



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Reject Bid Received in Response to Invitation for Bids No. F16-09 for Streets, Parks and Golf Tree Maintenance Services

REPORT IN BRIEF

Council approval is requested to reject the bid received in response to Invitation for Bids No. F16-09 for Streets, Parks and Golf Tree Maintenance Services.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Municipal Code, Council approval is required to reject bids greater than \$100,000.

ENVIRONMENTAL REVIEW

N/A

BACKGROUND AND DISCUSSION

The City has approximately 37,000 street trees, and several thousand more at the golf courses and parks. The street trees are pruned according to a block-grid schedule on a seven-year cycle, which was restored in FY 2012/13 from a twelve-year cycle established during the recession. Tree pruning at parks and golf courses is typically done on an as-needed basis.

Following a competitive bid process, Council awarded a 30-month contract in the amount of \$1,221,175 to West Coast Arborists (WCA) in January 2013 for street tree pruning and for the as-needed work at City parks and golf courses (RTC No. 13-011). During the contract period, staff began utilizing WCA for preventive maintenance pruning on the street trees and for additional tree work at parks and golf courses, which required an amendment to increase the initial contract to \$1,659,175 in January 2015 (RTC No. 14-1136). As the June 30, 2015 end date of the initial contract approached, staff began to reevaluate the scope of services and made the decision to issue a new bid which clarified the specifications and quantities for tree maintenance work required throughout the City. In an effort to increase efficiency, the bid quantities increased by 1,844 trees as a result of consolidating smaller contracts for tree work being used by the Parks and Golf divisions into the new contract. Pest control was also added to the new contract.

An Invitation for Bids (IFB) was issued on August 25, 2015, with a due date of September 23. Two bids were received; one from WCA and one from The Professional Tree Company (PTC). The bid from WCA, in the amount of \$2,031,910, was deemed to be non-responsive because the contractor did not acknowledge an addendum which changed the bid quantities and consequently submitted their bid pricing based on incorrect amounts. The bid received from PTC, in the amount of \$6,340,520, is significantly more than the City has available in budgeted funding. The increase in the

bid amounts are the result of an increase in the number of trees being pruned, the addition of pest control, and a higher bid climate. Therefore staff recommends that Council reject the responsive bid received from PTC. Should Council reject the bid, staff will issue a new solicitation

Staff will also evaluate funding and service levels for subsequent years during the current operating budget cycle. To the extent factors such as increased materials costs and new prevailing wage requirements are impacting the bid pricing for these types of maintenance contracts, the current seven-year cycle for street tree block pruning may need to be re-evaluated. Through the recent contract with WCA, the seven-year cycle has been achieved. One option to reduce costs would be moving to a slightly longer pruning interval, balancing longer intervals with increased risk of tree failure related issues.

FISCAL IMPACT

No fiscal impact results from the recommended bid rejection. However, the bid pricing provided by the lowest (non-responsive) bidder, West Coast Arborists, is higher than available budgeted amounts. Should the new solicitation not yield better bid results, a Budget Modification may be necessary to complete work in the current fiscal year.

Funding Source

Tree maintenance work is funded by the General Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Reject the bid received in response to Invitation for Bids No. F16-09.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director, Finance

Reviewed by: Jane Chambers, Interim Assistant City Manager

Approved by: Deanna J. Santana, City Manager