



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: SEPTEMBER 26, 2022

SUBJECT: BID NO. RPU-7922 - UTILITY LINE CLEARANCE AND VEGETATION MANAGEMENT SERVICES FOR CITYWIDE AREA, WITH WEST COAST ARBORISTS, INC., OF GRAND TERRACE, CALIFORNIA, FOR A FIVE-YEAR TERM IN THE AMOUNT OF \$20,000,000, ENDING OCTOBER 31, 2027, WITH TWO OPTIONAL ONE-YEAR EXTENSIONS; CHANGE ORDER AUTHORITY OF 10% IN THE AMOUNT OF \$2,000,000; FOR A TOTAL FIVE-YEAR EXPENDITURE OF \$22,000,000

ISSUES:

Consider awarding Bid No. RPU-7922 for Utility Line Clearance for Tree and Vegetation Management Services to West Coast Arborists, Inc., of Grand Terrace, California, for a five-year term with two optional one-year extensions, in the amount of \$20,000,000 with a 10% or \$2,000,000 change order authority, for a five-year expenditure of \$22,000,000.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Award Bid. No. RPU-7922 for the Utility Line Clearance, and Vegetation Management Services to West Coast Arborists, Inc., of Grand Terrace, California, for a five-year term ending October 31, 2027, in the amount of \$20,000,000, with two optional one-year extensions;
2. Approve change order authority of 10%, in the amount of \$2,000,000; and
3. Authorize the City Manager, or designee, to execute the agreement and optional contract extensions, including making minor and non-substantive changes in alignment with all purchasing policies.

BACKGROUND:

Utility line clearance tree trimming, and vegetation management is a vital function of Riverside Public Utilities (RPU) to maintain safe clearance between energized overhead electric lines and trees in accordance with state law, as generally set forth in California Public Utilities Commission's General Order 95 Rule 35. Proper tree and vegetation clearance help maintain public safety and reliability of electric service.

RPU trims approximately 25,000 trees per year to avoid overhead conductors contacting tree branches and help reduce outages. In addition to annual trimming, RPU responds to emergencies involving tree conflicts with power lines on a regular basis. The robust vegetation management program enables RPU to resolve other vegetation issues, such as vines, bamboo, and overgrown shrubs that hinder construction and maintenance activities, and pose threats of service interruption or fire. Vegetation management is coordinated closely with the Public Works Department's Urban Forester. When trimming is required, residents are notified in advance of the proposed schedule before work is performed.

DISCUSSION:

The work performed for utility line clearance for tree trimming, and vegetation management must be conducted by qualified Line Clearance Tree Trimmers and inspected by certified arborists to ensure work is performed in accordance with ANSI Tree Pruning Standards, applicable requirements, industry leading practices, and the City's Urban Forestry Policy Manual.

Current clearance cycle is one year, in order to maintain compliance with rules and regulations governing utility line clearance. Each cycle includes all line clearance pruning necessary to achieve and maintain compliance with GO 95 Rule 35, removal of unsound overhangs, removal of dangerous trees, stump grinding, and planting of replacement trees of the appropriate species. Included are high growth species that may require multiple pruning during a cycle to maintain compliance. RPU has identified 11 zones with an estimated 513 miles for 4kV and 12kV overhead circuits plus 91 miles of transmission lines, totaling 604 miles of overhead line.



Tree crews perform both routine and emergency tree trimming around overhead power lines.

Bid No. RPU-7922

RPU solicited Bid No. RPU-7922 for Utility Line Clearance for tree trimming and vegetation management services through a competitive bidding process administered by the Purchasing Division. In addition to annual trimming, the Bid proposal addressed the critical need to increase proactive trimming of palm trees and other problematic trees which can severely affect electric service reliability.

Bid RPU-7922 was posted on the City's online bid system on July 11, 2022, and closed on July 27, 2022. Included in the bid was a requirement for specific licenses deemed necessary to complete the work. Section 2-1.8 of Bid RPU-7922 states:

The Work requires all applicable licenses including but not limited to Class C61/D49 & C31 in good standing. Specialty work may require additional or alternate licenses. Bidders must be properly licensed to perform the work of the project at the time they submit bid proposals in accordance with the provisions of Chapter 9 of Division 3 of the Business and Professions Code and the Rules and Procedures of the California State Contractor's License Board and in good standing with the Board. Proof of such license shall be provided as required by Business and Professions Code Section 7031.5. Failure to be so licensed shall result in rejection of the proposal as non-responsive.

Requiring specific licensing is important to assure that the city is receiving the appropriate quality services and can be confident that the Contractor will complete the scope of work consistent with established procedures for which the licensee has demonstrated qualifications. The C61/D49 Licensing (Limited Specialty Classification/Tree Service) assures that the tree service contractor will perform tree pruning, removals and related trimming consistent with industry standards and in a way that does not damage the trees or the surrounding environment. Since much of the work is performed on City streets and thoroughfares, a C31 License (Construction Zone Traffic Control) is necessary to ensure that operations are carried out in a manner that does not put the motoring public at risk.

Five firms submitted bids for the specified requested work; three were deemed non-responsive by the Purchasing Division as the contractors did not meet license requirements and/or experience requirements as specified in Bid RPU-7922.

Prior to posting the final bid results, West Coast Arborists, Inc., preemptively submitted a bid protest on July 28, 2022, stating that Integrity Arborist and Ecoscape Inc. (Integrity) did not meet the contractor license or experience required in the bid specifications. The Purchasing Manager provided confirmation of their findings on August 5, 2022. West Coast Arborists, Inc., was deemed the lowest responsive and responsible bidder; at which time the Purchasing Division posted the Notice of Intent to Award on August 15, 2022. On August 17, 2022, Integrity Arborist and Ecoscape, Inc., protested the City's decision to deem their company as non-responsive, claiming that they had a qualified individual that met the C31 License requirement and that they had submitted the application for the holder of this license to be added to their company personnel list with the State Licensing Board. The Purchasing Manager denied their protest due to Integrity not holding the C31 license at the time of bid submittal as required per Section 2-1.8 of the bid. A Letter of Appeal was submitted to the Assistant Chief Financial Officer on August 25, 2022, seeking a reversal of the Purchasing Manager's decision. In this appeal, Integrity acknowledged the C31 license deficiency and that it did not meet the minimum licensing requirements as of the bid closing date and that the date of certification was uncertain. The decision was upheld and provided to Integrity by the Assistant CFO on September 7, 2022.

The awarded bid was above the engineer’s estimated amount of \$15 million due to higher labor costs and inflation currently experienced across the country. The bids are summarized in the following table:

| Vendors | City Location | Bid Amount | Rank |
|--------------------------------------|--------------------------|------------------------|----------------|
| West Coast Arborists, Inc. | Grand Terrace, CA | \$19,999,999.00 | 1 |
| Utility Tree Services, LLC | San Diego CA | \$21,952,015.11 | 2 |
| Integrity Arborist & Ecoscape, Inc | Riverside, CA | \$19,200,579.35 | Non-responsive |
| West Coast Tree Service, Inc. | Anderson, CA | \$22,400,216.00 | Non-responsive |
| The Original Mowbrays Tree Svc, Inc. | San Bernardino, CA | \$25,666,572.65 | Non-responsive |
| ➤ <i>Engineer's Estimate</i> | | <i>\$15,000,000.00</i> | |

The City of Riverside 5% Local Preference does not apply to Public Utilities, including Public Works Sewer and Solid Waste Division services or purchases. As such, Bid No. RPU-7922 is not eligible for this preference.

The annual breakdown of West Coast Arborists’ pricing is as follows:

| Contract Year | Estimated Contract Value |
|---------------|--------------------------|
| 1 (2022-2023) | \$3,494,825 |
| 2 (2023-2024) | \$3,710,012 |
| 3 (2024-2025) | \$3,982,833 |
| 4 (2025-2026) | \$4,269,625 |
| 5 (2026-2027) | \$4,542,704 |
| Total | \$19,999,999 |

Over the last few years, RPU has seen an increase in tree trimming and related vegetation management service quantities. The annual cost estimates are based on RPU historical data and current projections for growth over this contract period.

The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution No. 23812.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 6 - Infrastructure, Mobility and Connectivity** and **Goal 6.2** – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Utility line clearance tree trimming, and vegetation management avoids overhead conductors contacting tree branches, improves safety and reduce outages which help build community trust and result in the greater public good.

2. **Equity** – RPU endeavors to provide safe and reliable electric service to all its customers. Since RPU’s electric system is an interconnected network, investments made to maintain individual parts of the system improve the reliability of the overall system, thereby providing an equitable benefit to all customers.
3. **Fiscal Responsibility** – The lowest price for the tree service and vegetation management service and thereby the best value for RPU’s customers was ensured through a competitive bid process.
4. **Innovation** – Utility line clearance services retained by this bid will utilize an excellent real-time mobile workforce management and billing system which should improve efficiency and reduce staff time to reconcile invoices.
5. **Sustainability & Resiliency** – Utility line clearance services retained by this bid will reduce electric faults and customer outages system wide.

FISCAL IMPACT:

The total fiscal impact for the five-year term with the 10% contingency is \$22,000,000, including the 10% contingency. Sufficient funds in the amount of \$3,494,825 are available in Electric Field Services Account No. 6105000-421201 for Fiscal Year 2022/23.

Future years’ budget will be included as a part of the biennial budget process.

Prepared by: Daniel Honeyfield, Utilities Assistant General Manager/Energy Delivery
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Certifies availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

Attachments:

1. Project Site Map
2. Bid Award Recommendation
3. Presentation