Ash Tree and Stump Removal Bid Trend Analysis

Purpose

The purpose of this analysis is to provide information showing trends in bid prices for tree and stump removals. Because of the many variables that govern removal cost (i.e., ash tree inventory numbers, phased removal programs, size of communities, rate of removals, RFP issuances during different times of year, size of responding landscape companies) there are various assumptions that must be made to complete this analysis. The challenge of performing an apples-to-apples comparison using similarly situated communities with similar ash tree inventories may prove impractical for this level of analysis.

GroundsKeeper Landscape Care LLC

The current contract with GroundsKeeper Landscape Care LLC will end on December 31, 2016. GroundsKeeper was contracted to perform tree removal and trimming services in November of 2012. GroundsKeeper's contract cost is structured using a tree diameter-at-breast-height escalating range. The average cost for the Village of Orland to remove a tree per GroundsKeeper contract is $230. This cost includes stumping, and restoration.

The initial scope of work for GroundsKeeper was to perform tree/stump removals and restorations for 600 to 1,000 trees. This three (3) year contract initiated in 2012 could be renewed for two (2) additional years. The contract will terminate on December 31, 2016.

Condensing of ATRRP

With a condensed Ash Tree Removal/Replacement Program (ATRRP) the board has the ability to bid the removal of the additional trees (approximately 2,000 per year) that fall outside of GroundsKeeper's current scope/contract limit of 1,000 trees per year.

GroundsKeeper provided the Village with a relatively low per tree cost at $230 per tree removal. Tree removal costs at the time ranged anywhere between $400 to $1,000 per tree. If the remaining trees are rebid, the Village may have no other choice than to accept a bid that could be significantly higher than our current tree removal cost.

GroundsKeeper Continuing 2012 Costs

GroundsKeeper, if allowed to assume the additional trees in their current contract, has agreed to continue their 2012 tree removal costs. *[See attached GroundsKeeper letter dated 11/12/13]*

The following information attempts to show tree removal bid trends to assist in the decision making process.

Assumptions:

Assumption 1: Tree size averages are taken at face value. Orland Park used a tree diameter-at-breast-height (DBH) average. This average included Orland's entire ash tree inventory. We choose to assume for this analysis that communities used a similar method to determine their "average tree size."

Assumption 2: Dissimilar sized communities received comparable bid costs. There is a difference in a bid for 1,700 trees and 8,000 trees. With no way to determine a bidder's rationale in determining profit margins for smaller bids vs. larger bids, we choose to assume for this analysis that bid costs are somewhat similar for smaller and larger bids.

Assumption 3: Bid phasing still provides comparable bids. Because many agencies are bidding their tree removals in phases, we choose to assume for this analysis that isolated bid prices are comparable regardless of phased bidding.

Village of Tinley Park /Village of Orland Park (2013 Comparison)

In August of 2013, Tinley Park opened bids that divided the community into four tree removal quadrants (North, South, East and West). The goal of each landscape company was to win as many quadrants as possible. To stay a step ahead of their competitors, Homer Tree Services offered Tinley Park a 1% overall cost reduction if they were selected for all four quadrants. Homer's final bid was $1,437,947. Because Tinley Park selected Homer for all four quadrants, Homer reduced their bid by $14,379 resulting in a final bid of $1,423,567.53.

	Tinley Park Tree Removal/Stump Grind only (Aug. 20, 2013)			
	Homer	**Groundskeeper**	**Landscape Concepts**	**Davey Tree Expert**
North	$430,795.00	$744,305.30	$0.00	$1,226,570.00
South	$239,681.00	$342,365.00	$229,860.00	$612,063.00
East	$338,500.00	$633,785.00	$445,645.00	$1,003,131.00
West	$428,971.00	$598,659.20	$453,670.00	$1,134,732.00
	$1,437,947.00	$2,319,114.50	$1,129,175.00	$3,976,496.00
1% reduction	$14,379.47			
	$1,423,567.53			

Tinley Park has approximately 8,700 ash trees which would yield an average tree removal cost of $177.95. Currently, Orland Park has a cost of $230 per tree; $52.00 above Tinley Park's tree removal costs. **Important to note: Tinley Park's bid was for work to be performed over the course of a single year.**

Village of Park Forest/Village of Orland Park (2012 Comparison)

In June of 2012, the Village of Park Forest opened bids with the AAA Tree Service (Peotone, IL) listing the following results of their successful bid:

Bid for tree removals; including stump grinding, back-fill & re-seeding:

Up to and including 12" (DBH)	$ _15.00_	per inch
13" up to and including 24" (DBH)	$ _23.00_	per inch
25" up to and including 36" (DBH)	$ _26.00_	per inch
37" and over (DBH)	$ _27.00_	per inch

This one year contact had an optional two year renewal.

VOP Diameter (DBH)	VOP Price per tree	VOP Price per inch	Park Forest	Park Forest
0" - 3"	$67.27	$22.42		
3.01" - 6"	$82.69	$13.78	Up to and including 12"	**$15.00**
6.01" - 12"	$154.47	$12.87		
	Average:	*$16.35*		
12.01"- 18"	$214.90	$11.94		
18.01" - 24"	$305.33	$12.72	13" up to and including 24"	▮
	▮	▮		
24.01" and larger	$660.68	▮	25" up to and including 36"	$26.00
			37" and over ▮	$27.00 ▮

Finding
The Village of Orland Park was not far off in its overall bid pricing for tree removal in comparison to Park Forest. While Park Forest has a healthy number of parkway trees (2,000), their inventory is much smaller than Orland with over 8,000 trees.

Park Forest information received via email

Village of Wheaton/Village of Orland Park
The Village of Wheaton recently approved a $51,000 increase over the budgeted $300,000 for ash tree and stump removal. With an ash tree inventory close in comparison with Orland Park, Wheaton has approximately 6,500 ash parkway ash trees and has removed 800 trees.

Finding

Wheaton Bid for Tree and Stump Removal	Orland Park Bid for Tree and Stump Removal
October 2013	**November 2012**
Lowest bidder "Arborworks" at $22.50 per inch	Lowest bidder "Groundskeeper" at $13.00 per inch
Average tree removal cost: **$400 to $500**	Average tree removal cost: **$230**

Link to Wheaton's information

City of Galesburg/Village of Orland Park

Bid Tabulation for Ash Tree and Stump Removal September 6, 2013

Company	Quantity	Unit Price/DBH	Total Price
Lee's Tree Service Monmouth, IL	216	19.68	$4,250.88
Johnson Tree Service Abingdon, IL	216	26.26	$5,672.16
Total Tree Care Galesburg, IL	216	23.15	$5,000
Andrews Tree Service Peoria, IL	216	58.00	$12,528
Plue's Tree Service Galesburg, IL	216	32.64	$7,050

The Village of Orland's average tree removal cost per DBH is $13.00.

Link to Galesburg's information

City of St. Charles/Village of Orland Park

St. Charles has an inventory of 5,400 parkway ash trees. Six companies responded to an RFP for tree and stump removals. In May of 2012, the City of St. Charles awarded Skyline Tree Service & Landscaping, Inc. a lump sum, not-to-exceed $500,000 to remove and stump grind 1,000 ash trees. In October of 2012, Skyline was approved to remove an additional 1,000 ash trees. Skyline held their prices and was awarded the contract to remove 1,000 trees in May of 2013.

St. Charles bid for Tree and Stump Removal
April 2013
Lowest bidder "Skyline" at <u>$500 per tree</u>
Not to exceed $500,000 award

Orland Park bid for Tree and Stump Removal
November 2012
Lowest bidder "Groundskeeper" at <u>$230 per tree</u>
Not to exceed $500,000 budget

<u>Link to St. Charles information</u>   <u>Number of Ash Trees</u>

Village of Buffalo Grove/Village of Orland Park

Buffalo Grove November 2012 Bid Tabulation
For Tree and Stump Removal 3 year program
Removal of 6,329 ash trees

	Central Forestree, LLC 1566 W. Algonquin Road Hoffman Estates, IL **Successful Bid**	Clean Cut Tree Service, Inc. 210 Lake Avenue Lake Villa, IL	Kinnucan Co. 28877 N. Nagel Ct. Lake Bluff, IL	McGinty Brothers 3744 E. Cuba Road Long Grove, IL	Trees "R" Us. P.O. Box 6014 Wauconda, IL
Contract Year 1	$361,406.25	$389,129.17	$776,486.25	$448,420.17	$480,049.17
Contract Year 2	$758,953.13	$793,823.50	$1,599,561.68	$941,682.35	$960,098.33
Contract Year 3	$1,138,429.69	$1,190,735.25	$2,422,637.10	$1,412,523.53	$1,454,548.98
	$2,258,789.07	$2,373,687.92	$4,798,685.03	$2,802,626.05	$2,894,696.48

Buffalo Grove averages $356.90 per tree & stump removal
Orland Park averages <u>$230.00</u> per tree & stump removal

An Orland Park savings of **$126.90 per tree**

<u>Buffalo Grove information</u>   <u>Recent Bid</u>

City of Rolling Meadows/Village of Orland Park
Rolling Meadows August 2013 Bid Tabulation
for Tree and Stump Removal and Replanting
Removal of 1,700 ash trees

- City of Rolling Meadows pays $1,000 for tree and stump removal and replanting
- Village of Orland Park $410 for tree and stump removal and replanting

Link to Rolling Meadows information   Recent Bid

Cook County Forest Preserve
Attachment A shows a gradual increase in tree removal bids from May 11, 2012 through August 30, 2013. (see highlighted area)

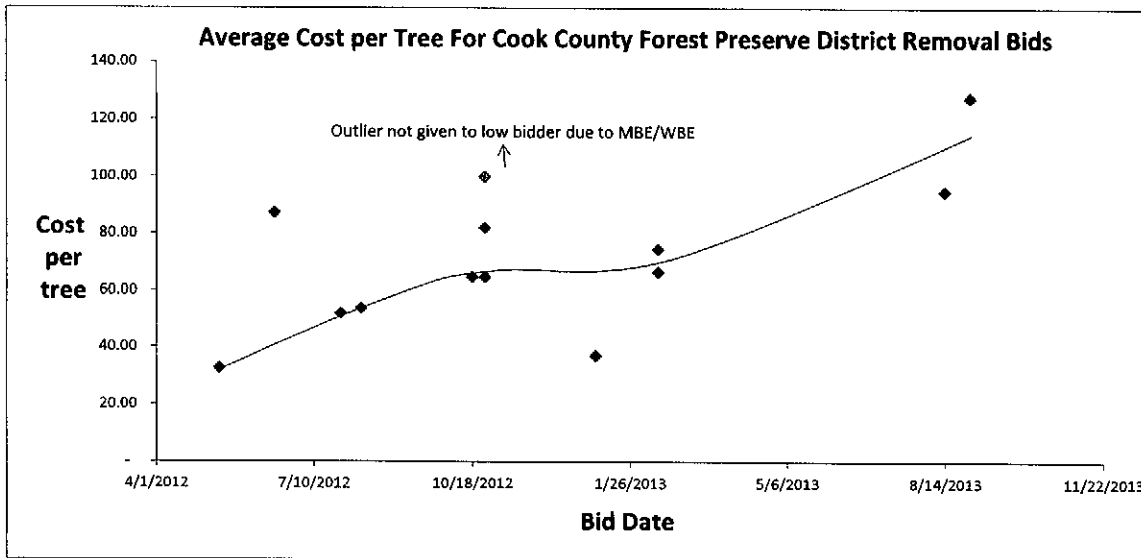## Village of Orland Park/Village of Wheaton/Village of Frankfort
Attachment B shows comparable successful bid results accepted by Orland Park, Wheaton and Frankfort.

ATTACHMENT A

Project Number	Date	Number of Trees	Stumps	Tree Inches	Stump Inches	Grounds Keeper Bid	Winning Bid	Winning Bidder	GroundsKeeper $/Tree	$/Inch	Winning Bid $/Tree	$/Inch	Winning Bid Adjusted for Stumps and contingency* Stump Cost	Tree Price	$/tree	$/inch
13-31-112E	8/30/2013	1824		22,405		$238,000	$238,000	GroundsKeeper	130.48	10.62	130.48	10.62	0	233,000	127.74	10.40
13-31-114	8/14/2013	1464	2	16,640	17	$154,300	$154,300	GroundsKeeper	105.40	9.27	105.40	9.27	85	139,215	95.09	8.37
13-31-107	2/13/2013	1263	17	12,057		$104,238	$104,238	GroundsKeeper	82.53	8.65	82.53	8.65	0	94,238	74.61	7.82
13-31-106	2/13/2013	842	71	7,614		$82,111	$66,134	McGinty Brothers	97.52	10.78	78.54	8.69	0	56,134	66.67	7.37
12-31-116	1/4/2013	681	283	9,408	4,556	$96,300	$53,500	Vega Tree Service	141.41	10.24	78.56	5.69	18224	25,276	37.12	2.69
12-31-112	10/26/2012	1030	186	11,372	1,401	$149,325	$125,047	Homer Tree Service	144.98	13.13	121.40	11.00	7005	103,042	100.04	9.06
12-31-113	10/26/2012	719	59	7,127	699	$82,090	$60,064	Homer Tree Service	114.17	11.52	83.54	8.43	3495	46,569	64.77	6.53
12-31-114	10/26/2012	1984	40	18,806	550	$210,429	$141,156	Trees R Us	106.06	11.19	71.15	7.51	2750	128,406	64.72	6.83
12-31-115	10/26/2012	275	2	2,805	27	$24,900	$22,680	Autumn Tree Care	90.55	8.88	82.47	8.09	135	22,545	81.98	8.04
12-31-111	8/9/2012	2388	109	23,683	1,116	$227,890	$149,000	Clean Cut	95.43	9.62	62.40	6.29	5580	128420	53.78	5.42
12-31-109	7/27/2012	821	67				$52,600	Vega Tree Service			64.07	#DIV/0!		42,600	51.89	
12-31-107	6/15/2012	958	355	9,656	1,447	$105,805	$105,805	GroundsKeeper Landscape Care	110.44	10.96	110.44	10.96	7235	83,570	87.23	8.65
12-31-104	5/11/2012	1120	99	8,298	1,272	$81,500	$51,600	Vega Tree Service	72.77	9.82	46.07	6.22	5088	36,512	32.60	4.40

* Most Cook County Jobs have contingency added to bid, this subtracts this out to give you a more accurate price. Also takes out $5 inch for all vendors except Vega who is at $4 per inch

GRAPH A

Average Cost per Tree For Cook County Forest Preserve District Removal Bids

Outlier not given to low bidder due to MBE/WBE

Cost per tree

Bid Date

ATTACHMENT B

Bid Date	Cost/Price per Inch DBH		
	Dec-12	Jul-13	Nov-13
Size DBH	Orland Park	Wheaton	Frankfort
6	$82.69	$135.00	$120.00
9	$154.47	$202.50	$177.00
12	$154.47	$270.00	$225.78
15	$214.90	$337.50	$298.10
18	$214.90	$405.00	$357.71
21	$305.33	$472.50	$438.33
24	$305.33	$540.00	$500.95
27	$660.68	$607.50	$748.64
30	$660.68	$675.00	$983.33
33	$660.68	$742.50	$1,081.67
36	$660.68	$810.00	$1,150.00

Price Versus Tree Size