

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**February 18, 2008**

**ACTION REQUIRED**

**AGENDA ITEM NO. V.F.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Vegetation Management Contract

**DISCUSSION**

Chugach Electric Association, Inc. (Chugach) continually maintains its Right-of-Way (ROW) vegetation to maintain system reliability. Chugach's Vegetation Management includes Transmission, Distribution ROW clearing, Substation Weed Control, and Danger Tree Removals. It is done under the terms of a long-term contract consisting of an initial three-year period and options to extend for an additional two, three-year periods. The program is managed by Chugach's Utility Arborist.

The RFP was prepared and sent out to prospective bidders on November 10, 2007. The RFP was advertised nationally by invitation and locally in print media and on the Chugach Web Page. The list of national prospective bidders was provided to Chugach by VM consulting company, Everest Management Consultants. Asplundh Tree Expert Company, Davey Tree Expert Company, Lewis Tree Service Company, and Wright Tree Service, acknowledged our invitation but declined to bid stating essentially that our program is much too small or too far from their core business. Two other national contractors, Townsend Tree Service and Trees, Inc., did not acknowledge the invitations.

Three responsive proposals were received. Proposal results are totals for the initial three years, 2008, 2009 and 2010 and are as follows:

	<b>Alaska Land Clearing, Inc.</b>	<b>Carlos Tree Service, Inc.</b>	<b>Statewide Clearing, Inc.</b>
Transmission	\$3,121,514.00	\$964,645.70	\$3,892,160.00
Substation Spraying	No Bid	\$267,970.68	\$634,316.00
Distribution	No Bid	\$5,119,009.84	\$5,556,732.60
Total Bid	\$3,121,514.00	\$6,351,626.22	\$10,083,208.60

Carlos Tree Service, Inc. submitted the lowest responsive proposal for all areas of work under the contract. Therefore, the contract should be awarded to Carlos Tree Service, Inc.

### **BUDGETARY IMPACTS**

Amount: \$2,064,086.34 (2008 Only)

Expense: \$2,064,086.34 (2008 Only)

Capital: -0-

Discussion: Award of this RFP to Carlos Tree Service will have no impact on the 2008 budget.

### **MOTION**

Move that the Board of Directors approve to authorize the Acting Chief Executive Officer to execute a contract with Carlos Tree Service, Inc. for Vegetation Management Services for a three-year term with options to extend for two additional three-year terms for an estimated total cost of \$6,351,626.22, with clearing expenditures in 2008 of \$2,064,086.34.

## RESOLUTION

WHEREAS, Chugach Electric Association, Inc. (Chugach) continually maintains its Right-of-Way vegetation to maintain system reliability; and

WHEREAS, Vegetation Management has traditionally been done under long term contracts rather than by in-house workforce; and

WHEREAS, the Request for Proposals (RFP) process for a new long term contract for Vegetation Management has been completed; and

WHEREAS, Chugach has included funds for Vegetation Management in the 2008 operating expense budget; and

WHEREAS, Chugach has determined that Carlos Tree Service, Inc. has submitted the lowest responsive proposal for Vegetation Management Services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Chugach Electric Association, Inc. authorize the Acting Chief Executive Officer to execute a contract with Carlos Tree Service for a three year term, with an option for two additional three year terms for an estimated total cost of \$6,351,626.22 and 2008 expenditures of \$2,064,086.34.

## CERTIFICATION

I, Alex Gimarc do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 18<sup>th</sup> day of February, 2008; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 18<sup>th</sup> day of February, 2008.

(Seal)

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Secretary