



Report to: General Committee

Meeting Date: March 19, 2024

SUBJECT: 294-T-23 Block Tree Pruning Program (Year 5 of 8)

PREPARED BY: Melita Lee, Senior Buyer, Ext. 2239
David Plant, Sr. Manager, Parks Horticulture & Forestry
Division, Ext. 4893

RECOMMENDATION:

1. That the report entitled “294-T-23 Block Tree Pruning Program (Year 5 of 8)” be received; and,
2. That the contracts for Tender 294-T-23 Block Tree Pruning Program (Year 5 of 8) be awarded to the lowest priced bidders as follows:
 - a) Tree Doctors Inc. (three grid areas) in the amount of \$46,300.80, inclusive of HST; and
 - b) Davey Tree Expert Co. of Canada, Limited (two grid areas) in the amount of \$343,412.04, inclusive of HST; for a total amount of \$389,712.84 (\$46,300.80 + \$343,412.04), inclusive of HST; and,
3. That the estimated costs of \$389,712.84 be funded from account 700-101-5399-23463 (Block Pruning Initiative – Year 5 of 8) with budget available of \$229,000.00; and,
4. That the budget shortfall in the amount of \$160,712.84 (\$229,000.00 - \$389,712.84) be funded from the Life Cycle Replacement and Capital Reserve Fund; and further,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to award the contract for block tree pruning (for five grid areas) for Year 5 of the 8-year program

BACKGROUND:

This contract is for block tree pruning of 7,166 street trees in five (5) grid areas, as per the Council approved service level for boulevard tree maintenance on an 8-year cyclical plan.

Boulevard trees are pruned for road, sidewalk and driveway clearances, and clearances of residential homes and other nearby infrastructure (such as signs and lights). Additional safety measures are required as part of the contract, including but not limited to the removal of hazardous deadwood, broken or hazardous limbs, and the pruning to encourage structural integrity of the tree and tree parts.

The first 4 years of the Program identified and successfully pruned approximately 79,700 boulevard trees of the defined 100,000 boulevard trees noted in the original 2019 study.

Current growth of newly developed areas and new subdivisions suggests an average growth of 800 new trees per year. To ensure the City of Markham maintains the Council approved service level, the Operations, Forestry department needs to prune an overall City tree average of 6,880 trees per year, for the next 4 years. Trees scheduled for pruning are determined by the Map Grid in which they belong and on a priority basis.

Within a map grid planting opportunities vary according to lot size and common areas, and therefore the number of trees per year will vary depending on the sum of the individual map grids.

The scope of work for this Request for Tender is divided into five (5) separate map grids for block pruning in 2024 and will be considered Year 5 of the 8-year Council approved Block Pruning program. It is the intent of the City to award each map grid separately based on the lowest priced bidder per map grid.

It is anticipated that work will commence within ten (10) calendar days of receiving the Purchase Order and be completed by December 15, 2024.

OPTIONS/ DISCUSSION:

Tender Information (294-T-23)

Bid closed on	January 9, 2024
Number picking up bid document	11
Number responding to bid	7*

*One of the bids received was declared non-compliant for two of the five grid areas submitted. Bids received in response to this Request for Tender exceeded the City’s budget. Consequently, Staff attempted to enter into negotiations with the low bidder; however, they were unable to reduce their pricing.

Budget Shortfall

Prices under this Tender average \$54.38 per tree in comparison to Staff estimate and previous pricing of \$31.95 per tree. The price increase can be attributed to a combination of factors, such as:

- Many GTHA municipalities are block pruning resulting in prices to reflect what contractors want to be paid if they are successful. Block pruning is more common in various municipalities now vs 4/5 years ago, which has provided contractors the ability to determine their needed/desired rates to complete the work successfully.
- A growing need for Urban Forestry related projects (such as block pruning, or hazard tree removal) within various municipalities combined with qualification requirements to uphold the quality of workmanship and safety, and a lack of qualified, experienced and certified arborists coming into the industry continues to be a driver in price escalations for contractors. Wage increases in the private sector, to retain qualified staff to ensure compliance with these Urban Forestry programs may be a supporting trend in pricing.

Moving forward, Staff will be reviewing our current practice of forecasting future market prices based on a previous year pricing, with a view to continuing to develop strong cost estimates. Staff will explore embedding other / additional components to the development of estimates where we have a strong sense of upward volatility in the market.

FINANCIAL CONSIDERATIONS

The award for 294-T-23 in the amount of \$389,712.84 will be funded from project #23463 Block Pruning Initiative – Year 5 of 8 (account #700-101-5399-23463), with available 2023 budget of \$229,000.00.

Staff recommend that the budget shortfall in the amount of \$160,712.84 (\$229,000.00 - \$389,712.84) be funded from the Life Cycle and Capital Replacement Reserve.

OPERATING BUDGET AND LIFE CYCLE IMPACT

This is a Capital Project funded from the Life Cycle. The Life Cycle Reserve Study will be reviewed and updated accordingly based on award prices as part of the 2024 update.

PEOPLE SERVICES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

This project closely aligns with two of the corporation's areas of strategic focus with providing excellent Municipal Services – Parks and Recreation, and our commitment to the Environment. Trees collectively enhance ecology in urbanized areas; however, they require regular pruning to clear traffic signs, streetlights, and provide clearance for pedestrians and vehicles. Pruning will reduce the risks associated with poor structure to protect people and properties. The pruning is also to help maintain the health of the tree by removing dead or dying branches

BUSINESS UNITS CONSULTED AND AFFECTED:

Financial Services Department has been consulted in preparation of this report.

RECOMMENDED BY:

Alice Lam
Director, Operations

Morgan Jones
Commissioner, Community Services

ATTACHMENTS:

Not applicable