



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: FEBRUARY 11, 2020**

FROM: PUBLIC UTILITIES DEPARTMENT **WARD: ALL**

SUBJECT: TREE POWER PROGRAM FISCAL YEAR 2019-20 PURCHASE ORDER APPROVALS FOR PARKVIEW NURSERY, 4377 CHICAGO AVENUE; PARKVIEW NURSERY, 3841 JACKSON STREET; AND LOUIE'S NURSERY, 18550 VAN BUREN BOULEVARD IN A COLLECTIVE AMOUNT NOT TO EXCEED \$495,000.

ISSUE:

Approve the issuance of purchase orders for the Fiscal Year 2019-20 Tree Power Program Free Shade Tree Coupon Campaign to Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard including the ability to make changes to the purchase order amounts based on the variable product demand of each nursery in a collective amount not to exceed \$495,000.

RECOMMENDATION:

That the City Council approve the issuance of purchase orders for the Fiscal Year 2019-20 Tree Power Program Free Shade Tree Coupon Campaign to Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard including the ability to make changes to the purchase order amounts based on the variable product demand of each nursery in a collective amount not to exceed \$495,000.

BOARD RECOMMENDATION:

On January 13, 2020, the Board of Public Utilities, with eight (8) members present, unanimously voted to recommend that the City Council approve the issuance of purchase orders for the Fiscal Year 2019-20 Tree Power Program Free Shade Tree Coupon Campaign to Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard including the ability to make changes to the purchase order amounts based on the variable product demand of each nursery in a collective amount not to exceed \$495,000.

BACKGROUND:

The Riverside Public Utilities (RPU) is required by state law to establish energy efficiency goals and administer energy efficiency programs funded through the state-mandated Public Benefits Charge. The Tree Power Program has been a successful energy efficiency program for over 15 years and is responsible for over 220,000 trees being planted in the City of Riverside. Each tree conservatively

provides energy savings of 164 kilowatt hours (kWh) over the life of the tree and consistently helps RPU achieve its energy savings goals at minimal cost.

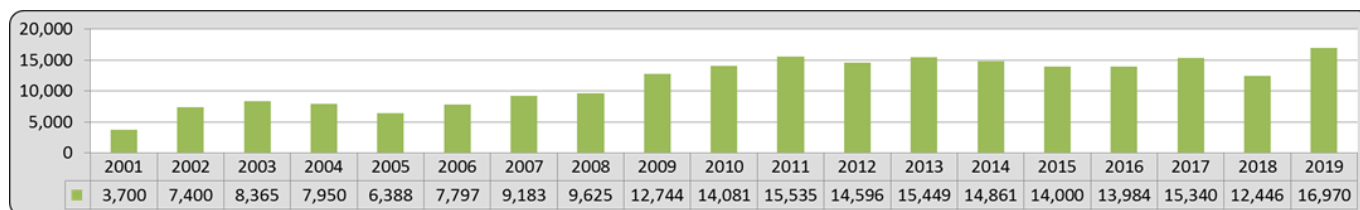
The Tree Power Program provides rebate incentives to RPU's electric customers who plant shade trees in locations adjacent to their homes or businesses to help conserve energy and save on summer cooling costs. While most trees are eligible for the program, due to the vulnerability of the City's citrus stock to Asian Citrus Psyllid and Huanglongbing (HLB), an agreement was made by RPU and the participating nurseries to remove any citrus trees from program participation. RPU customers can receive a maximum of six (6) free or rebated trees annually. A dual marketing approach is used for the Program: the Tree Power Rebate Program and the Tree Power Free Shade Tree Coupon Campaign.

The Tree Power Rebate Program allows RPU customers to participate by purchasing up to five (5) qualified trees per year. Each qualified tree purchased is eligible to receive up to a \$35 rebate, which is credited to the customer's RPU electric account. Customers must apply for the rebate after they have purchased the trees.

The Tree Power Free Shade Tree Coupon Campaign was launched by RPU in 2001 and runs annually from March 1 to June 30. Each year, a coupon is printed on the back of the March utility bill. Customers redeem their coupon at a participating nursery for one (1) free shade tree, valued at up to \$35, or an instant rebate of \$35 off of a single higher cost tree. The back of the bill strategy was created to ensure that a free tree coupon would reach all RPU electric customers as well as raise awareness for the regular ongoing Tree Power Rebate Program.

Since 2001, both participation and popularity of this program have grown. The original issuance of the coupon in 2001 resulted in 3,700 planted trees; last year's coupon yielded 16,970 trees which is an increase of 36% in participation. To date, 186,796 have been planted by RPU customers as a result of the Free Shade Tree Coupon Campaign. Additionally, 33,618 trees have been planted by customers who elected to participate in the Rebate Program. In total, the Tree Power Program is responsible for 220,414 planted trees in the City of Riverside. The energy saved from the planted trees is enough to power over 4,000 average single family homes for a year.

Tree Power Rebate and Free Shade Tree Coupon and Redemption Statistics



DISCUSSION:

RPU works with all qualified nursery vendors located throughout the City that accept the free tree coupons. To be considered as a participating vendor, a nursery must have a location that permits retail sales. The current list of qualified vendors that have agreed to work with RPU on the Program includes: Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard.

	3 Year Average	Estimated Program Year 2019/20	
Nursery	Coupons	Coupons	Purchase Order*
Louie's	1,942	2,000	\$ 75,000
Parkview Chicago	3,770	4,000	\$ 145,000
Parkview Jackson	7,042	7,500	\$ 275,000
Total	12,754	13,500	\$ 495,000

*The purchase order amount includes the reimbursement to the nurseries for the estimated number of redeemed coupons with an additional contingency in the event that more customers redeem coupons than were anticipated.

Due to a significant variance in coupon redemption at the three (3) participating nurseries, the purchase orders issued to this year's participating nurseries will vary in amount based on the average number of coupons redeemed at each location over the last three (3) years of the Coupon Program.

Purchasing Resolution No. 23256, Section 602(m) states that when approved by the Purchasing Manager, competitive procurements shall not be required when the City requires goods not subject to the bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Purchasing Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions deemed by the Purchasing Manager to be in the best interest of the City, and in doing so may utilize the informal procurement or negotiated procurement process.

The Purchasing Manager concurs that the recommended action is in compliance with Purchasing Resolution No. 23256, Section 602(m).

FISCAL IMPACT:

The total fiscal impact is \$495,000. Sufficient funds are available in the Public Benefits Residential Tree Power Program Account No. 6020100-456038.

Prepared by: Todd M. Corbin, Utilities General Manager
 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Unofficial January 13, 2020 RPU Board Meeting Minutes
2. Presentation