

# Agenda Report

**TO:** CITY COUNCIL **DATE:** November 23, 1998  
**FROM:** CITY MANAGER  
**SUBJECT:** EXTENSION OF CONTRACTS WITH GOLDEN BEAR ARBORISTS INC.

**RECOMMENDATION:**

1. It is recommended that the City Council authorize the City Manager to extend contracts 16,401 and 16,475 with Golden Bear Arborists Inc., for a period of one year each or until an amount not to exceed \$62,940 and \$120,635 respectively is expended.
2. It is recommended that City Council appropriate \$8,575 from the personnel reserve account to Forestry Budget Account #765210 to accommodate a rate increase.

**BACKGROUND:**

On July 2, 1997, Golden Bear Arborists Inc., was awarded contract number 16,401 for tree and stump removal. Subsequently, Golden Bear was also awarded contract number 16,475 for hardwood pruning. The not to exceed amount of the contracts were \$60,000 and \$115,000 respectively.

Both contracts were for a base term of one year with options to renew for up to two (2) additional one-year periods at the discretion of the City Manager, provided all terms, conditions and pricing remained unchanged.

The base term of each contract has expired. Golden Bear has performed well under both contracts and staff desires to exercise the first extension options. As mentioned above, the City Manager is authorized to extend the contracts provided all terms, conditions and pricing remain unchanged. Golden Bear notified the City that as such extension would be subject to the City's Living Wage Ordinance it will be unable to comply with the ordinance unless the contract billing rates are adjusted to support living wage. Of a total 10.9% increase, Golden Bear has requested a 4.9% increase in billing rates. They will absorb the remaining 6% increase within their operation. Please see Table 1 on Page 2.

Table 1

	FY 1998	FY 1999	City Portion of increase	Amount Contractor will absorb
<b>Pruning</b>	\$115,000	\$120,945	\$5,635	\$6,900
<b>Removal</b>	\$ 60,000	\$ 62,940	\$2,940	\$3,600
	<b>\$175,000.00</b>	<b>\$183,885.00</b>	<b>\$8,575.00</b>	<b>\$10,500.00</b>

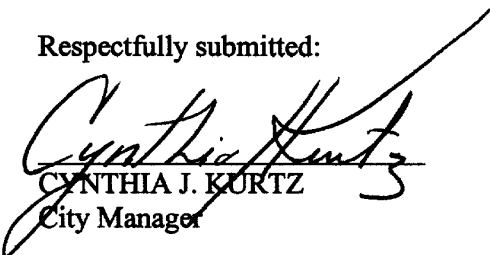
Golden Bear has informed us that their crews are fluid. The foreman stays with the job throughout the contract, but the work force moves around based on the nature of the work to be performed. They estimated that 18% of their work force is paid at about minimum wage with the balance at or above living wage.

Staff has considered this request and has concluded that re-bidding the work will not likely result in lower cost to the City. Therefore staff recommends increasing the billing rates under the proposed contract extension accordingly. As was the case when the City extended the contract with its housekeeping contractor as a result of City Council requirements with minimum wages for that work, an amendment of the contract to increase the billing rates by a fixed and directed amount, is within the City's rights without requiring a new bidding procedure.

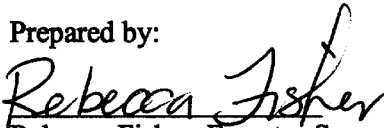
**FISCAL IMPACT:**

Funds are available in the Parks and Natural Resources in the Forestry Operations budget account # 765210 in the amount of \$175,000. The remaining amount of \$8,575 to accommodate living wage will come from the personnel reserve budget account.

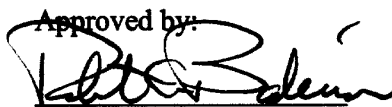
Respectfully submitted:

  
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