

**City of Coral Gables City Commission Meeting
Agenda Item H-2
September 13, 2016
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Jim Cason
Commissioner Pat Keon
Commissioner Vince Lago
Vice Mayor Frank Quesada
Commissioner Jeannett Slesnick**

City Staff

**City Manager, Cathy Swanson-Rivenbark
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Finance Director/Chief Procurement Officer, Diana Gomez
Assistant City Manager, Peter Iglesias
Public Works Director, Brook Dannemiller**

Public Speaker(s)

Agenda Item H-2 [11:44:09 a.m.]

A Resolution accepting the recommendation of the Chief Procurement Officer to authorize a one (1) year renewable option for the citywide tree trimming contract with Trees Acquisitions, Inc. in the amount of \$818,521.60 per year pursuant to Section 2-825 of the Procurement Code entitled "Multi-Year Contracts" and Request for Proposal (RFP) 2011.05.27.

Mayor Cason: We are going to move onto H-2 and then we'll finish up before lunch with I-4.

City Manager Swanson-Rivenbark: And Mr. Mayor, just for the record, this is an option that I could have renewed without reviewer approval by the Commission, but it was such a significant size that I felt it was important to bring it forward to you.

Finance Director Gomez: So this is a Resolution accepting the recommendation of the Chief Procurement Officer to authorize a one (1) year renewable option for the citywide tree trimming contract with Trees Acquisitions, Inc. Back in October 1, 2011, the City entered into an agreement with Trees Acquisition, Inc. after an RFP process for citywide tree trimming services. The initial contract was for a five (5) year term with the option of five, one year extensions. The City wishes to exercise a renewal for the one year period with the option to extend at the City's sole discretion for four additional one year periods at negotiated price at each renewal. Under the proposed contract extension, the cost for services for fiscal year 2016-17 is \$818,521.50, an increase of over \$118,000 over last year. This increase can be primarily attributable to bringing wages up to a competitive industry market wages, to provide for the hiring of more qualified employees for the contractor, with benefits to the City for having better caliber employees working under the City contract and decreasing the employee turnover.

Mayor Cason: OK. Any discussion? Have a motion? Commissioner Slesnick makes the motion, second.

Commissioner Keon: I'll second it.

Mayor Cason: Commissioner Keon seconds it – City Clerk.

Commissioner Slesnick: Yes

Commissioner Keon: Yes

Commissioner Lago: Yes

Mayor Cason: Yes

(Vote: 4-0)

(Vice Mayor Quesada: Absent)

Mayor Cason: Thank you.

Commissioner Lago: Just one quick note before we move onto another item. This is going to come before us again in one year, correct?- it's every single year?

City Manager Swanson-Rivenbark: The renewable options, Diana, I want to do whatever is the right process, I just want to check. If the price stays the same over that renewal period is there a trigger that brings each year the annual renewal to the Commission?

Finance Director Gomez: So the way that the initial RFP was done, it is subject to negotiation administratively. It does not need to come back. This one...

City Attorney Leen: Yes. We did not need to have a vote today, but the City Manager elected to bring it to the Commission, because of the size of the contract, but she could have approved this herself.

Finance Director Gomez: Correct. So it may not stay the same next year, depends on with negotiation. Each year it's an optional renewal and there is negotiation each year. It's not required to come back, if this Commission deems that they want it to come back, we can bring it back.

Commissioner Lago: Again, my concern when you mentioned it went over \$118,000 that's a pretty significant jump, and I know you mentioned its attributable to wages, but wages in the private and the public sector are not going up at those levels.

Mayor Cason: This had been four or five years they hadn't had...

Finance Director Gomez: Correct, that is correct.

Mayor Cason: It went from \$10; the labor was from \$10 to \$11, a living wage basically.

Finance Director Gomez: In the package there was a breakdown of what the wages went up and I'll turn it over.

Assistant City Manager Iglesias: Commissioner Lago for five years the contract stayed the same. So this is the first adjustment, and they had issues retaining foremen and general foremen, and the multipliers are 1.38, 1.45, and 1.45, which are within reason for the insurance cost involved as you know, and workmen's comp and liability insurance involved in doing this kind of work.

Commissioner Lago: And let me ask you a question. Is this like a bucket kind of contract where they work till they exhaust the \$818,000?- or is this inclusive of the entire City?

Assistant City Manager Iglesias: This is the entire City for 50 weeks.

Commissioner Slesnick: And this includes all of our new trees that we are putting in? Remember we have a lot more trees this year than last year.

Assistant City Manager Iglesias: We are trying to get some – or the idea is to get more crews to go ahead and be able to do the work and they were not able to do so with the prior contract, which was not reviewed for five years.

Commissioner Lago: Mayor if I may, so there is no options here for change orders, this is a fee across the board for the existing trees on the swales that belong to the City, are going to be maintained for the entire \$818,000?

Public Service Director Dannemiller: Yes. We'll have six tree trimming crews there full-time. We budgeted for 52 weeks a year, but they have two or three weeks of vacation, so they have a contingency, they are also on our rescue-recon team, so when we go in after a hurricane they do the first push with us, so they're basically an extension of our staff.

Commissioner Lago: Is there a change in price if there is a hurricane or major storm?

Public Service Director Dannemiller: No. We have it built in to cover any overtime cost, because they do after hours if a tree falls on the weekend or at night, they come in, they are usually here with an hour, hour and-a-half and they are cutting up the tree.

Assistant City Manager Iglesias: I'm sorry Commissioner; it's about \$50,000 of funds available for emergency and overtime work in this contract.

Commissioner Lago: And one final question. When will this contract go back to market and be opened up as an RFQ?

Public Service Director Dannemiller: I think there are four or five one-year renewals, so it will go back out on RFQ, or if we don't renew next year, but they've been doing an excellent job, we'll have to see.

Mayor Cason: If they went for another wage increase or if they didn't perform, you would bring it back.

City Manager Swanson-Rivenbark: So, I think Commissioner Lago's confirmation that he wants from you is it automatic renewals?- is it a City's request?- what's going to trigger the option?- and then sir, so that question needs to be answered. Secondly, from a budget process, you already approved the hiring of two additional crews, because we were not keeping up with the new trees and the level of tree trimming that you all wanted, so that from a budgetary standpoint had already been included, but then if there is an increase that is beyond what is normal and customary, we'll have to see what that figure is at the time, then we absolutely can bring it back to the Commission for confirmation, that's why we brought this one to you. It is a significant increase, although worthwhile, it's a significant increase from what we had previously budgeted.

Assistant City Manager Iglesias: Commissioner, if we feel that the increase next year is subject to five one-year renewals, if we feel – if their performance is not good or the increase is we feel is not correct then we will rebid the contract.

Commissioner Lago: I just want to make sure that we are in the proper place to take advantage if we don't meet the requirements, and obviously if they submit a giant change order for some work or for additional services or cost of living increase, I want to make sure that we have an option to look for additional qualified companies that can maybe meet our goals.

Assistant City Manager Iglesias: At that point we will rebid it.

Public Service Director Dannemiller: And it's a change order type of contract. Basically, we have them for 40 hours a week every weekend.

Commissioner Lago: GMP – it's a GMP, guarantee maximum price?

Public Service Director Dannemiller: Yes.

Mayor Cason: Thank you.

Commissioner Lago: Thank you.

[End: 11:51:28 a.m.]