

COUNCIL ACTION FORM

SUBJECT: RENEWAL OF CONTRACT FOR ELECTRIC DISTRIBUTION LINE CLEARANCE PROGRAM

BACKGROUND:

This contract includes nearly all of the requirements for tree trimming services for Electric Services as part of the Line Clearance Program during the 2016/17, 2017/18 and 2018/19 fiscal years. It does not cover large storm-related emergency situations.

Electric Services has divided the community into 11 areas for tree trimming. Over a five-year time period, the tree trimming crew will trim in all 11 areas. Trimming is done to minimize electric system outages caused by trees and tree branches.

On April 26, 2016, City Council awarded a contract to Wright Tree Services, Des Moines, IA, for these tree trimming services. This contract contained the option to renew the contract for two additional one year periods. **The period from July 1, 2017 through June 30, 2018, is the first renewal period subject to Council approval of funding for the Line Clearance Program.** There is a rate provision under this contract that increases rates at fixed percentages above the previous fiscal year's contracted rates at time of renewal. The annual rate increase is for this contract period is 2% for labor. This increase is in accordance with the contract terms initially established.

The approved operating budget for FY2017/18 includes \$308,639 for this program.

Services provided under this contract are monitored by Electric Services staff to ensure tree trimming is performed properly and expenditures are in accordance with the approved funding level. Payments will be based on hourly rates, unit prices bid, and actual work performed. Total cost for FY 2017/18 shall be for the not-to-exceed amount of \$308,639.

ALTERNATIVES:

1. Approve the contract renewal with Wright Tree Services, Des Moines, IA, for the Electric Distribution Line Clearance Program for the one-year period from July 1, 2017, through June 30, 2018. Actual payments will be calculated on unit prices bid and actual work performed in an amount not-to-exceed \$308,639 for FY 2017/18.
2. Do not renew the agreement and instruct staff to seek new competitive bids.

MANAGER'S RECOMMENDED ACTION:

An on-going tree trimming program helps mitigate the number of customer interruptions resulting from extreme weather events. Alternative No. 1 establishes a fixed price contract for performance of the required tree trimming services at the best price, obtained via the competitive sealed bid process. It has proven to be very cost-effective to have a company under contract to provide these services.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.