



Agenda Report

20-40

Agenda Date: 1/14/2020

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 1 to the Agreement for Performance of Services with Davey Tree Surgery Company [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

BACKGROUND

The City of Santa Clara's Electric Department, Silicon Valley Power (SVP), requires tree trimming and removal services to reduce threats to the integrity of SVP's electric distribution system from tree and related vegetation contact with power lines. In recognition of this hazard, the City Manager's Directive #74 directs the Electric Department to utilize a tree trimming program to protect the distribution lines. SVP has utilized a tree trimming company specializing in working near electrical infrastructure to implement a tree trimming program.

In October of 2017, staff issued a Request for Proposal for tree trimming and two bids were received. By Council action on December 5, 2017 (Attachment 1), Davey Tree Surgery Company (Davey) was selected for a three-year agreement to provide tree trimming services for SVP near electrical infrastructure. Davey has performed well under this agreement.

During 2017 and 2018, numerous wildfires occurred throughout the State of California. In 2019, Pacific Gas and Electric Company initiated several Public Safety Power Shutoff (PSPS) events throughout their service territory. Based on the wildfire-related events of the past several years, the California Legislature implemented multiple legislative measures to reduce the risk of wildfires. One of the latest is Senate Bill 247 (SB-247), titled "Wildland fire prevention: vegetation management," which was signed into law by the Governor on October 1, 2019. While the City of Santa Clara is not in a high wildfire zone, SB-247 affects Santa Clara because it establishes the base prevailing wage for all qualified electrical line clearance tree trimmers performing work to no less than the prevailing wage for a first period apprentice electrical utility lineman.

DISCUSSION

SB-247 and the new prevailing wage requirement for qualified tree trimmers working near electrical infrastructure has increased the cost of labor for electric utilities hiring tree trimming services. In December 2019, Davey notified SVP of its negotiations with the International Brotherhood of Electrical Workers (IBEW) Local 1245, which represents tree trimmers, related to implementation of SB-247. Based on changes in both the law and the newly-negotiated agreement with the IBEW Local, Davey has proposed an amended Exhibit B, Fee Schedule (Attachment 2). There are otherwise no additional changes to the Agreement. In order to avoid an interruption of tree trimming services, staff recommends agreeing to Davey's proposed changes to the fee schedule, which would take effect for all services performed on and after January 1, 2020.

In anticipation of the Agreement with Davey ending in December 2020, staff will soon begin a Request for Proposal (RFP) process to obtain competitive bids for a new tree trimming agreement to take effect in mid-2020, to ensure that there are no disruptions in services.

ENVIRONMENTAL REVIEW

This action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

With the increase in costs, available budget for FY 2019/20 will only cover work for approximately 6 months instead of the full year. However, budget amendment is not necessary at this time, as staff will soon begin a Request for Proposal (RFP) process to obtain competitive bids for a new tree trimming agreement. Revised budget appropriation will be requested at time of contract award.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney’s office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of the agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Authorize the City Manager to execute Amendment No. 1 to the Agreement for Services with Davey Tree Surgery Company.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Original Agreement and Council Report
2. Letter dated 12/31/2019 from Davey Tree Surgery Company and amended Exhibit B.
3. Amendment No. 1

**AMENDMENT NO. 1
TO THE AGREEMENT FOR THE PERFORMANCE OF SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
DAVEY TREE SURGERY COMPANY**

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Davey Tree Surgery Company, an Ohio corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Agreement for the Performance of Services by and between the City of Santa Clara, California and Davey Tree Surgery Company (insert name of original Agreement), dated on or about December 5, 2017 (Agreement); and
- B. The Parties entered into the Agreement for the purpose of having Contractor provide tree-trimming services for powerline clearance, and the Parties now wish to amend the Agreement to change the fee schedule.

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

1. Exhibit B of the Agreement, entitled "Fee Schedule," is amended by replacing the rate schedule table in its entirety with the following revised table to be inserted:

2020 Composite (per person) Hour Billing Rate		
	ST - Straight Time	DT - Double Time
Per Person Hour	\$ 103.92	\$ 161.07
General Foreperson	\$ 114.60	\$ 177.63
2020 Standard Component Schedule		
Foreperson	\$ 98.74	156.01
Climber	\$ 93.67	147.98
Aerial Lift	\$ 12.58	\$ 12.58
2 Ton Manual Dump	\$ 7.35	\$ 7.35
Chipper	\$ 2.30	\$ 2.30
Pickup and Sign Board	\$ 7.27	\$ 7.27

2. Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect. In case of a conflict in the terms of the Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated:

1-23-2020



BRIAN DOYLE
City Attorney

 FOR

DEANNA J. SANTANA
City Manager

"CITY"

DAVEY TREE SURGERY COMPANY
an Ohio corporation

Dated:

1/17/2020

By (Signature):



Name:

LARRY EVANS

Title:

Senior Vice President of Operations

Principal Place of

2617 S. Vasco Road

Business Address:

Livermore, CA 94550

Email Address:

larry.evans@davey.com

Telephone:

(925) 443-1723 ext. 3217

"CONTRACTOR"

DAVEY TREE SURGERY COMPANY

POST OFFICE BOX 5015, LIVERMORE, CALIFORNIA 94551



December 31, 2019

Kevin Kolnowski, PE c/o
Silicon Valley Power, City of Santa Clara
1705 Martin Ave
Santa Clara, CA 95050

Kevin,

As a follow up to our earlier conversations related to California State Bill No. 247, the new prevailing wage determination will be effective 1/1/2020. Davey Tree Surgery Company reached tentative agreement with IBEW Local 1245 that amends all wage and benefits to meet the requirements set forth in SB 247. Below is the link for the prevailing wage determinations related to SB 247. <https://www.dir.ca.gov/OPRL/2019-2/PWD/Determinations/Statewide/C-061-X-3.pdf>

Pursuant the Agreement for the Performance of Services, Section 37. Prevailing Wages A. Labor Code Compliance, Davey Tree Surgery Company is required to conform to the provisions of Labor Code sections 1720 through 1815, and all applicable provisions of California Code of Regulation found in Title 8, Subchapter 3, Article 1-7. Contractor agrees to include prevailing wage requirement in its contract for the project. Additionally, Davey Tree Surgery Company is required to comply with the prevailing wage requirements set forth in State Bill 247.

Davey Tree Surgery Company will need to amend T&E hourly rates effective 1/1/2020 to reflect the pending changes to the Utility Line Clearance prevailing wage determination. Per prevailing wage posting and agreement, all hours over 8 (on 5/8 schedule), over 10 (4/10 schedule), over 40, and on non-workdays and holidays are compensated and billed at Double Time rates.

2020 T&E Crew Rates – Amended Exhibit B. attached.

Please feel free to contact me with any questions and to review next steps. I can be reached at (800)727-7782 x 3240 or via e-mail at: kevin.peters@davey.com.

Sincerely,

Kevin Peters
Vice President of Operations
Davey Tree Surgery Company

cc. Larry Evans, Bill Heriford, Cory Thomsen

Exhibit B.
Fee Schedule

2020 Composite (per person) Hour Billing Rate		
	ST - Straight Time	DT - Double Time
Per Person Hour	\$ 103.92	\$ 161.07
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