Tree Service Contracts
Bid #10023410-13-Q

Budget and Finance Committee

Presented by:
Park and Recreation Department
Purchasing and Contracting Department
Transportation and Storm Water Department

March 13, 2013
Action is to request approval to award three tree service contracts that will exceed $1 million in total cost over five-year period (initial one-year term plus four one-year options to renew):

- Atlas Environmental
- Aztec Landscaping
- West Coast Arborists

Contracts result from a shared solicitation of tree services across multiple departments
· Consolidation of all tree service contract work was desired by Purchasing and Contracting to achieve economies of scale and reduce costs

· Comparison of proposed tree service contracts and existing/expiring tree service contracts results in an estimated cost savings to be as much as 43% per labor hour on average

· Solicitation for tree services began March 2012 and ended July 2012

· Award proposed in eight sections
<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Recommended Award by Sections Bid</th>
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</thead>
<tbody>
<tr>
<td>Atlas Environmental</td>
<td>A. Tree Trimming – Public Rights of Way</td>
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<td>C. Tree Trimming – Parks and Building Grounds</td>
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<td></td>
<td>G. As-Needed Hourly Services</td>
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<td>H. Emergency Call-Out</td>
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<tr>
<td>Aztec Landscaping</td>
<td>B. Tree Trimming – Open Space</td>
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<tr>
<td>West Coast Arborists</td>
<td>D. Tree Preservation/Root Barriers</td>
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<td>E. Tree Removal</td>
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<td>F. Tree Planting</td>
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<td>Optional Tree Inventory</td>
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</tbody>
</table>
Purchasing Process:
- Contracts competitively bid per Municipal Code §22.3001
- Lowest responsive bid in each section recommended for award
- Vendor required to pay living wage per Municipal Code §22.4201
- Contract pricing may change annually
  - Living wage rate adjusts each year based on CPI
  - Inflation adjustment
  - Amount not to exceed 5% annually
· Purchasing Process:
  – Contract term is up to five years total: initial one-year term plus up to four one-year options to renew
  – Contracts are phase funded – FY 2013 to FY 2018
  – Contracts have not yet been awarded as at least one will exceed $1 million in the initial contract term; the other contracts will exceed $1 million in cumulative expenditures in one of the option years
  – Municipal Code §22.3211(d) requires Council approval for contracts exceeding this threshold
## Tree Service Contracts

<table>
<thead>
<tr>
<th>Vendor</th>
<th>FY 2013 Amount</th>
<th>Total Contract Amount FY 2013-2018</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlas Environmental</td>
<td>$1,356,819</td>
<td>$13,014,040</td>
<td>70%</td>
</tr>
<tr>
<td>Aztec Landscaping</td>
<td>$223,400</td>
<td>$3,584,859</td>
<td>20%</td>
</tr>
<tr>
<td>West Coast Arborists</td>
<td>$122,816</td>
<td>$1,914,573</td>
<td>10%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,703,035</strong></td>
<td><strong>$18,513,472</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Budgeted Tree Contract Funding Sources

FY 2013-2018

- **$7,376,253** (40%)
- **$8,671,919** (47%)
- **$1,142,964** (6%)
- **$713,729** (4%)
- **$608,607** (3%)

- General Fund
- Maintenance Assessment District Funds
- Underground Utility Surcharge Fund
- Golf Course Enterprise Fund
- Public Utilities Funds

Note: This chart represents projected multi-year costs. Funds will be requested through the normal budget process each fiscal year.
Tree Service Contracts

- **User Departments:**
  - Library
  - Park and Recreation
  - Public Utilities
  - Real Estate Assets
  - Transportation and Storm Water

- **Community Outreach:**
  - Community Forest Advisory Board – January 2013
  - Maintenance Assessment District Committees
• Requested Actions:
  – Authorize award of three tree service contracts anticipated to exceed $1 million
  – Authorize expenditure of funds associated with the contracts for future fiscal year contingent upon future budget approvals