



# Agenda Cover Memorandum

Meeting Date: December 12, 2016

Meeting Type:  Committee of the Whole  City Council  Budget Workshop

Item Title: Approve a five-year Agreement/Contract with Goodmark Nurseries, LLC, for tree purchases

Item Type:  Transfer  Budget Amendment  Purchase Order  Other

Action Requested:  Approval  For Discussion  Feedback Requested  For Your Information

Staff Contact: Brandon Naser, City Forester Ph: (847) 318-5231 Email: bnaser@parkridge.us

## Background:

At the October 24, 2016 Committee meeting, consensus was reached for staff to develop a multi-year planting contract to begin with the Spring 2017 planting.

The State of Illinois has allowed trees to be secured through negotiated long-term agreements. Over the past five seasons, the procurement model has been refined to where the City is now securing and planting trees for over twenty-five percent less than it was three years ago. With no diminishment in quality or diversity, the City Forestry Program is planting more trees for the same money.

To see if more gain was possible through a long term agreement, the City approached Goodmark who had won a significant amount of the City's seasonal nursery spend through competitive bidding over several seasons. Trees purchased from Goodmark have consistently met the standard set by the City Forester in bid specifications. Goodmark also provides excellent support to the City tree planter at pickup and that helps keep City planting costs down. Staff has supplied Goodmark with a list of 81 tree varieties with canvassed quantities to be planted over the next three to five years. The actual purchase will be based on what is available from Goodmark's inventory. For instance, the City may buy more of one species due to attractive pricing and availability.

The long term agreement would have a term period length of three or five years. It would provide all of the protections including insurance, etc., to the City that are present in the City's current purchasing bid agreements. The agreement is based on the City purchasing an overall number of trees that has been agreed on by both the City Forester and Goodmark. The Price List would be refreshed as soon as the nursery has completed its semi-annual inventory. If at some point, the agreement was deemed to not meet the needs of the City, the agreement could be terminated by the City.

With a minimum of 600 trees purchased each year, with staff expecting to increase plantings, Goodmark has proposed a 15% discount on all trees purchased with a three-year agreement or a 20% discount on all trees purchased with a five-year agreement. With a 15% discount, the City will potentially save \$22,294 over the course of three years when prices were compared to 2016. With a 20% discount, the City will potentially save \$56,436 in the first three years when compared to 2016 prices.

Benefits of establish a strategic long term relationship with Goodmark includes access to the nursery's entire supply, an ability to purchase soon after the semi-annual inventory is performed, regular consultative discussions with nursery management regarding future City stock needs and increased savings beyond what has been attained through competitive bid events. Through a long term agreement with Goodmark, the net is that the City will continue to maintain the sustainability of the City Forestry Program by planting more trees with an efficient budget spend over the next several years.

Staff is looking for approval from the Committee for a five-year agreement/contract with Goodmark for the maximum benefits. However, the motion can be revised to reflect a three-year agreement if the Council so desires.



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## Vendor and Transaction History:

Vendor Status:  Current  New  
Is Purchase Order Request supported by existing contract:  Yes  No If Yes, date:  
Is this an Annual Recurring Purchase Order:  Yes  No  
Bid Process Used:  N/A  Price Quotes  Bid  RFP Details:  
Have Goods been received or Statement of Work completed:  N/A  Yes  No  
If Overage, approved by Department:  Yes  No Details:

## Recommendation:

Approve a five-year Agreement/Contract with Goodmark Nurseries, LLC, for tree purchases.

## Budget Implications:

Does Action Require an Expenditure of Funds:  Yes  No  
If Yes, Total Cost: To be determined by budget  
If Yes, is this a Budgeted Item:  Yes  No  Requires Budget Transfer  
If Budgeted, Budget Code (Fund, Dept, Object) 100 3071 997000

## Attachment(s), if any:

None