



Date: January 22, 2015
To: Patrick H. West, City Manager 
From: John Gross, Director of Financial Management 
For: Mayor and Members of the City Council
Subject: **TREE TRIMMING CONTRACT STATUS**

At the November 18, 2014 City Council meeting, City staff had recommended award of a citywide contract for tree trimming services, primarily utilized by the Parks, Recreation and Marine and Public Works departments, using the same terms and conditions afforded to the City of Tustin, CA (a cooperative or "piggyback" process). Just prior to the City Council meeting, on November 17, 2014, a protest was received in opposition to the proposed "piggyback" award for tree trimming services. Staff did not have enough time to review the protest before the meeting and asked for more time to review before City Council took action to award the contract. In a memo to City Council dated November 26 (attached), staff reported on the benefits the City receives from Piggyback Purchasing. The memo also discussed that the preliminary review of the tree trimming services contract found that the Piggyback Purchase was appropriate and there were no technical issues; however, staff needed more time to review whether or not the maximum efficiency and level of service would be achieved through combining the different tree trimming services the City uses or keeping them separate.

Based on this additional review, staff believes that dividing the tree trimming services into two separate contracts and rebidding is in the best interest of the City. One contract will be for specific services for single and small group trees, which is what Parks, Recreation and Marine needs; the other will be for general, tree grid type service needed by Public Works. Purchasing believes that the services by the two departments are distinct, and combining them into a single contract, while having theoretical advantages, probably would not result in as many bid opportunities and potentially lower prices. Therefore, the separate contracts are likely to be superior and will provide clearer results.

Staff is currently developing specifications with each respective department for both procurement opportunities and anticipates returning to the City Council for consideration of contract awards before summer. In the interim, staff will return to City Council in early February to further amend the existing purchase order for tree trimming services to add additional funds to ensure service continues. It is estimated that approximately \$760,000, plus a contingency for emergency work, will cover the tree trimming needs for Parks, Recreation and Marine, Public Works, the Airport and the Harbor Departments during the procurement process.

JG:LE
K:\Budget\Departments\Public Works\Tree Trimming\TFF PUR Tree Trimming011615.docx

ATTACHMENT

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA DOUD, CITY AUDITOR
TOM MODICA, ASSISTANT CITY MANAGER
JYL MARDEN, ASSISTANT TO THE CITY MANAGER
GEORGE CHAPJIAN, DIRECTOR OF PARKS, RECREATION AND MARINE
ARA MALOYAN, DIRECTOR OF PUBLIC WORKS
JASON MACDONALD, PURCHASING & BUSINESS SERVICES MANAGER



Date: November 26, 2014
To: Patrick H. West, City Manager *PW*
From: John Gross, Director of Financial Management *[Signature]*
For: Mayor and Members of the City Council
Subject: "Piggyback Purchasing"

At the meeting on November 18, 2014, the City Council requested more information on "Piggyback Purchasing." This memo provides general background and provides some examples of Piggyback Purchases as well as a status update on the tree trimming contract award.

Piggyback Purchasing is an informal name for joint and cooperative purchasing - a widely accepted and utilized option for governmental purchases. A Piggyback Purchase describes the situation where a public agency uses the competitive procurement processes of another agency to save money and/or time. It is specifically authorized by the City Charter and has been used by the City as one of its purchasing options for many years.

When a proposed purchase is presented to the Purchasing Division by a City department, Purchasing reviews it for Piggyback Purchase opportunities. Purchasing becomes aware of these opportunities through announcements, internet searches, and information from the Departments. Departments who use commodities, equipment, or services are often aware of competitive purchases other public agencies have made. The major advantages of using Piggyback Purchasing include:

1. Faster access to the purchased items (often much faster)
2. Probable cost savings
3. More efficient use of staff time by avoiding the cost of the bidding process

While widely used in government, Piggyback Purchasing is not the best option for every purchase. A decision must be made for each individual purchase as to whether Piggyback Purchasing is available and in the City's best interests to use. At times, the bid specifications prepared by another government agency may not match the needs of the City. Another important consideration is whether or not the City is likely to get the same or better pricing from a Piggyback Purchase than if it made the purchase itself.

Any proposed Piggyback Purchase is reviewed first by Purchasing and then by the City Attorney's Office. The process of providing Purchasing's information to the City Attorney for his review is currently being refined.

Some of the characteristics considered in a Piggyback contract are:

1. Do the bid specifications match the City's needs?
2. Has the bid been sufficiently advertised?
3. Is there reason to believe that specifications are appropriate and that the bid process reached a sufficient number of bidders?
4. Does the available and comparable pricing information provide evidence of good pricing?
5. Was the bid approved/awarded by the other government agency?

Some examples of Piggyback Purchasing recently used or currently used include:

- Auto fuel
- Ambulance purchases
- Uniform rental
- Graffiti protective coatings
- Cell phone services
- Tree trimming services (the current main contract is a Piggyback Purchase)

The tree trimming services award scheduled for November 18, 2014, was requested to be pulled by staff in order for staff to have time to review the associated complaint that was received. The preliminary review indicates that the Piggyback Purchase was appropriate. The awarded contractor offered a price almost 50 percent less than that of the closest competitor for the primary type of tree trimming used in Long Beach. Notwithstanding that it does not appear that there was any issue with the piggyback contract, staff is still reviewing whether or not to combine the different tree trimming services the City uses. The proposed award combined the different services into one proposed contract that was the subject of the complaint. City staff are continuing to review whether the maximum efficiency and level of service will be achieved through one bid award package or multiple bid award packages. Consequently, until staff completes its analysis, there has been no decision as to whether to move forward with a recommendation to award the tree trimming Piggyback Purchasing contract or to break the tree trimming services into two or more bid packages. That decision will be made in the next few weeks and City staff will return to the City Council with a recommendation when that review is complete.

CC: TOM MODICA, ASSISTANT CITY MANAGER
JYL MARDEN, ASSISTANT TO THE CITY MANAGER