

COUNCIL ACTION FORM

SUBJECT: 2009-2012 ELECTRIC DISTRIBUTION LINE CLEARANCE PROGRAM

BACKGROUND:

The City's Electric Services Department maintains an active program of tree trimming adjacent to electrical lines throughout the City. This success of this program is evident during and after wind and ice storms as power to customers is uninterrupted.

The proposed contract includes nearly all of the requirements for Electric Services tree trimming services during the 2009-10, 2010-11, and 2011-12 fiscal years. The periods from July 1, 2010, through June 30, 2011, and July 1, 2011, through June 30, 2012 are renewal options subject to City Council approval of funding for this program. Bid prices for equipment rates and miscellaneous charges are firm throughout the first two years of the contract period, and are to be adjusted for 2011-12 based on percentage increases reflected in the bid. Labor rates are also to be adjusted for 2010-11 and 2011-12 based on percentage increases reflected in the bid.

Prequalification of bidders was required for this contract to insure that the contractor has sufficient experience and resources to perform at the level required for this program. Three companies provided prequalification documents detailing employee safety and training programs and company resources.

On May 28, 2009, bids were received and then evaluated by Electric Services staff. After their evaluation Electric Services staff concluded that the bid from Wright Tree Service, Des Moines, IA, is acceptable. Bid results are shown on Attachment A. Attachment B shows the cost evaluation, which is based on a crew of four people and equipment for 48 weeks per year. Forty-eight weeks has traditionally been used in the evaluation as it provides for a full year of services but includes allowances for inclement weather, illness, etc., when no work would be performed. This schedule provides for the level of service established for the utility's line clearance program.

The approved operating budget for 2009-10 includes \$270,100 for this program. Services provided under this contract are monitored by Electric Services staff to insure that expenditures are in accordance with the approved funding level. The budget will be amended at the appropriate time if necessary in order to maintain the required level of line clearance service.

ALTERNATIVES:

- 1) Award the contract for the 2009-10 Line Clearance Program for Electric Services to Wright Tree Service, Des Moines, IA, for hourly rates and unit prices bid, in an amount not to exceed \$270,100, with renewal options for 2010-11 and 2011-12.
- 2) Reject all bids and attempt to obtain the required services on an as-needed basis.

MANAGER'S RECOMMENDED ACTION:

Approving this contract will establish a firm 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. Most importantly, having an on-going tree trimming program helps mitigate the number of customer interruptions resulting from extreme weather events.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, awarding the contract for the 2009-2010 Line Clearance Program for Electric Services to Wright Tree Service, Des Moines, IA for hourly rates and unit prices bid, in an amount not to exceed \$270,100, with renewal options for 2010-11 and 2011-12.