

# A GUIDE TO CONTRACTING FOR MUNICIPAL TREE MAINTENANCE SERVICES<sup>1</sup>

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**Abstract.** Contracting for all types of government services has increased recently. Contracting can provide efficient low-cost, high-quality services if the contracting process is properly understood. Good specifications must be developed and enforced. Steps have to be taken to ensure competition and qualified bidders. The contract should be monitored to guarantee performance because the responsibility of getting the work done still remains in the hands of city officials even though a contractor does it.

Private industry has provided services to government such as road building, construction, and refuse collection for many years. These traditional contracting services are being expanded. Many additional government services have been brought into the contracting sphere during the last few years, such as running jails and operating airport control towers. Why is this happening?

Today local government officials have come under tremendous pressure to provide quality services at equal or at higher levels than in the past but at lower costs. Citizens want quality services, but are not willing to pay more for them. At the same time, government officials have experienced pressure to raise public salaries, have had to deal with tougher unions, have seen federal aid decrease and have watched tax and spending limitations occur through voter referenda.

Cities can deal with these pressures to provide service at lower cost by reducing demand for a service, by raising more revenue for the service and by increasing the amount, quality, and effectiveness of the service without increasing its cost.

Contracting can and does provide a city a way to deal with the pressures. If done properly, studies illustrate that contracting lowers cost, provides as good or better quality of service than the government workforce, is able to perform

specialized tasks effectively, has greater managerial and technical expertise, offers greater flexibility and provides newer and better equipment.

Contracting can make all of this happen only if city officials have a proper understanding of the contracting process, have supervision to allocate to it, can develop adequate work specifications, can take steps to ensure competition and qualified bidders, and can guarantee contractor performance through good contract management and communications. Before going further into the discussion of how to contract well, there are several questions which must be answered to determine if contracting is feasible.

## To Contract or Not

First, are there compelling reasons for continuing to do tree maintenance as a government function? Second, would the conversion to contracting lead to unacceptable disruption in this service? Third, are commercial sources available and is private sector competition likely, and last, could tree maintenance be done by contracting in a more efficient, cost effective manner? If these answers indicate contracting, then the next step is to prepare and plan for it.

**Presenting the concept and gaining support for contracting.** If at this point, contracting appears to be feasible, there are several key factors that must be examined. The view and roles of community leaders have to be ascertained. Is it a union town? Union members vote and can deal in a position of strength. Will there be job losses due to contracting? This affects the union and can be a major obstacle.

The governing body has additional concerns

1. Presented at the annual conference of the International Society of Arboriculture in San Antonio in August 1986.

that have to be addressed. For example, can the contractor be held accountable to the public? Will the selection favor local contractors? Will the cost savings be temporary? What about a contractor that defaults? What then will happen to the service? How will citizen complaints be handled? Will both contractor and government handle complaints?

It is common for the personnel presently employed in the department that is considering contracting to fear and resist it. Fears that the departments have of losing control of their work force and being subjected to layoffs have to be dealt with and resolved if contracting is to be successful.

Employee and union relations, including the written labor agreement with the union, have to be considered as well as employee input. Is the contractor going to assume all or part of the duties performed by the department's employees? If only part of the services are to be provided, what impact will that have on the rest of the employees? What is the economic situation in the particular municipality? Is it possible that the employees may be hired by the contractor? Could the employees be phased out through attrition rather than layoffs?

**Developing contract specifications.** Preparing specifications is a crucial phase in the contracting process. Mistakes made in writing specifications can be extremely difficult to correct. Poorly written specifications can cause higher bid prices, bring about lack of competition, create confusion and contribute to loss of control over the contracted service. Remember, the purpose of specifications is to describe what is wanted in complete, clear, measurable, and focused terms. In this respect, specifications can be very succinct or they can be detailed to the point of identifying the brand of chipper to be used on the job. However, the greater the detail and directions in a contract, the less opportunity the contractor has to innovate in increasing productivity and reducing cost. Conversely, the less detail set forth in specifications, the greater the chance that the service will be provided in a timely manner in the correct time-frame.

There are many variables involved in the design of specifications: how long has the contractor been in business, what is the size of the contrac-

tor's business and what is the experience of the contractor in doing this type of work. Specifications should include what is wanted done, how it is wanted done, and the personnel, equipment and method the contractor must use to do the work. Also, specifications have to be complete, clearly written and designed so it can be determined if the work is getting done.

There is a need to be able to specify and ensure quality. This is one of the most difficult conceptual problems in the contracting process. There has to be a balance between quality and quantity. Quality can often be assured by the amount of the contractor's training and experience, the type of equipment required by the city to do the job and the licenses held by the contractor. All this will not guarantee quality unless it is tracked and enforced by continuous monitoring.

**Inviting bids.** By law most local government agencies are required to obtain competitive bids for tree work. The words "competitive bid" have different meanings to different people. In many cases, cities aren't getting the good firms to bid the work. A common complaint heard from cities is that the biggest problem with contracting is getting qualified bidders. Often, from the contractor's standpoint, it's a real problem even finding out when a contract is going to be let, so it can be properly bid on time.

Some guidelines to consider when inviting bids (whether it's the first time or the city has been contracting for years):

1. Determine who the potential competitive bidders are: call other cities, call the local tree firms. Some states have a qualified bidders list that may be obtained by calling the state purchasing agent.
2. Develop detailed specifications of the work so that bidders can bid against it and each other.
3. Advertise the bid. This requires some extra work on the part of the department seeking contractors. Don't just let the purchasing department put a tiny one-liner on the back page of the local newspaper. Make some phone calls if bidders aren't responding.
4. Have a pre-bid meeting. This meeting is very important. Know the specifications and the work that is wanted. Inform the contractors. The more they know about the job, the more

competitive their bids will be. In my opinion, contract prices are inversely proportional to the amount of information given about the work. Contractors, as well as city officials, do not like surprises! Also, at the prebid meeting, contractors can be informally judged by asking for their experience in doing this kind of work.

5. Have the bid opening at the time and place indicated in the bid invitation, with bids tabulated so the low bidder knows who he is.

Generally speaking, in the bid process, the low bidder will get the job, but this is not always the case. The low bidder should be carefully examined by an evaluation team made up of department representatives from the contracting department, the actual unit in which work is to be done (forestry division, for example), and someone with enough technical skills to properly evaluate whether the bidder is responsive to the specifications so that his bid prices are in line with work wanted. This team will evaluate the qualifications as well as the technical, managerial and business capabilities of bidders, analyze the prices and costs of bids and prepare the award recommendation.

**Monitoring the contract.** No single component of the contracting process is more critical than the careful monitoring of a contract. City officials do not give up their responsibility to ensure efficient and equitable tree care by contracting out the work.

The steps involved in good contract monitoring are simple: have well trained and available supervi-

sion, be willing to understand the contractor's point of view, and give the contractor a chance to correct deficiencies. At the end of the contract, prepare a written assessment of the contractor's performance. Give the contractor an opportunity to review the assessment so he may use it as a learning experience.

### Summary and Conclusions

Contracting is on the increase because of the pressures of tightened government spending and citizens' demand for low-cost, efficient services. The many advantages associated with contracting will be realized by obtaining support for the idea, considering employee and union relations, developing good specifications, monitoring contract performance, and ensuring continuing competition.

These steps are keys to the contracting process. Following them will not guarantee success; however, not following them will guarantee lots of trouble—maybe even failure. Successful contracting is like any task: if you want to do it well, you have to gain knowledge about it, apply that knowledge, learn from your mistakes, and be willing to make a change to make the end product better.

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## Abstract

WARE, G.H. 1986. **The trees of Morton Arboretum.** *Arboric. J.* 10:33-43.

The Morton Arboretum, near Chicago, Illinois, contains 1,500 acres of natural forest and designed landscapes. Its collections contain about 4,000 taxa, assembled since its establishment in 1922. Good systematic collections of woody plants are present. Well-developed geographic groups are also present. A Street Tree Evaluation Group provides practical arboricultural information. Park-like landscapes feature grouping of commonplace trees that are presented in a naturalistic style which emphasizes textural contrasts, vistas, and water. These aesthetically pleasing landscapes also contain countless rare and unusual woody plants. The Arboretum is both a museum and laboratory where lessons on the selection, management and maintenance of woody plants are being learned.