



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 5, 2007

ITEM NUMBER: _____

SUBJECT CONTRACT AMENDMENT- WEST COAST ARBORISTS, INC.

DATE: MAY 22, 2007

FROM: PUBLIC SERVICES/ MAINTENANCE SERVICES DIVISION

PRESENTATION BY: PETER NAGHAVI, ACTING PUBLIC SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: BRUCE HARTLEY, MAINTENANCE SERVICES MANAGER
(714) 754-5123

RECOMMENDATION:

Approve Third Amendment to Professional Services Agreement, authorizing payment for modifying the scope of services in the amount of \$133,000, to the agreement for tree maintenance services with West Coast Arborists, Inc., 2200 E. Via Burton Street, Anaheim, California 92806.

BACKGROUND:

On October 4, 1993, the City awarded a tree service/maintenance contract to West Coast Arborists, Inc., (WCA) in an annual amount of \$176,000. The contract was for a one year initial term, with optional extensions and included an allowance for staff to make adjustments as necessary to account for inflation, based on the Consumer Price Index (CPI) if the contracted was extended. The City amended the contract on October 2, 1995, to allow for an additional ten years at the unit prices in effect at the time. (Amendment #1)

The City of Costa Mesa again amended the contract with WCA (Amendment #2) on May 1, 2004, extending the contract to a termination date of April 30, 2014. The agreement specified consistent pricing for tree maintenance services throughout the term of the agreement, with annual price increases allowed only to meet any increases in the Consumer Price Index (CPI) for Orange County. Since May 1, 2004, WCA has provided the City with a variety of tree maintenance services including tree pruning; tree and stump removal; planting new trees; supplemental watering; root pruning and installation of root barriers; and maintaining an active tree inventory data base.

In July 2005, Change Order #1, in the amount of \$14,250, was approved to fund additional services needed for the trimming and/or removal of trees related to an emergency tree hazard situation. A very large pine tree fell on a city street during a high wind event. Subsequent investigation by City staff identified several other city owned trees with a high risk of failure. Several trees were removed, resulting in the need for the change order. Change Order #1 resulted in an increase to the contract amount of 5%.

Currently, the agreement and contract amount includes all the above listed maintenance services and provides scheduled district trimming on a 5-6 year rotation for approximately 20,000 city-owned trees. With the adoption of the FY 2006-2007 budget, the City Council authorized additional funding for the following programs to bring the tree trimming program into closer compliance with accepted industry standards:

- Increase the frequency of trimming pine trees throughout the City to a biannual schedule.
- Re-establish a 3-4 year tree trimming schedule for all other City trees.

ANALYSIS:

Since entering into the current contractual agreement with WCA for tree maintenance services, the unit price for each of the services provided has remained the same. Over this period (approximately thirteen years), tree maintenance costs have generally increased in the industry. The contributing factors to increased costs are the rising operational costs of doing business; such as liability, vehicle and workers compensation insurances; vehicle and equipment purchases; fuel and maintenance costs. The requested contract amendment would enable the City to provide increased levels of maintenance and to deliver prompt and professional service to the residents at the lowest possible price by using funds already approved in the FY 2006-2007 budget.

The two increased levels of service that were approved by the City Council as part of the FY 2006-07 budget (increased frequency of pine trimming and the reduction of trimming cycles to the traditional 3-4 year cycle) specifically target problematic areas in the management of the City's urban forest. The first service level increase was proposed to address a specific problem with pine trees. Following the heavy rains of 2005, the pine trees throughout the City experienced a period of rapid growth, resulting in numerous complaints of heavy needle drop, drooping branches interfering with roadways and sidewalks, high pollen loads, excessive cone litter and sap. By increasing the frequency of pine trimming for at least four years, it is anticipated that the complaints may subside and the requests for removal of pines will decline. With drier winters, the growth rate and accompanying complaints will likely show a reduction as well.

The second service level increase is the change in trimming frequency from every 5-6 years per cycle to the previous levels of every 3-4 years. Staff evaluated the trimming program and found that due to consistent annual funding levels, the number of trees trimmed each year gradually declined as tree removals, emergency trimming and other urgent tree maintenance needs drew funding away from routine maintenance and pruning. Recent calculations by staff have determined that the actual trimming cycle was approaching six years for all City trees except palm trees, which continued to be pruned annually. With requests for tree removal becoming more frequent, staff requested additional funding through the budget process to return to the more typical 3-4 year trimming cycle that was originally developed to provide proper tree care and remain consistent with industry standards.

West Coast Arborist, Inc. has been meeting the intent of contract for over ten years. The work provided to the City has been satisfactory, meeting all contract specifications.

ALTERNATIVES CONSIDERED:

The Council could decline this contract amendment request, thereby maintaining existing service levels for contracted tree trimming. This alternative is not recommended.

The Council could direct that the contract be re-advertised for competitive bid. However, it is estimated that unit costs would increase as much as 55%. This would likely result in fewer trees being serviced annually and a lengthening of the pruning cycle.

FISCAL REVIEW:

Funding for this contract amendment is included in the Fiscal Year 2006-2007 adopted budget, with future years' funding pending the annual budget review process. The City is currently spending approximately \$285,000 per year on contracted tree maintenance services.

The requested contract amendment would allocate an additional \$133,000 to the annual contract, to include \$62,000 for accelerated pine tree trimming and \$71,000 to reduce the trimming cycle of the remaining City trees to 3-4 years.

LEGAL REVIEW:

Legal staff has prepared the contract amendment for Council consideration.

CONCLUSION:

The City has contracted with West Coast Arborist, Inc. for fifteen years for various tree maintenance services. The work of WCA has always met the standards set by the City and has consistently been at very competitive prices. The long term contractual relationship between the City and WCA has benefited the citizens of Costa Mesa by providing professional tree management services for the best possible price. However, the interval for scheduled, routine maintenance and trimming of the City's trees has grown over time due to the constant funding levels and an increase in unscheduled work. Additionally, climatic conditions have resulted in accelerated growth rates in pine trees, and an increase in complaints or requests for removal. Council approved funding to remedy both issues.

It is recommended that the Third Amendment to the existing contract be approved to provide for the additional tree management services with West Coast Arborists, Inc., as included in the FY 2006-07 budget.

BRUCE HARTLEY
Maintenance Services Manager

WILLIAM J. MORRIS
Public Services Director

MARC R. PUCKETT
Director of Finance

ATTACHMENTS: 1 [Amendment #3](#)

C: Patrick Mahoney, President
West Coast Arborists, Inc.
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DISTRIBUTION: City Manager
Assistant City Manager
City Attorney
City Clerk
Finance Director
Public Services Director
Management Analyst- PS
Staff
File

File Name 060507-Change Order #2 West Coast Arborist Staff Report

Date 5/24/07

Time 11:30 a.m.