



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-18

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

August 19, 2003

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Adopt Proposition "L" Ordinance and Award of Contract for Specifications No. PA-01403 to Furnish and Deliver Tree Trimming Services (Citywide)

DISCUSSION

The City Council, on May 6, 2003, adopted specifications and authorized the City Manager to advertise for bids to provide tree trimming services Citywide. The bids have been received and the lowest responsible bidder has been determined.

The bid was advertised on May 14, 2003 and opened on June 11, 2003. The bid documents were available from the Purchasing Division located on the Plaza Level of City Hall and on the Purchasing Division website www.lbpurchasing.org. Five bids were received, two of which were Long Beach businesses, two were Minority-owned Business Enterprises (MBEs) and none were Women-owned Business Enterprises (WBE). California Western Arborists, Inc., of Carson, California, a Minority Business Enterprise, was the lowest responsible bidder.

The bid specifications were prepared in accordance with the City's longstanding Service Assessment process and include health benefits specifications. The specifications require Proposition "L" contractors to provide health care benefits, or make a monetary payment of \$1.25 per hour in lieu of such benefits, to their full-time and part-time employees working under contract with the City. In addition, the specifications, approved by the City Attorney, informed potential bidders that a mandatory pre-bid conference would be held and that only those bids received from conference attendees would be accepted and considered for award.

The costs for the work to be performed by the City are based on the neighborhood block trim procedure which was developed based on employee suggestions and is comparable to the methodology used by private contractors. The block trim procedures were instituted in 1995 through the service assessment process then in use and were again updated in 2001 through a work process review involving City employees. This validation helps ensure that the Proposition "L" analysis performed by the City Auditor (attached) reflects a fair comparison between the City's estimated costs and the private sector contractor's bid.

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The City Auditor report certifies the City's cost to provide tree trimming services, described in the work specifications adopted by the City Council, to be \$925,941. The total contract cost is \$443,135 for annual services, which, according to the City Auditor's analysis is \$482,806, or 52 percent less, when compared to what it would cost if City employees were to provide the same level of service.

It is recommended that the City Council award the contract for one year, with two one-year renewal options, to California Western Arborist, Inc., at the annual amount not to exceed \$553,919. The proposed annual amount is 25 percent above the contract cost to provide for future tree trimming needs or for emergency trimming to ensure public safety.

The attached ordinance prepared by the City Attorney provides the findings required by City Charter Section 1806, authorizes the City Manager to execute a contract for these services with California Western Arborists, Inc., for a period of one year, and also authorizes the City Manager to execute two separate renewals for a period of one year each, provided that in each instance the cost savings, as calculated by the City Auditor and City Manager, are consistent with the original findings and that the services rendered have been satisfactory and will continue to be efficient and effective.

The City Council currently grants the City Manager authorization to renew all formal contracts but several years ago, requested that Proposition "L" contract annual renewals be brought back for review. In an effort to reduce administrative costs and streamline the renewal process, staff recommends that once a Proposition "L" analysis is conducted as part of the contract award, subsequent renewals should be executed by the City Manager with the stipulation that the cost differential be consistent with the original findings. If the cost differential is not consistent, then upon renewal, a full Proposition "L" analysis would be required as would City Council authorization. Additionally, any changes to the contract resulting in potential reductions in the City's work force would require City Council authorization.

On July 28, 2003, Ms. Janet Wright, President of the International Association of Machinists and Aerospace Workers, was notified, by mail, of the plans to award this contract. No layoffs will result from the issuance of this contract.

This matter was reviewed, for contract and Proposition "L" issues, by Deputy City Attorney Donna F. Gwin on July 28, 2003 and by Budget Manager Michael Killebrew on August 8, 2003.

TIMING CONSIDERATIONS

City Council action to award the contract to the lowest responsible bidder is requested at the August 19, 2003 City Council meeting to ensure that the new contract is in place by October 1, 2003.

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FISCAL IMPACT

The cost of the contract, in the estimated amount of \$553,919 annually, is budgeted in the General Fund (GP) in the Department of Public Works (PW). The proposed annual amount is 25 percent above the contract cost to provide for future tree trimming needs or for emergency trimming to ensure public safety.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

- 1) Adopt the attached Proposition "L" Ordinance, which pursuant to Section 1806 of the City Charter makes findings and determinations regarding contracting of tree trimming services, and award the contract to California Western Arborists, Inc.
- 2) Authorize the City Manager to execute the contract for a one-year period after the Proposition "L" Ordinance becomes effective, in the amount of \$553,919, and make two successive one-year extensions.

Respectfully submitted,


ROBERT S. TORREZ
DIRECTOR OF FINANCIAL MANAGEMENT

RST:DCG:dag
PA1403awardCL.doc

Attachments

APPROVED:


GERALD R. MILLER
CITY MANAGER

ORDINANCE NO. C-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH MAKING FINDINGS AND DETERMINATIONS AS TO CONTRACTING FOR WORK USUALLY PERFORMED BY CITY EMPLOYEES AND AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH CALIFORNIA WESTERN ARBORISTS, INC. FOR TREE TRIMMING SERVICES

WHEREAS, the City of Long Beach maintains and trims trees on City property within the City limits, a portion of which the City has been contracting out for over 14 years; and

WHEREAS, to effectuate cost savings, the City desires to contract for those tree trimming services, if those services can be performed by a private contractor as efficiently, effectively and at an estimated lower cost to the City than if the services were performed by employees of the City; and

WHEREAS, at its meeting of May 6, 2003, the City Council authorized the City Manager to advertise for bids pursuant to Specifications PA-01403 and requested the City Attorney to prepare the necessary ordinance for contracting out for those services if the lowest responsible bid received was less than the annual cost of providing those services with City forces; and

WHEREAS, pursuant to said authorization, the City Manager advertised for, received and analyzed bids for tree trimming services; and

WHEREAS, the Department of Financial Management and the City Auditor have determined that California Western Arborists, Inc. is the lowest responsible bidder for those services with a bid of \$443,135.00, using service frequencies required in the Specifications; and

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1 WHEREAS, the City Auditor and the Department of Financial Management
 2 have calculated the annual cost to the City if the tree trimming services were performed
 3 by City employees, the annual cost if performed by the lowest responsible bidders, and
 4 the resultant cost savings, based upon the frequency of service required in the
 5 Specifications; and

6 WHEREAS, based on these calculations and the information furnished to
 7 the City Council, the City Council desires to make the necessary findings and
 8 determinations as to contracting out and to authorize a contract for tree trimming
 9 services;

10
 11 The City Council of the City of Long Beach ordains as follows:

12
 13 Section 1. Based on the calculation of the City Auditor and the Department
 14 of Financial Management, the annual cost of tree trimming services if performed by City
 15 employees, the cost of these services if performed by the lowest responsible bidder
 16 California Western Arborists, Inc., and the resultant savings are as follows:

17	City Cost	\$925,941.00
18	Contract Cost	443,135.00
19	Annual Savings	482,806.00

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 21 Sec. 2. The City Council determines that tree trimming services can be
 22 performed by a private contractor as efficiently and effectively as if those services were
 23 performed by employees of the City.

24
 25 Sec. 3. The City Council has considered all other relevant factors and
 26 determines that the performance of tree trimming services by a private contractor will not
 27 be detrimental or adverse to the best interests of the citizens of the City.

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1 Sec. 4. The City Manager is authorized to execute a contract with
 2 California Western Arborists, Inc. in an annual amount not to exceed \$553,919.00 which
 3 amount is 25% above the base bid of \$443,135.00 to allow for "as-needed" or
 4 emergency work, for a period of one year in accordance with Specifications PA-01403.
 5 The contract may, at City's sole option and with contractor's agreement, be renewed for
 6 two (2) separate, consecutive periods of one (1) year each provided, for each renewal
 7 period, that the City Auditor and the Department of Financial Management determine that
 8 the work continues to be performed at a lower cost to the City than if the work were
 9 performed by City employees and that the services have been satisfactorily performed.
 10 No subsequent resolutions, ordinances or findings shall be required and the contract
 11 may be amended to extend the term based on said determination.

12
 13 Sec.5. The City Clerk shall certify to the passage of this ordinance by the
 14 City Council and cause it to be posted in three conspicuous places in the City of Long
 15 Beach, and it shall take effect on the thirty-first day after it is approved by the Mayor.

16 I certify that this ordinance was adopted by the City Council of the City of
 17 Long Beach at its meeting on _____, 2003, by the following vote:

18 Ayes: Councilmembers: _____

19 _____

20 _____

21 _____

22 Noes: Councilmembers: _____

23 _____

24 Absent: Councilmembers: _____

25 _____

26 _____

27 _____ City Clerk

28 Approved: _____
 (Date)

_____ Mayor

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