



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/06/2026

ITEM NO: 3

DATE: October 6, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Consent to Relieve Denali Tree Services of its Bid Due to a Bidder's Mistake, Award the Project to Community Tree Service LLC, and Find the Project Categorically Exempt (CEQA Section 15304)**

RECOMMENDATION: Consent to relieve Denali Tree Services of its bid pursuant to Public Contract Code Sections 5101 and 5103; approve the award of the project to the next lowest responsive and responsible bidder, Community Tree Service LLC; authorize the Town Manager to execute a public works contract with Community Tree Service LLC in the amount of \$700,344, with authority to approve construction change orders in an amount not to exceed \$70,034 (10% contingency); and find the project categorically exempt under Section 15304, Minor Alterations to Land of the California Environmental Quality Act.

FISCAL IMPACT:

All proposed expenses in this report will be paid via existing funds in the adopted Capital Improvement Program budget for the Roadside Fire Fuel Reduction Project (4118115, 4218115; Legacy Project 0130), as adopted for Fiscal Year 2026-27. Sufficient appropriation is available for the combined contract and change order value of \$770,378, and no additional appropriation or budget adjustment is required.

Eligible contract costs are reimbursable at 50 percent through the USDA Forest Service grant (4218115-82303), with the remaining 50 percent funded by the Town's General Fund match (4118115-82303). The grant is reimbursement based; the Town will pay project costs and request reimbursement for the federal share.

PREPARED BY: Nicolle Burnham
Parks and Public Works Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

STRATEGIC PRIORITY:

This item addresses the Town Council Strategic Priority to further the Town's emergency preparedness, resiliency, and response capabilities, particularly in the area of wildfire risk. This item also aligns with the Town's Strategic Priorities' Core Goal of Public Safety.

BACKGROUND:

On September 28, 2022, the Town of Los Gatos executed a grant agreement with the United States Department of Agriculture (USDA) United States Forest Service for a "Fuels Reduction Project." The grant award was for \$750,000 with a required \$750,000 grant match. The USDA grant scope was similar to the scope for a grant received through the Federal Emergency Management Agency (FEMA) for similar work. Throughout 2023 and 2024, staff worked with both funding agencies to clarify the project scope and ensure there is no overlap in the work completed with federal funds. This clarification was successfully completed in late 2024.

The USDA grant had an expiration date of March 14, 2025. Staff submitted an extension request to the USDA on December 2, 2024. Due to staffing turnover and changes at the federal level, the extension request was not granted before the grant expiration date. Staff continued working with local Forest Service staff to secure the necessary grant extension. On May 6, 2026, a grant extension was issued by the Forest Service with an expiration date of March 14, 2027.

DISCUSSION:

The Roadside Vegetation Management-USDA Grant Project was advertised for bid on Friday, August 7, 2026. On September 8, 2026, bid packages were opened with five contractors submitting bids. A summary of bid results is presented in Table 1 with Denali Tree Service as the apparent low bidder based on their base bid total. A detailed bid summary is in Attachment 2.

Table 1. Summary of Bids Received

Contractor	Base Bid	Additive Alternate 1	Total
Denali Tree Service	\$370,730.50	\$535.00	\$371,265.50
Community Tree Service LLC	\$700,344.00	\$9,000.00	\$709,344.00
Anvil Builders Inc.	\$1,032,910.00	\$13,000.00	\$1,045,910.00
The Professional Tree Care Co.	\$1,058,500.00	\$17,500.00	\$1,076,000.00
New Image Landscape Co.	\$1,719,424.00	\$15,275.00	\$1,734,699.00

The apparent low bid was \$371,265.50 from Denali Tree Service.

On September 14, 2026 Denali Tree Service submitted a timely, written request to withdraw their bid due to a clerical error. Denali misplaced a decimal point in the cost they bid for tree removal, which resulted in a bid of \$535 per tree removal rather than the intended \$5,350. The California Public Contracting Code (Division 2, Part 1, Sections 5101 through 5103) allows a bidder to withdraw a bid if the bidder can demonstrate: (a) a mistake was made; (b) the bidder gave the Town written notice of the mistake within five working days after bid opening, specifying in detail how the mistake occurred; (c) that the mistake made the bid materially different than intended; and (d) that the mistake was made filling out the bid rather than an error in judgment, site inspection, or reading the plans or specifications. Staff have prepared a memo documenting the facts establishing the existence of each of these elements (Attachment 3). For these reasons, staff recommends relieving Denali Tree Service from its bid.

California Contract Code provides two options to move the project forward. The first is to reject all bids and rebid the project, and the second option is to award the contract to the next lowest responsible and responsive bidder. If the project is rebid, State law precludes Denali Tree Service from submitting a bid on the project. Staff does not recommend rebidding the project for the following reasons:

- Five bids were received demonstrating competitiveness of the project.
- Rebidding the project will impact the project schedule, impacting the ability to complete the work before the grant expiration in March 2027.
- Rebidding the project may result in higher bids due to recent price increases from inflation and fluctuating fuel prices.

For these reasons, staff recommends awarding the contract to the second lowest responsive bidder, Community Tree Service LLC for the base bid amount of \$700,344. Staff is not recommending awarding any costs under Alternate 1.

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SUBJECT: Bid Award for Roadside Vegetation Management – USDA Grant

DATE: October 6, 2026

CONCLUSION:

Staff recommends the Town Council consent to relieve Denali Tree Services from its bid and authorize the Town Manager to execute a public works contract with Community Tree Service LLC for the Roadside Vegetation Management-USDA Grant Project.

COORDINATION:

This project was coordinated with the Finance Department and the Town Attorney's Office.

ENVIRONMENTAL ASSESSMENT:

This is a project as defined under CEQA but is Categorical Exempt under Section 15304, Minor Alterations to Land of the California Environmental Quality Act.

Attachments:

1. Construction Agreement
2. Bid Summary
3. Bid Withdrawal Memo