

ITEM #:	<u>25</u>
DATE:	<u>04-23-24</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

**SUBJECT: ELECTRIC DISTRIBUTION LINE CLEARANCE PROGRAM
CONTRACT RENEWAL**

BACKGROUND:

The Electric Services Line Clearance Program addresses the tree trimming and removal necessary to provide reliable and safe electrical service. Trees are proactively trimmed to maintain safe clearance from electric lines, and are safely removed in coordination with Electric Services staff in instances where they have fallen into lines.

On June 14, 2022, City Council awarded a contract to Wright Tree Service, Des Moines, IA, for these tree trimming services. This contract contained the option to renew the contract for four additional one-year periods. **The period from July 1, 2024 through June 30, 2025 is the second renewal period.**

The bid from Wright Tree Service originally awarded in 2022 did not contain the customary fixed price or percentage increases for future optional renewals. Instead, Wright Tree Service proposed a discussion with City staff prior to each renewal to come to an agreeable renewal contract price.

Staff has conferred with the vendor and it has been determined that pricing reflecting a 4% increase for FY 2024/25 is mutually acceptable. Attachment 1 contains pricing information with a comparison of FY 2024/25 rates and proposed FY 2024/25 rates.

The benefits of having a contract for these services in place include the following:

- Consistency of work and quality from a single contractor
- Reduction in the City's exposure to market forces regarding prices and availability for labor and travel
- Saved City staff time obtaining quotes, evaluating bids, and preparing specifications and other procurement documentation.

The approved operating budget for FY 2023/24 includes \$407,933.56 for this program (the total before 7% sales tax is \$381,246.32). Services provided under this contract are monitored by Electric Services staff to ensure that expenditures are performed properly and are in accordance with the approved funding level. Invoices are based on unit prices bid and services received and accepted by the City.

City staff has been satisfied with Wright Tree Service's performance in the prior years of the contract and recommends renewal of the contract.

ALTERNATIVES:

1.
 - a. Approve contract renewal for Electric Distribution Line Clearance Program with Wright Tree Services, Des Moines, IA, for the for the one-year period from July 1,2024 through June 30, 2025, in an amount not-to-exceed \$407,933.56.
 - b. Approve contract with Wright Tree Service of Iowa and the performance and payment bond in the amount of \$407,933.56.
2. Do not renew the contract and instruct staff to rebid these services.

CITY MANAGER'S RECOMMENDED ACTION:

An ongoing tree trimming program helps mitigate the number of customer interruptions resulting from extreme weather events. Having a yearly contract establishes a fixed price for performance of the required tree trimming services at an acceptable price. 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.

ATTACHMENT(S):

[Attachment 1 - 2022-115 FY2025 Price Comparison.xlsx](#)