



Agenda Report

23-123

Agenda Date: 6/6/2023

REPORT TO COUNCIL

SUBJECT

Action on an Agreement for Services with Davey Tree Surgery Company with a Maximum Compensation of \$25,000,000 for the Initial Five-year Term and an Option to Extend for an Additional Five Years for a Total Maximum Compensation of \$60,000,000 Over the Ten-year Term

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 regular tree trimming and related services to reduce threats to the integrity of SVP's electric distribution system associated with tree and related vegetation contact with power lines. Regular and emergency tree trimming services are critical to reduce power outages for SVP customers and minimize the duration of outages when they occur due to trees and other vegetation. In recognition of this hazard, SVP uses a tree trimming contractor specializing in working near electrical infrastructures to provide these services.

The City currently uses Davey Tree Surgery Company (Davey) to provide power line clearance and trimming services, including removal, maintenance, and pruning of trees and vegetation. The current agreement with Davey is the result of a competitive Request for Proposal process that was conducted in 2017, and the Agreement is set to expire on June 30, 2023. SVP has been satisfied with the services provided by Davey.

DISCUSSION

Pursuant to City Code Section 2.105.140(c), a formal Request for Proposal (RFP) was conducted with the contract award based on "best value". The RFP was published using the City's e-procurement system. Four proposals were received from Community Tree Service, LLC, Davey Tree Surgery Company, Utility Tree Service, LLC, and West Coast Arborists, Inc.

Proposals were independently evaluated by a three-member evaluation team against the criteria and weights published in the RFP. The evaluation criteria included operational capacity, the firm's experience and qualifications, qualifications of key personnel, safety, and cost. Staff recommends award of contract to Davey as the best value service provider, scoring the highest in each of the evaluation categories.

The term of the proposed Agreement will be five years beginning on or around July 1, 2023, with the City reserving the right to exercise options to extend the Agreement for up to five additional years, for a total of 10 years.

The proposed agreement includes a high-level scope of services to be provided by Davey. Davey will assign multiple crews to work on a daily basis within the City and Davey will be compensated for services on a time and materials (T&M) basis. Daily work will be assigned by SVP using methods including job tags or maps. In addition, Davey will be available to provide emergency services after hours to clear trees that have caused power outages. All work will be conducted in accordance with SVP standards as well as applicable standards and regulations, including the California Public Utility Commission's General Orders and Occupational Health and Safety Administration (OHSA) rules. Davey may also perform additional services on an as-needed basis to ensure comprehensive tree management. These include arborist services, forester services, tree trimming at locations outside of the City, tree trimming not within electrical clearance, and training.

Based on historical spending patterns, the maximum compensation for the initial five-year term is \$25,000,000. Staff recommends that the City Council authorize the City Manager to execute the agreement with Davey. Furthermore, staff recommends that City Council also authorize the City Manager to execute amendments to the agreement, which includes the option to extend the agreement for up to five additional years and to increase the maximum compensation to \$60,000,000 over a 10-year period.

ENVIRONMENTAL REVIEW

Staff recommends that the City Council determine that the actions being considered are exempt from the California Environmental Quality Act ("CEQA") pursuant section 15301 of Title 14 of the California Code of Regulations as the services involve maintenance of existing trees and vegetation around SVP's utility infrastructure.

FISCAL IMPACT

The costs associated with the proposed agreement is primarily budgeted as part of SVP's annual operating budget.

Sufficient funding for the agreement is included in the Proposed FY 2023/24 and FY 2024/25 Operating Budget in the Electric Utility Fund. Funds for the agreement in future years will be included in proposed budgets for corresponding years.

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 any 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

1. Determine the proposed actions are exempt from CEQA pursuant to Section 15301 of Title 14 of the California Code of Regulations;
2. Authorize the City Manager to execute an Agreement for Services with Davey Tree Surgery

- Company for power line clearance and related tree trimming services for an initial five-year term starting on or around July 1, 2023, and ending on or around June 30, 2028, with a maximum compensation of \$25,000,000, subject to the appropriation of funds; and
3. Authorize the City Manager to take any actions as necessary to implement and administer the Agreement; and negotiate and execute amendments to the Agreement to (a) add or delete services consistent with the Agreement's scope of services; (b) adjust future rates; (c) exercise the option to extend the term for up to five additional years through June 30, 2033; and (d) increase the maximum compensation after the initial five-year term by \$35,000,000 for a maximum compensation of \$60,000,000 for the 10-year term, subject to Agreement extension, approval by the City Attorney as to form, and the appropriation of funds.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer
Approved by: Jōvan D. Grogan, City Manager

ATTACHMENT

1. Proposed Agreement Davey Tree Surgery Company