

NO: R077

COUNCIL DATE: April 11, 2016

REGULAR COUNCIL

TO: Mayor & Council **DATE: March 15, 2016**

FROM: General Manager, Parks, Recreation and Culture **FILE: 2320-20/H**

SUBJECT: Extension of Tree Watering Contract (No. 1220-040-2015-074)

RECOMMENDATION

The Parks, Recreation and Culture Department recommends that Council:

1. Authorize the extension of Contract No. 1220-040-2015-074 with Horizon Landscape Contractors Inc. for 2016 in the amount of \$737,213.40 including GST, for the watering of street trees and park trees; and
2. Set the expenditure authorization limit for Contract No. 1220-040-2015-074 at \$960,000.00 including contingency and GST.

INTENT

The purpose of this report is to obtain Council approval to extend a contract for the watering of street trees, park trees and trees around civic buildings in 2016.

BACKGROUND

Street trees and park shade trees require supplemental watering during the first six to eight years following planting, depending on the weather during any given year. For 2016, there are approximately 27,000 trees that may need to be watered at the peak of the summer drought period. Approximately 5% of the watering is carried out by City staff with the remainder undertaken by a qualified external contractor.

In April 2015 Council approved the Award of Contract No. 1220-040-2015-074 for the watering of street and park trees in 2015 to Horizon Landscape Contractors Inc. in the amount of \$657,530.00 including GST and approved the expenditure authorization limit for Contract No. 1220-040-2015-074 at \$850,000.00 including GST (Corporate Report R060:2015 is attached as Appendix "I"). In October 2015, due to a record-breaking dry spring and summer, an amending agreement was prepared and a further \$104,000.00 was added to the value of the contract to a total value in 2015 of \$954,000.00 plus applicable taxes. The term of the contract was from May 31, 2015 to December 31, 2015. The contract included an option in favour of the City to extend its term for up to an additional four 1-year periods. The contract recommended in this report is the first extension.

DISCUSSION

The work carried out by Horizon Landscape Contractors Inc. during 2015 has been fully satisfactory. This company has sufficient resources and expertise to undertake the necessary work with high quality and has a very good safety record.

Financial Evaluation for 2016

The 2016 contract rates have increased by 1.2% (as stipulated in the contract) at the Consumer Price Index for Vancouver, BC as published by Statistics Canada.

The total anticipated cost of the work under the contract in 2016 with average weather conditions is \$737,213.40 including GST. However, warm weather can drive watering costs up very significantly. For this reason, the recommendations of this report include funding in an amount equal to a 1/3 increase in watering over an average year, in the event that the spring and summer in Surrey is unusually sunny and hot. This amount reflects the general increase in the number of trees for 2016 and the general trend toward drier summers where more watering is required. Funding for the contract is contained within the approved 2016 Parks Division Operating Budget.

In recognition that tree watering is costly, a number of initiatives are carried out to encourage residents to water trees on a voluntary basis in order to help us reduce watering costs. Tree water bags are offered for free to residents who express interest in watering trees adjacent to their homes. In addition, ads are placed in local media and information is distributed via the City's website and social media to encourage residents to fill water bags and water trees.

SUSTAINABILITY CONSIDERATIONS

The City's street trees and park trees represent a significant green infrastructure investment. Well-managed trees beautify the City, provide habitat, mitigate storm water run-off, off-set carbon emissions and filter other pollutants. Regular watering of the trees helps to reduce tree failure and increase the service life of the trees. This is consistent with the objectives of the City Sustainability Charter; more particularly:

- Environmental Sustainability Goal EC3: undertake the maintenance of infrastructure for sustainability.

CONCLUSION

Parks, Recreation and Culture recommend that Council approve the extension of tree watering Contract No. 1220-040-2015-074 with Horizon Landscape Contractors Inc. for the watering of street trees and park trees in 2016 for \$737,213.40 including GST and set the expenditure authorization limit for Contract No. 1220-040-2015-074 at \$960,000.00 including contingency and GST.

Laurie Cavan,
General Manager
Parks, Recreation and Culture

Appendix "I" - CR Ro60:2015 Award of Tree Watering Contract (No. 1220-040-2015-074)

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CORPORATE REPORT

NO: **R060**COUNCIL DATE: **APRIL 27, 2015**

REGULAR COUNCILTO: **Mayor & Council**DATE: **April 10, 2015**FROM: **General Manager, Parks, Recreation and Culture** FILE: **2320-20/H**SUBJECT: **Award of Tree Watering Contract (No. 1220-040-2015-074)**

RECOMMENDATION

The Parks, Recreation and Culture Department recommends that Council:

1. Award Contract No. 1220-040-2015-074 to Horizon Landscape Contractors Inc. in the amount of \$657,530.00 including GST, for the watering of street trees and park trees; and
2. Set the expenditure authorization limit for Contract No. 1220-040-2015-074 at \$850,000.00 including contingency and GST.

INTENT

The purpose of this report is to obtain Council approval to award a contract for the watering of street trees and park trees in 2015.

BACKGROUND

Street trees and park shade trees require supplemental watering during the first six to eight years following planting, depending on the weather during any given year. For 2015, there are approximately 24,000 trees that may need to be watered at the peak of the summer drought period. Approximately 5% of the watering is carried out by City staff with the remainder undertaken by a qualified external contractor.

DISCUSSION

A request for expression of interest and statement of qualifications was advertised on the B.C. Bid website and the City web site. Two companies responded. Both companies were evaluated with respect to the requirements of the request and subsequently were invited to submit a quotation to provide tree watering services.

The proponents provided quotes on the rate to water trees in various categories. Structuring the contract on a cost per tree basis, rather than an hourly rate, ensures efficient performance by the contractor. Separate rates are required for trees located in parks, trees located on streets and for different age categories.

Based on the numbers of trees in each component of the contract, the following represents the value of the quote from each of the two pre-qualified contractors:

- | | |
|---------------------------------------|--------------------------|
| 1. Horizon Landscape Contractors Inc. | \$ 657,530.00 incl. tax |
| 2. D.J. Weedbusters Ltd. | \$1,246,689.15 incl. tax |

Based on previous experience and reference checks, Horizon Landscape Contractors Inc. has the necessary expertise and capacity to deliver the services that are required under the subject contract. As such, based on their quote being the lower of the two submissions, staff is recommending that the subject contract be awarded to Horizon Landscape Contractors Inc.

Funding

The quotation from Horizon represents the watering of trees in a year of average weather. However, warm weather can drive watering costs up very significantly. For this reason, the recommendations of this report include funding in an amount equal to a 1/3 increase in watering over an average year, in the event that the spring and summer in Surrey is unusually sunny and hot. Funding for the contract is contained within the approved 2015 Parks Division Operating Budget.

SUSTAINABILITY CONSIDERATIONS

The City's street trees and park trees represent a significant green infrastructure investment. Well-managed trees beautify the City, provide habitat, mitigate storm water run-off, off-set carbon emissions and filter other pollutants. Regular watering of the trees helps to reduce tree failure and increase the service life of the trees. This is consistent with the objectives of the City Sustainability Charter; more particularly, Environmental Sustainability Goal EC3: undertake the maintenance of infrastructure for sustainability.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the award of tree watering Contract No. 1220-040-2015-074 to Horizon Landscape Contractors Inc. for the watering of street trees and park trees up to a maximum amount of \$850,000.00 including contingency and GST.

Laurie Cavan,
General Manager
Parks, Recreation and Culture