

# TREE CONTRACT: ALTERNATIVE TO FIXED PRICE OR UNIT BID

by Ron Wallace

Lakeland Electric had been struggling along with four in-house tree crews doing hot spot trimming, continuously falling further behind. In 1983, we supplemented our in-house crews with four contract crews, continuing pretty much as we had in the past, with very little supervision, at an approximate cost of \$70.00 to \$80.00 per tree trimmed.

Late in 1984, a maintenance program was instituted and a couple of crews were added. These changes still did not bring the progress we expected.

The decision was made to have a consultant do a survey of our system. In July of 1986, ACRT of Kent, Ohio surveyed a percentage of the entire area, made some estimates of the number of trees and the number of man-hours necessary to get over the system once and to maintain it on a two-year cycle in urban areas and a four-year cycle in rural areas. Based on our past experience, it appeared that we were still going to have a hard time doing this with the number of people estimated.

For several years, we had let one- and two-year bids for tree trimming; the contractors were very competitive. We had some of the lowest paid tree trimmers in the state working on our property. This caused low production due to poorly trained employees and a high rate of employee turnover. In other words, it was a serious accident waiting to happen!

Our consultant recommended an incentive-type contract based on crew performances that were determined by our experience and the experience of some of the other utilities around the country.

A computer program was purchased from our consultant. We started tracking some of the crews' progress early in 1987. Using the production figures gained from this, and comparing them to figures we had received from other utilities, we set some production standards for various types and sizes of trims and removals. Keeping at what we felt was a minimum number, we decided there would be four categories each for trimming and

removals and one standard for brush. Each, of those four, was assigned a code letter and number. In addition to this, we added a code letter for off-the-road work. An average amount of time for that particular type trimming or removing was assigned to the various codes.

In early September, we invited all interested contractors to a prebid meeting. We explained the entire contract to the group, putting emphasis on the performance figures and bonus plan. Included in the contract were time frames for adjusting performances, if necessary. These were scheduled for three months, six months and one year. A bonus was to be paid on performance and split 40% to the men in the field and 60% to the contractor. This was later amended so that 40% of the split went to production people and non-production people were paid out of the contractor's 60%.

The new contract was executed November 1, 1987, with a one-month period free of penalties and bonuses. This contract was signed for three years, with two one-year options for renewal. Our per tree trimming cost has taken a dramatic turn downward, from \$38.00 to \$45.00 per tree in the past, to a present figure of \$21.50 plus bonus, which brings the total to \$22.50 per tree.

We had been getting extremely low bids from contractors due, partly, to the fact that we were bidding one- and two-year contracts. The other reason being that we are a small municipally owned utility with two large investor-owned utilities bordering our service area. Line clearance people were paid better wages. Consequently, we would hire people, train them, and soon they would leave for better paying jobs in the industries only a short distance away.

We have been able to retain some of our employees and attract more experienced people from the outside, since we began this program which enables the employees to increase their income. Our turnover is the lowest it has been in ten years, while other utilities in this vicinity are conti-

ning to have large turnovers.

The new contract places some of the burden for production on the contractor. Therefore the contractor must put special emphasis on the type of employees he hires. The old contract did not offer incentives to provide experienced personnel.

We were fortunate to attract so many experienced people so quickly. I think this was possibly due to location, time of year and some positive PR from our contractors.

If attracting experienced employees is a problem, there is another worthwhile route to investigate, companies who are in the business of training prospective employees. We filled several inhouse crew vacancies in this manner. These individuals had been through an eight-week training course, which consisted of about 70% field work (climbing, roping, proper pruning, and plant iden-

tification), 30% classroom work (safety in line clearance, First Aid, CPR) and the trainees used all tools and equipment normally used in line clearance operations. When these trainees were placed on a crew, they were familiar with the tools of the trade and were fairly productive immediately. Current liability laws, alone, make this route worth considering, but the addition of all the advantages, i.e., increased production, less customer complaint, and more employee satisfaction, made it a positive step toward lowering our per tree cost.

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## Abstract

HUMMEL, R.S. and C.R. JOHNSON. 1987. **Does pruning at transplanting improve sweet gum growth?** *Am. Nurseryman* 165(3): 99-102, 104, 106-107.

Pruning has often been called both an art and a science. It is an art when operating the pruning shears and a science because basic principles of plant physiology and genetics govern the plant's response to pruning. The effectiveness of pruning at transplant time has become controversial. Our work on sweet gum spanned a period between 1983 and 1985. We tested the effects of pruning on both fall and spring plantings. We measured tree growth during the second week of October 1984. Then on April 5, 1985, 18 months after the fall planting and a year after the spring planting, we visually rated the trees according to plant form and landscape desirability. Trees with tops headed back 50 percent showed less caliper growth than the other trees. Pruned plants produced vigorous upright shoots that replaced much of the height lost to pruning. The number of shoots and their length and caliper totals were greater for the pruned plants than for the controls. Overall, this study indicates that removal of 20, 30, and 50 percent by heading-back the top of 1-gallon container-grown sweet gums at transplant did not improve their growth and establishment when compared to nonpruned specimens. And severe pruning—30 and 50 percent top removal—stunted plant growth.