



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson
FROM: Rodney Price, Chief Operations Officer, Julie Nuttal, Meter and Vegetation
Management Supervisor
DATE: 4/7/2020
SUBJECT: Background Information for Vegetation Services Contract Approval
OBJECTIVE: Approval of Board Consent

Issue

This memo provides an overview of EWEB's tree program as it pertains to the utilization of a contract workforce and specific information regarding the results of the recent solicitation for tree pruning and removal services.

Background

For the past several years, EWEB has relied on contractors to accomplish tree pruning and removal work in the electric rights of way. The current five-year contract for these services extension is due to expire May 1st, 2020. In February, staff issued a formal request for proposal invitation to bid to establish a new five-year agreement for these services.

Discussion

The PUC requires EWEB to perform line clearance activities on the vegetation around its distribution and transmission lines. In September 2006 they passed OAR 860-024-0016, which regulates minimum clearances that electric service providers can allow vegetation to encroach on power lines of all voltages.

Maintaining vegetation in the rights of way is also an important component of safety and reliability of service. Trees can be a significant source of service interruption and a potential public safety threat if not adequately maintained in the vicinity of high voltage lines. EWEB has 1,400 miles of transmission and distribution circuits, with approximately 52,000 trees and 10,000 units of brush that will require maintenance per our five year cycle program. An additional 250 miles per year are being inspected and trimmed as part of our updated wildfire plan.

EWEB requires the services of a qualified utility line clearance tree pruning and removal contractor

to maintain the areas around the lines and to assist with capital work. Wright Tree Service was our sole service provider for the previous contract. To help expand our operational flexibility, spread out work more locally and reduce reliance on a single contractor, we advertised to award to multiple contractors. Wright Tree Service and West Lane Tree Service were selected as the top two qualified contractors for our next five year agreements.

An estimated \$20 million over the five year period from 2020 to 2024 is needed to accomplish the work described above based on the rates provided by Wright Tree Service and West Lane Tree Service. \$2.7 million for these services is budgeted for 2020. Additional services for wildfire management and price escalations are accounted for in the 5 year sending approval amount.

Requested Board Action

The Board is being asked to approve a new contract with Wright Tree Service and West Lane Tree Service for Utility Line Clearance, Tree Pruning and Removal Services.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve two new contracts with **West Lane Tree Service, LLC and Wright Tree Service, Inc.** for Utility Line Clearance services.

Board Meeting Date: 4/4/20
Project Name/Contract #: RFP 19-158-S Utility Line Clearance Services
Primary Contact: Rod Price Ext. 7122

Contract Amount:

Original Contract Amount: \$20,000,000 (estimated over 5 year period)
Additional \$ Previously Approved: \$N/A
Invoices over last approval: \$N/A
Percentage over last approval: N/A
Amount this Request: \$20,000,000 (estimated over 5 year period)
Resulting Cumulative Total: \$20,000,000 (estimated over 5 year period)

Contracting Method:

Method of Solicitation: Formal RFP
If applicable, basis for exemption: N/A
Term of Agreement: **1 year, with option to renew up to 5 years**
Option to Renew? Annually up to five years
Approval for purchases "as needed" for the life of the Contract Yes No
Proposals/Bids Received: 4 for 3-crew Scope of Work (SOW), 3 for 8-crew SOW
Selection Basis: Multiple Awards to Highest Ranked Proposers

Narrative:

Operational Requirement and Alignment with Strategic Plan

The PUC requires EWEB to perform utility line tree trimming to maintain clearance around its distribution and transmission lines. This is also an important component of safety and reliability of service. Electric Operations requires the services of a qualified utility line clearance, tree pruning, and vegetation debris removal contractor to maintain the areas around energized power lines.

Contracted Goods or Services

Utility line clearance services include: tree pruning, removal, and stump grinding along EWEB transmission and distribution power lines on an ongoing regular basis. The PUC requires EWEB to perform line clearance activities on the vegetation around its distribution and transmission lines. In September 2006, they passed OAR 860-024-0016, which regulates minimum clearances that electric service providers call allow vegetation to encroach on the power lines of all voltages. EWEB plans to maintain the current five year plan and then return for a mid-cycle audit every 2 ½ years to address any fast growing vegetation. We recently have added an additional fire season plan with additional 260 line miles that we inspect to our current plan of 190 line miles.

Prior Contract Activities

EWEB currently contracts with Wright Tree Service for Utility Line Clearance Services under EWEB Contract 050-2014 and has provided these services since 2009. The spend under the previous contract with Wright Tree Service was roughly \$15.2 million over five years. The contractor has been responsive to all needs and completed work on time. Wright Tree Service has done an outstanding job partnering with the vegetation department on building trust and confidence in their daily work with our customers. Wright has a quick timely response and worked closely with EWEB during our recent storms. Wright maintains up to date on ANSI standard practices and trainings to ensure their employees are staying up to date on safe practices.

Purchasing Process

In January 2020, EWEB issued a formal Request for Proposal (RFP 19-158-S) for utility line clearance services with the option to propose on two separate Scopes of Work: Three-crew, and Eight-crew. This process allowed for the potential for higher competition based on contractor resources and multiple awards. This solicitation was advertised on the Oregon Procurement Information Network (ORPIN) and in the Business Tribune.

Four proposals were evaluated and scored for the 3-crew SOW. Criteria and weighting included: ability and capability to perform the services (15%); proposer's past experience (25%); proposer's supervisor & assistant supervisor's past experience (10%); quality assurance/safety (10%); equipment (10%); pricing (25%); and sustainability (5%). West Lane Tree Service, LLC was selected as the highest ranked, responsive, and responsible proposer.

Vendor Name	City, State	Offered Price	Ranking (for Request For Proposals)
West Lane Tree Service LLC	Elmira, OR	\$1.8 million annually	1
Wright Tree Service, Inc.	Des Moines, IA	\$1.4 million annually	2
Trees LLC	Houston, TX	\$1.3 million annually	3
Asplundh	Sherwood, OR	\$1.7 million annually	4

Three proposals were evaluated and scored for the 8-crew SOW. Criteria and weighting included: ability and capability to perform the services (15%); proposer's past experience (25%); proposer's supervisor & assistant supervisor's past experience (10%); quality assurance/safety (10%); equipment (10%); pricing (25%); and sustainability (5%). Wright Tree Service, Inc. was selected as the highest ranked, responsive, and responsible proposer.

Vendor Name	City, State	Offered Price	Ranking (for Request For Proposals)
Wright Tree Service, Inc.	Des Moines, IA	\$2.8 million annually	1
Trees LLC	Houston, TX	\$2.7 million annually	2
Asplundh	Sherwood, OR	\$3.2 million annually	3

Competitive Fair Price (If less than 3 responses received)

N/A

ACTION REQUESTED:

Management requests the Board approve new contracts with West Lane Tree Service, LLC and Wright Tree Service, Inc. for Utility Line Clearance Services. Approximately \$20 million was planned for these services in the Electric O&M 2020-2024 non-labor budget of \$133.4 million. Variances will be managed within the budget process and Board policy.