceed three years or until \$9,432,000 has been expended, whichever occurs first; with two optional one-year extensions, each not to exceed \$3,144,000.

On February 11, 2025, a Notice Inviting Bids was published on OpenGov for Tree Trimming, Vegetation Management, and Emergency Response Services for Power Line Clearance, to secure a new long-term contract for the City's essential utility vegetation management operations. These services are critical for maintaining electrical system safety, minimizing wildfire risks, and ensuring compliance with regulatory requirements. Following the competitive bidding process, staff identified the lowest responsive and responsible bidder and scheduled a recommendation for contract award during the City Council meeting on July 14, 2025. The item was held for the July 21, 2025 meeting.

During these sessions, the Council considered public comments, bidder protests, community concerns regarding tree trimming practices, and the possibility of transitioning services from outsourced contractors to City staff.

After comprehensive deliberation, the City Council elected to reject all bids and directed staff to reissue the solicitation. Additionally, the City Council instructed staff to propose an amendment to extend the existing agreement with UTS Contract No. 31978 to ensure uninterrupted service delivery during this interim period.

The Contract expires on December 12, 2025, however, funds are nearly exhausted. To maintain continuous vegetation management and emergency response capabilities, staff recommends increasing the total not-to-exceed amount by \$1,800,000, from \$15,720,000 to \$17,520,000, and amending the contract expiration date to January 31, 2026. This funding increase aligns with historical expenditure trends, ensuring consistent service levels throughout the rebidding and contract award processes. UTS has agreed to this extension.

The proposed amendment will also mitigate potential risks associated with unforeseen delays or complications in selecting and awarding a replacement contract, thereby safeguarding uninterrupted essential services.

COUNCIL POLICY CONSIDERATION:

The proposed contract is consistent with the City Council's goals to maintain fiscal responsibility and stability, and PWP's strategic initiatives to enhance customer satisfaction and confidence, improve efficiency and business continuity, and maintain PWP's fiscal health and stability.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein, authorizing staff to amend an existing contract by increasing the amount to continue receiving tree trimming services, is an organizational or administrative governmental activity that does not result in physical changes to the environment, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The cost of the recommended action is \$1,800,000 in FY 2026. The Department will utilize existing budgeted appropriations in the Power Operating Fund (401) to support the contract costs. There is no impact to the General Fund.

Table I: Proposed Contract Amendment

Initial Contract Amount	\$ 15,720,000
Proposed Contract Amendment	\$ 1,800,000
Total Amended Contract Amount	\$ 17,520,000


Respectfully submitted,



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