

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: NOVEMBER 6, 2015

ITEM NO: 1 2

File ID – 15-3584 – D

SUBJECT: PROFESSIONAL SERVICE AGREEMENT WITH WEST COAST ARBORISTS, INC. RFP 1515 FOR UTILITY LINE CLEARANCE AND VEGETATION MANAGEMENT SERVICES - FOR A TOTAL FIVE YEAR VALUE NOT TO EXCEED \$13,200,000

ISSUE:

The issue for Board of Public Utilities consideration is approval of an agreement and purchase order with West Coast Arborists, Inc. for Utility Line Clearance and vegetation management services.

RECOMMENDATIONS:

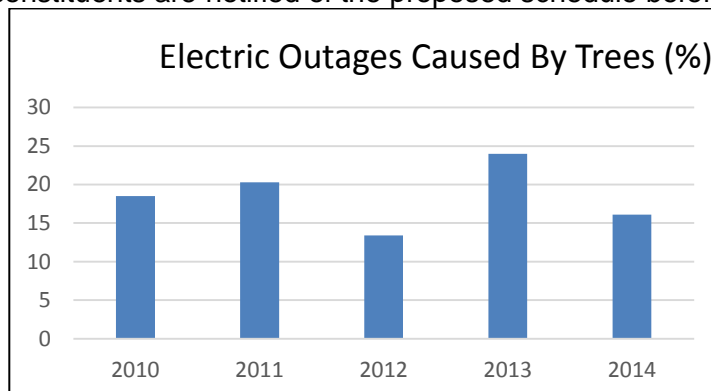
That the Board of Public Utilities:

1. Approve a five-year agreement with West Coast Arborists, Inc. for Utility Line Clearance and vegetation management services in an annual amount for year one not-to-exceed \$2,400,000 and for years two through five not-to-exceed \$2,700,000 for a total value not to exceed \$13,200,000; and
2. Authorize a Purchase Order to West Coast Arborists, Inc. of \$2,400,000 for year one, the balance of fiscal year 2015/2016.

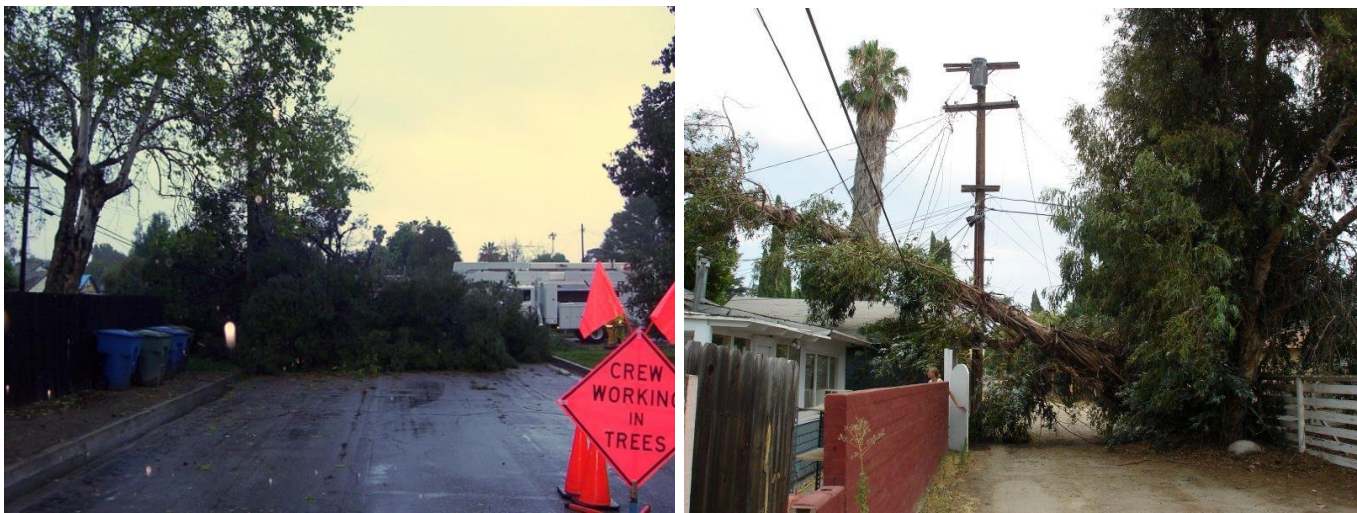
BACKGROUND:

Utility line clearance tree trimming and vegetation management is a vital function of Riverside Public Utilities (RPU) to maintain safe clearance between energized 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 clearance helps maintain public safety and reliability of the electric system.

Over the last five years, an average of 18.5% of electric outages were related to tree contact. RPU must trim approximately 35,000 trees per year. In addition to annual trimming, RPU responds to emergencies involving tree conflicts with power lines on a regular basis. Furthermore, a 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 done in close coordination with the Public Works Urban Forester. When trimming is required, constituents are notified of the proposed schedule before work is performed.



All work performed on trees is conducted by certified line clearance tree trimmers and inspected by certified arborists to ensure work is performed in accordance to ANSI Tree Pruning Standards, applicable requirements, industry leading practices, and the City's Urban Forestry Policy Manual.



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

The contract with the previous vendor, Asplundh Tree Expert Co. (Asplundh), assigned to Utility Tree Service Inc. (UTS) in 2013, expired on June 30, 2015. The assignment occurred on June 21, 2013, as part of the Board's approval of an extension to the 2008 agreement with Asplundh. At that time, Asplundh requested to assign its rights and obligations to UTS, to address certain financial and operating exposure issues. RPU's acceptance of UTS was unusual in that UTS did not have the normally required five years of experience. The assignment was approved for expediency to ensure continuity of service as UTS assured a seamless transition with all vendor personnel and equipment remaining unchanged. Additionally, the term was initially limited to twelve months, but later extended for an additional year. This was viewed as an acceptable risk at the time as UTS offered very attractive pricing. UTS held the old 2008 Asplundh pricing in a climate of rising costs and volatile fuel prices. UTS performed these services in a satisfactory manner.

On August 7, 2015, the Board of Public Utilities (Board) authorized an interim purchase order to West Coast Arborists, Inc. (WCA) to provide interim line clearance services which began on July 1, 2015 for an amount not-to-exceed \$300,000. This was done in accordance with Purchasing Resolution No. 22576, Section 201 (g). This section provides an exception to the City's formal procurement requirements when goods or services can be procured from a contractor who offers the same or better price, terms, and conditions, as the contractor previously offered as lowest responsible bidder under competitive procurement conducted by another public agency, provided that, in the opinion of the Purchasing Service Manager, it is in the best interest of the city to do so. The Purchasing Services Manager made such a determination in this case.

Staff determined the City of Anaheim's contract with WCA was the best option to provide interim services based on excellent price, performance and client satisfaction. WCA extended the terms of the Anaheim agreement to Riverside for this interim Purchase Order. Intended to cover at least 90 days of service, this interim Purchase Order was limited by its \$300,000 value and not time.

A Request for Proposal (RFP 1515) was released on August 13, 2015, for Line Clearance tree trimming and vegetation management services. In addition to annual trimming, the RFP addressed the need to increase proactive trimming of palm trees and other problematic trees which can affect service reliability. In September 2015, the selection committee, consisting of staff from Public Utilities, Public Works, and the Finance department, reviewed proposals from three vendors. The three vendors were WCA, UTS, and Mowbray's Tree Service. The committee scored the proposals based on the following categories: experience, qualifications, ability to meet desired time frames, financial resources, adherence to the contract documents, cost, and written solution.

The selection committee determined WCA offered the highest scoring responsive and responsible proposal based on their cumulative scores in all categories. WCA presented an excellent real-time mobile workforce management and billing system which should improve efficiency and reduce staff time to reconcile invoices. WCA also offered the lowest total cost, had excellent references, and met all requirements of the specification.

Vendor	Estimated Annual Cost of Proposal	Evaluation
West Coast Arborists, Inc.	\$2,414,018	1 st
Mowbray's Tree Service	\$2,825,051	2 nd

Per the RFP specification, vendors must have provided electric utility line clearance and vegetation management services, for the past five (5) years, with a minimum of five (5) completed projects in that five year period, under the same business name and California State Contractor's License number. The previous RFP for Line Clearance services from October 2007 had this same requirement for five years of experience under the current business name. This requirement serves to establish a pool of responsible and well experienced vendors, which translates into a consistent and fair bidding experience with larger and highly visible projects. Five years' experience is a prudent and well established City purchasing requirement for work of high importance, risk, and value over \$500,000.

Although UTS had been assigned work in Riverside by Asplundh Tree Expert Co. in 2013, UTS was non-responsive to this RFP because they did not meet the minimum experience required by the RFP specification. UTS indicated that they had only two years under the same business name and California State Contractor's License number. The estimated annual cost of the UTS proposal was \$2,618,990.

The term of the new Agreement with West Coast Arborists Inc. is approximately five (5) years, from November 13, 2015 to June 30, 2020, with an option to extend for two additional one year periods by mutual consent of the parties. Given the reduced time remaining in the current fiscal year, the contract value in year one is not to exceed \$2,400,000. The annual amount in subsequent years is not to exceed \$2,700,000. Funding for future fiscal years will be approved annually, as part of the annual budget process and Purchase Order.

The Purchasing Services Manager concurs that the recommended actions comply with the City of Riverside's Purchasing Resolution No. 22576.

FISCAL IMPACT:

Sufficient funds are available in Electric Field Services Account Nos. 6105000-421201 and 6105000-421000.

Prepared by: Pat Hohl, Public Utilities Assistant General Manager/Energy
 Approved by: Girish Balachandran, Public Utilities General Manager
 Approved by: John A. Russo, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Certifies availability of funds: Laura Chavez-Nomura, Public Utilities Assistant General Manager/Finance

Attachment: Agreement