

Memorandum



To: Dale Berman, Village President & Board of Trustees
Cc: Steven Bosco, Village Administrator
From: John Laskowski, Public Works Director
Date: August 6, 2020
Re: Consideration of Bids for 2020 Tree Replacement Program

This year's tree replacement program included 100 3-inch diameter trees with the option of adding an additional 25. The project was advertised on the Village website and in the Daily Herald newspaper on July 13, 2020. We received and answered questions from two companies throughout the duration of the advertisement. On August 6th, the Village received 2 bids for the annual tree replacement program. Both bids received contained irregularities.

Table 1. 2020 Bid Results

No.	Company	Bid
1	Aztech Landscaping	\$ 49,785.00
2	Langton Group	\$ 72,113.00

At this time the budgeted amount for this project was determined by staff to be \$42,000. In comparison to last year's bid results illustrated in Table 2, these prices appear high. In both programs the number of trees and the diameter are the same: 100 trees and 3-inch diameter. The higher prices could be a result of less competition. Surprisingly, the Village did not receive bids from the two companies who had asked questions about this year's tree replacement program.

Table 2. 2019 Bid Results

No.	Company	Bid
1	Americana Landscape Group, Inc.	\$ 33,040.00
2	Acres Group	\$ 33,950.00

For further comparison, Table 3 illustrates the bid results from the 2018 program. This is not a direct comparison because the quantity requested in the 2018 program was for 150 trees of 2.5-inch diameter. However it does provide some context for the expectations of this year's bids. If you consider that the low bid from 2020 is higher than the highest bid submitted for 2018 for 150 2.5-inch diameter trees, it suggests that the 2020 prices are higher.

Table 3. 2018 Bid Results

No.	Company	Bid
1	Americana Landscape Group, Inc.	\$ 31,350.00
2	Acres Group	\$ 31,915.00
3	The Fields on Caton Farm, Inc.	\$ 33,625.00
4	Ramiro Guzman Landscaping	\$ 45,750.00

It is ultimately difficult to pinpoint the lack of response from contractors and the higher prices. Speculation led us to two additional considerations for receiving high bids. There may be a labor shortage associated with the Covid-19 virus that is impacting this industry disproportionately, and this may increase the labor costs. The second consideration was changes in scope. There was only a single change made to this year's contract documents from the previous. This year we had required a \$2500 security be supplied to the Village as a guarantee that the trees that did not survive the 1 year maintenance period would survive. It could be possible this was a hurdle too large for some smaller companies to overcome.

As we look forward from the bid opening, the Village Board has at least two options. The Board can accept the low bid and proceed with the program on schedule. The Board can reject all bids and rebid the project this Fall.

If the Village Board chose to award the bid to Aztech. We would have to waive the irregularities in the bid documents and subsequently ask the contractor to provide unit prices for the species selected for planting. The replacement is budgeted at \$42,000. If the council chose to go with the lowest bidder of \$49,785, the balance of the funding \$7,785, would come from the Tree Service line item. We would propose to either subtract this additional amount from the Tree Trimming activity which would reduce the amount of trees trimmed or consider exceeding the budget for this line item.

If the Village Board were to reject all bids the schedule for planting becomes compressed. This could lead to higher prices. The available inventory at nurseries may be depleted and quality may also be a concern. The Village may have to be prepared to accept trees at a smaller diameter in order to supply all 100 trees this year. Staff speculates the completion date for the rebid program would be near the end of November. If high prices were received again in the second letting, there would not be enough time to re-bid a third time, and still have trees planted in the Fall. Rather the program would have to be postponed until Spring 2021 and delaying the delivery of the trees to residents.

After consideration of the above two options staff would recommend rejecting the bids and re-bidding the project. Staff would propose to reach out to numerous landscaping companies and discuss inventory with nurseries to determine if we need to consider substituting some 3" diameter trees with 2.5" trees. The schedule will be compressed

so staff will have to work closely with the low bidder to execute the contract documents and select and plant trees. A final consideration may be removing the \$2500 security requirement if conversations with contractors suggest this was a barrier to bidding.