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## Request to Exceed in Excess of 25% of PO 370027, Arborist Service

### Recommendation

That the Standing Policy Committee on Transportation recommend to City Council:

1. That the Administration be given approval for PO 370027 with Grant's Tree Service for the supply of arborist services to exceed 25% of the purchase order value and be extended by \$303,073.05, including taxes; and
2. That Purchasing Services issue the appropriate change order.

### Topic and Purpose

The purpose of this report is to request City Council approval for PO 370027 with Grant's Tree Service for arborist services to exceed 25% of the original purchase order value.

### Report Highlights

1. Due to a change in contract timelines, additional arborist services work was required than originally estimated.
2. To continue to meet operational needs, PO 370027, Arborist Services must be extended by \$303,073.05.

### Strategic Goals

This report supports the Strategic Goal of Moving Around by helping to ensure that back lanes in Saskatoon are passable. This report further supports the Strategic Goal of Asset & Financial Sustainability by ensuring municipal infrastructure is well maintained and managed to optimize the useful life of the assets.

### Background

At its meeting held on September 25, 2017, City Council approved the Road Maintenance Service Level. Arborist services are required for the maintenance and reconstruction of gravel back lanes, as well as ensuring that City of Saskatoon equipment is not damaged by vegetation when servicing back lanes or when collecting waste and recycling from back lanes. Christmas tree depot chipping and site cleanup for the Water & Waste Stream Division are also included in the Arborist Services purchase order.

This report is to rectify an over expenditure discovered on PO 370027, Arborist Services.

### Report

#### Arborist Services

Arborist services are supplied to several programs within the City including back lane maintenance and preservation, waste minimization, garbage collection and recycling.

When the Arborist Services tender was prepared, the available work was underestimated. The work was based on one year of defects found by inspection and the amount of work for the contract was estimated based on that inspection data. During the contract preparation process, the contract term was extended in order to improve operational efficiency. The term was extended to 20 months, which increased the number of defects to be addressed via the contract. This resulted in an increase of the work assigned to the contractor and a subsequent increase of the expenditures. This discrepancy in quantities has been noted and will be corrected in future tenders.

Purchase Order Contract

In December 2016, a tender was publicly advertised for the supply of arborist services until August 1, 2018. Grant's Tree Service was awarded the contract for the Planned Work item and a call-out list was formed for Emergency Work. The initial value of PO 370027, Arborist Services, based on quantities tendered for Grant's Tree Service, was for a total of \$224,900.00, excluding taxes.

**Policy Implications**

The recommendation is in accordance with the Corporate Purchasing Procedure (Administrative Policy A02-027) which states that an extension in excess of 25% of an approved purchase order requires City Council approval.

**Financial Implications**

Details of the cost pertaining to PO 370027, Arborist Services with Grant's Tree Service are as follows:

Original Contract Cost (before taxes)	\$224,900.00
Change Order Cost	<u>288,154.36</u>
Subtotal	\$513,054.36
GST	<u>25,652.72</u>
Total Revised Contract Cost	\$538,707.08
Less GST Rebate	<u>(25,652.72)</u>
Total Revised Net Cost to the City	<u>\$513,054.36</u>

There is sufficient funding in Capital Project #837 – Lane Rehab and Drainage Improvements and the Earth Streets program to cover additional service requests.

The above shows that PO 370027, Arborist Services exceeds 25% of the original contract amount, and therefore requires City Council approval.

**Other Considerations/Implications**

There are no options, public and/or stakeholder involvement, communication, environmental, privacy, or CPTED implications or considerations.

**Due Date for Follow-up and/or Project Completion**

Purchasing will be seeking competitive pricing for arborist services by August 1, 2018.

**Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

**Report Approval**

Written by: Barrett Froc, Operations Engineer, Municipal Engineering Services  
Reviewed by: Brandon Harris, Director of Roadways & Operations,  
Approved by: Angela Gardiner, Acting General Manager, Transportation & Utilities  
Department

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