

MINUTES OF SPECIAL MEETING CELEBRATION COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Celebration Community Development District was held Thursday, December 10, 2009, at 6:30 P.M. at 851 Celebration Avenue, Celebration, Florida.

Present from the Board were:

Cliff Akey	Chairman
Paul Collins	Vice Chairman
Tom Sunnarborg	Secretary
Lee Moore	Treasurer
Bruce Carlson	Supervisor

Also present were:

Gary Moyer	Manager: Moyer Management Group
Jason Merritt	Attorney: Shuffield Lowman
Mark Vincutonis	Engineer: Hanson Walter
Brian Smith	Severn Trent Services
Residents and members of the public	

This is not a certified or verbatim transcript but rather represents the context and summary of the meeting.

FIRST ORDER OF BUSINESS

Pledge of Allegiance

Mr. Akey led the *Pledge of Allegiance*.

SECOND ORDER OF BUSINESS

Call to Order

Mr. Akey called the meeting to order at 6:30 P.M.

THIRD ORDER OF BUSINESS

Roll Call

Mr. Moyer called the roll and indicated a quorum was present for the meeting.

FOURTH ORDER OF BUSINESS

Audience Comments

There being none, the next order of business followed.

FIFTH ORDER OF BUSINESS

Discussion of Landscape Proposals and Evaluation Process

Mr. Moyer stated the evaluation criteria form is to be used by the Board for scoring these proposals. It outlines the items the Board discussed and the points to be assigned to the various categories. The process is not 100% quantitative; there is some subjectivity to this. As you score these firms based upon the responses and the presentations tonight, that

is your work document. At the end of this process, we will ask for a ranking from the Board in terms of first, second and third. The scoring sheet means nothing in terms of this process. One Board member may feel strongly about one category and score a lot of points and another member may not score the same way. The scoring is as it relates to you and what you feel are the important categories on the criteria. When you each have scored the three firms, I will ask for your rankings. I will tally those and that is how we will select the contractor.

Mr. Collins stated at the end of each of the presentations, we will have the opportunity to ask questions. I would like an opportunity for this Board to have a discussion about what we feel are the strengths and weaknesses and our feelings about each contractor. We can discuss our scoring either before or after the discussion, and prior to the vote. I think it is important for us to hear each other's reasoning and not just have numbers on a page. My preference is to have the discussion after the presentations and then do the scoring.

Mr. Akey stated I would rather do the scoring after the Board's discussion, which is after the presentation. The person who has had the most interaction with the scope of work is Mr. Smith. Has he also prepared a scoring sheet?

Mr. Moyer stated staff has not prepared a scoring sheet. The material Mr. Smith provided to the Board is more than what has been provided to any other Board on a landscape maintenance contract that I am aware of.

Mr. Carlson asked will the Management Company have a recommendation for the Board based on knowledge of the bids that have been received and your analysis of them?

Mr. Moyer stated if you ask for our recommendation, we will be glad to give you one.

Mr. Carlson stated I would like to hear your recommendation.

Mr. Akey stated I support that, as well. It is similar to how the County operates in their decisions, where there is some sort of feedback or recommendation from staff. Hearing no objection from the rest of the Board, we will proceed in the direction where we will have the contractor presentations, the Board will have its interaction and discussion, and then we will score them.

SIXTH ORDER OF BUSINESS

Presentations from Contractors, Questions from the Board

A. Girard

Mr. Rick Girard reviewed the information in their bidding materials and provided a brief presentation of the strengths and resources of their company, support for the bid pricing provided, emergency responses, staffing levels and office locations.

Mr. Collins stated there are some things that I am concerned about for our community. The first is employee conduct and safety. What will you do to ensure that your employees behave themselves? We are an open community with a lot of kids. We have a lot of dark walkways. What do you do to ensure you have employees who will not create any kind of problems?

Mr. Girard stated it starts with expectations. We have a high expectation of our employees. For many years, we never had anyone quit our company because they enjoyed working for us. They have as much of an interest in protecting the company and our reputation as I do. We have been in business in 11 years. There was one instance that I know of where an employee whistled at a girl at an apartment complex. We were fortunate enough not to have any bad experiences and we have very high expectations of our employees. Every employee is drug tested. Everyone who works for us is a full-time employee. We do have a seasonal rotation, but we never hire part-time day laborers. All of our drivers must have 7 points or less on their driver's license.

Mr. Collins stated as far as an employee whistling at a girl, that is unacceptable. We have zero tolerance for something like that.

Mr. Girard stated we do, too, and that is why we dealt with it immediately. That happened eight or nine years ago. Our foreman and laborers have many years of tenure, at least five years. We will put some of our best people on this project.

Mr. Carlson asked will you staff our project with new hires or existing staff?

Mr. Girard stated there will be some new hires as far as the lower labor positions, but all the leads, technicians, and the foreman will be tenured employees.

Mr. Carlson asked do you have a written policy in terms of your requirements for behavior and safety?

Mr. Girard stated it is included in the employee manual and the training program. We wrote our own employee handbook.

Mr. Moyer stated we would like to review a copy of that handbook.

Mr. Girard stated our worker's compensation rate has been .69, .71 or .73 as far as the modification rate, and it does not get much lower than that. We have never had any safety issues or concerns.

Mr. Moore asked who is the Account Manager who would handle our account?

Mr. Girard stated Mr. Carlos Sanchez will be the on-site Account Manager.

Mr. Akey stated in some instances, the Account Manager is a working technician. When you have a community of our size, the Account Manager has to know what has to be done and makes sure it gets done.

Mr. Girard stated our Account Managers run the business for each project. He is the point of contact for anything that needs to be addressed. Our Account Managers are fully accountable for all aspects of the project, including billing, inspections, and disciplining employees. In our central region, Mr. Sanchez is one of our top employees and just received an award in recognition of that.

Mr. Smith asked how many accounts does he currently manage?

Mr. Girard stated he has 22 accounts that he is overseeing.

Mr. Smith asked how many will he be managing from Celebration?

Mr. Girard stated our Account Managers manage between \$800,000 and \$1.2 million in contracts. This contract is around \$800,000. Based on the size of Celebration, he will be on-site all day, every day.

Mr. Moore asked does this mean that he will be at our beck and call?

Mr. Girard stated we provide our cell phone numbers to our clients and we make ourselves readily available. We grew to \$19 million in contracts before we hired our first salesperson. We grew our company off our reputation and recommendations.

Mr. Collins stated I think you understand that you have a much better price than the other two contractors, and we want to be comfortable with transitioning to a new company. You have a statement in your materials that says "over the past 11 years, our company has learned the painful lessons in how to balance quality, customer service and profit." The price looks great to us and I think you realize that our expectation of the level of quality is fairly high. We have 8,000 residents who live here and it is an active community. There are communities where the landscaping looks just okay and no one says anything. In this community, everyone sees everything and if it does not look great, we will start getting phone calls. I want to be sure the quality level is such that we will

not receive phone calls. This is a model community and Disney does not build anything that is not nice. We all feel the same way and that is why we moved here.

Mr. Girard stated I do not know enough about CDDs but I do know about landscape maintenance. We provided our price of \$859,000, and there are other bids around \$1.2 million and higher. At the last minute, we reduced our bid by \$100,000. That is our way of saying we really want this project. We want to expand to this part of the metro area. Even without that reduction, we are still the low bidder. We are comfortable in looking at the square footages of turf, mowing rates, and all of the data. We think there are areas included in the other contractors' bids that are double priced.

Mr. Collins stated there is one area in your bid that has a big discrepancy, so I would tend to agree with you. You are at about \$150,000 and one of the other bids is \$500,000 for that same line item. When I look around the community, CROA's parks have a lot of shrubs, and those are our show piece parks. The CDD does the medians, side roads and we do not have that many shrubs. We do have retention ponds with some shrubs. Are you comfortable with your number for shrubs? There is a lot of weeding that needs to be done. We do not want to see weeds growing in the shrub areas.

Mr. Girard asked how long have you had your current contractor?

Mr. Moyer stated eight years.

Mr. Girard stated we have been in that situation. We created a budget for this beautiful community and what it will take to maintain it. Then the efficiencies come into play and it becomes more and more efficient. The contractor will never give up that level of service. I think you have been overpaying for many years, based on what we are seeing and based on our double checking and triple checking the numbers. We counted every tree. We measured your ornamental grasses. It is much different to maintain an ornamental grass bed that you trim twice a year versus a hawthorn shrub bed that you have to trim 12 times a year. Our estimating program is reliable.

Mr. Sunnarborg asked are the three remaining bidders aware of the other bids?

Mr. Smith stated yes.

Mr. Girard stated we have looked at these numbers and we tried to figure out what logic our competitors used to come up with their numbers. We think we have it figured out.

Mr. Carlson stated I would like you to comment on Bahia maintenance. That is the other major area of discrepancy. Your bid is substantially lower on that category.

Mr. Girard stated there was a discrepancy among the contractors on the square footage of Bahia. I think my square footage was correct.

Mr. Smith stated your square footage was 2,600,000 square feet, and the other contractors have fewer square feet. Your cost for maintenance for Bahia was a lot lower. You also did not have Bahia maintenance included in three or four villages where there actually is Bahia.

Mr. Girard stated in the beginning you said you did not have any quantities for us to use, which was fine because we needed to do our own measurements. When we did the measurements, that is how we came up with the quantities.

Mr. Carlson stated you came up with the same amount of square footage so whether or not you missed some in some of the villages, we do not know. The cost is 25% of the other bids.

Mr. Girard stated it is not as intensive to maintain as St. Augustine. There are over 56 individual spreadsheets because everyone had a separate macro built for them. I had to break them down in weed control and pest control because they were not consistent frequencies. It was a fairly complicated and complex set of numbers to put together. We have the correct amount of square footage. It will take me four to five times longer to mow the same area than if we put the same man out there on a different piece of equipment, so I can greatly reduce my manhour rate, sometimes as much as 75%. Those are the kinds of things we absolutely took into consideration. We wanted to give you the absolute best price possible. We are charging less per manhour because it will take fewer man-hours due to the technology we have. Our labor rates vary from \$8 to \$18 due to some positions being supervisors and others laborers. Our average retail rate is anywhere from \$17 to \$25.

Mr. Carlson stated it is our job as public officials to try to do what is best for the community. Along with that, we have to make sure the people we hire to do the job are qualified to do the job and can do it to everyone's satisfaction. As Mr. Collins said earlier, we are a very individually indiscriminating community. It is seldom that you get a pat on the back when in reality you get 20 or 30 questions about the quality of service. You need to be able to handle that. Some of the members of this Board have also been on the CROA Board. We had one bad experience where we hired a contractor to do a portion of the CROA areas. They did not do their homework and they did not know what it would require. Therefore, they were not able to provide the services on-site that were

required. We definitely want to save money for the community, but we have to make sure you know what you are doing and you will stand by your reputation and deliver what we need in this community. We understand that you would like to get started in this community, but we need to be convinced that even though there is a discrepancy in price, you know what you are doing and you will be comfortable with your bid.

Mr. Girard stated our company has grown to be one of the largest family-owned businesses in Florida. We received several awards and recognitions for our business and for us personally as businessmen. We earned those awards. Many years ago, we were asked to come and assist the landscape contractor to get caught up. Mr. Smith would not have called us to help if we did not have the reputation that we do.

Mr. Moyer stated you indicate for staffing, during the summer there will be 32 employees and during the winter there will be 24, or some numbers of that magnitude. Is it your idea that those 32 will be here all day or just a portion of the day?

Mr. Girard stated we reviewed this again today. CDDs have a tendency to complicate things. You will have full-time, year-round people on site, 20 in the summer and 16 in the winter. Your property does not warrant having a full-time horticultural group, which is fertilization and pest control. That is a support service. There are eight fertilization trucks which will get the work done in a week, and they will return to do the same thing two months later. You cannot count those as full-time people because they are support people. For irrigation services, we will have full-time Irrigation Technicians who do inspections. We also have another 15 people available if there is a mainline break. I do not think the Irrigation Technician should stop his inspections to repair a mainline. If there is a repair needed, we will provide a proposal and provide staff to perform the repair for however long it takes, and then they relocate offsite.

Mr. Sunnarborg stated the Board members are all business people and we have all done full-time equivalent calculations for our various businesses.

Mr. Collins stated it sounds like you are saying some numbers are full-time equivalent and others are part-time. I went out four separate days to count how many people Davey has onsite. Including CROA and CDD, they have between 16 and 19 people. If you assume that two-thirds is for CDD property and one-third is for CROA, that is 12 people for the CDD. If we are looking at numbers, 30 does not support a \$900,000 bid. Carol King shows 15 and 20 employees, which is supported by that amount. I was comfortable with that. I look at what Davey does, and I think Davey does a

good job and so I think how many people does it take to do a good job. A lot of it is productivity, as well. I am comfortable with the numbers you provided.

Mr. Girard stated productivity is huge, and that goes to expectations and management. Another thing is the backup resources. We have a lot of resources.

Mr. Moore asked will we lose productivity by having two separate contractors? My concern is, a lot of the productivity gained by Davey Tree is in mowing all the grass. If we have two different contractors, will we lose the productivity in actually being able to do everything? It seems like it might be more difficult for you.

Mr. Girard stated I do not think you will lose productivity but there is an efficiency level for them to do so many different contracts out of your facility. I cannot compete with that efficiency level, but I can tell you what it takes to take care of your property. Having a \$60,000 piece of equipment sitting on this property just to say that it is onsite is a great expense. If we mobilize from our location, it will still be on this site when it needs to be utilized. If it has to come out here once a day for a month to make sure everything is on track, then that is what it will take because it is warranted. It is not warranted to be here 12 months out of the year. I have been involved with other CDDs and the objective is to get the job done. Getting in and getting the job done in the most productive way possible is the approach that we are taking.

Mr. Collins stated one issue for our community is trash pickup. We have a lot of outsiders in the community and there is trash along the sides of the road. One pet peeve of mine is sometimes people picking up trash do not pick it up from the sides of the retention ponds.

Mr. Girard stated I would absolutely expect our staff to remove that trash from the water's edge and on the lake bank. There are some other benefits that I want the Board to capitalize on. We will have two full-time pressure cleaning staff on-site. They will also pickup trash, not just do pressure cleaning.

Mr. Collins asked how many Arborists do you have on staff?

Mr. Girard stated we have five certified Arborists on staff.

Mr. Collins stated we have essentially a full-time tree trimming crew onsite. What can we expect from your company? Who will be on that crew? The trees are the biggest issue where we receive more calls than on anything else.

Mr. Girard stated it is my understanding that you are sharing staff and they are not here just for CDD property. We will provide two full-time staff on-site. It will be a crew

of a few people, but we have not identified which ones will be in Celebration. There very well could be a certified Arborist on-site. It is not a difficult certification to achieve, so if we find the right staff member that we think will be a good fit for Celebration, we will assign him here and we will encourage him to become certified if he is not.

Mr. Moore stated based on your bid prices, you are planning to drive back and forth from your office to Celebration every day. How many hours will that entail?

Mr. Girard stated it is 19 miles.

Mr. Moore asked is that built into your prices?

Mr. Girard stated yes.

Mr. Moore asked if we built a facility here for your use, would we receive a reduction in prices?

Mr. Girard stated you have the potential to save a lot of money by accepting our bid. I hope we have shed some light on a lot of things for you, but I think that would be asking too much.

Mr. Moore stated we do not own the land currently and our current contractor is paying rent for their facility.

Mr. Girard stated our employees do not get paid until we get the first job, so you are not saving me any money. You are saving me half a trip from here back to the shop. I do not think that would be fair to ask of us.

Mr. Moore asked if we provided you with a place, do you expect the CDD to pay the rent for you? We do not own the facility. There are discussions about a possible future maintenance facility, but we are looking at signing a landscape maintenance contract now.

Mr. Girard stated if you own the facility, I look at that as a partnership. We are here to help you and to make this a good partnership. The fact that you do not own it is a different situation. I do not know what the rent is. We have full intentions of building our business in this area. If that means paying rent for a facility, we would entertain that.

Mr. Moore stated Mr. Carlson explained that CROA went through this process and had a bad experience. Vila & Son received the bid but they did not have anyone on-site and I believe that was their demise.

Mr. Girard stated I do not like to talk specifically about other contractors, but for Vila & Son, their idea of a branch is a chained-link fenced piece of property. We have a branch with full offices and a full shop. We have three acres, we perform our own

maintenance, we have fuel tanks, and a full-time administrative staff. We will have a local office in the downtown area where the Account Manager will work from. There is one thing you have not asked. If we are able to save you this money, I see a lot of opportunities for the community. It is aging and there are some areas that need improvement. If I can save you money on the maintenance, I would like to see you spend some of that on enhancements. Coming in the entrance, the sod does not look as good as it could. There are some improvements that should be factored into your budget. If this helps you add that to your budget, that is great for all of us.

Mr. Smith asked where you have missed some of the scope, for example for Bahia and Bermuda in some of the villages, do you understand that just because you missed the frequency that you still have to perform the work if you are awarded this contract? You have to perform the scope. You missed a lot of Bahia in several neighborhoods, and its frequency is the same as St. Augustine. I am concerned that you may have missed the pricing on that.

Mr. Girard stated not to split hairs, but I am hearing you say that I did not miss the total square footage. I did not segregate it by each village appropriately, but we have the correct overall square footage.

Mr. Smith stated if you run the numbers and take the square footage that you provided with the treatments you are obligated to give, your dollar amounts do not quite reconcile.

Mr. Girard stated a proposal is a best estimate for maintaining the property, and we provided that. Something else to consider is the character of the company you choose. The money has not ever been the driving force for us. I am not going to point fingers in the scope. It is about right and wrong. If we got something wrong, then we eat a little. I would expect that if you get something wrong, then you eat a little. It is a partnership. The only way it works is if everyone wins.

Mr. Collins stated there is a lot of add-on work that will need to be done and we need an understanding that you are not going to overprice the extra work.

Mr. Girard stated we want your business. Mowing grass is not the most profitable part of the business. Doing enhancements is and that is something we want to do for you. We just provided a pricing outline for MetroWest. Once you have those prices, then it is a trust issue. There is a certain amount of interpretation, for example, for tree care and the costs involved with various aspects of tree care and replacement.

Mr. Moore asked with Davey, what have we done that is above and beyond their contract with enhancements?

Mr. Smith stated we have done a significant amount of tree replacements, as well as plant replacements and some irrigation repairs. There is quite a bit of constant, ongoing repairs that are authorized.

Mr. Moore asked how much do you think it is dollar wise in addition to their contract dollars?

Mr. Smith stated perhaps about 10%.

Mr. Girard asked is tree replacement a big concern for this community?

Mr. Collins stated we had a huge replacement program after the 2004 hurricanes.

Mr. Smith stated the hurricanes damaged a lot of trees that have declined five years after the initial damage.

Mr. Girard stated there are some tremendous deals on trees right now that you can take advantage of.

Mr. Carlson stated I think you have answered my concerns. This would be a new property for you and the startup may take more time than you planned. If you start to lose money on it, you may lose interest in it and then do not have a good partnership. I am hearing that the intent of the company is if you made a pricing mistake, you will absorb that.

Mr. Girard stated we do not think we made many mistakes at all. If there are any mistakes, we will absorb them and we will not lose interest. This will be a flagship property for us. I understood that this contract will begin January 1, 2010, and now I understand that it will not begin until February 1, 2010. We are fully ready to begin whenever you want us to start.

Mr. Sunnarborg asked what is the Enterprise CDD doing?

Mr. Moyer stated their contract is under the bidding threshold, so they will consider proposals. It is not part of this bidding process and it will be a separate contract.

B. Carol King

Mr. Bruce Bashand reviewed the information in their bidding materials and provided a brief presentation of the strengths and resources of their company, support for the bid pricing provided, emergency responses, staffing levels and office locations.

Mr. Moore stated one of my big questions is being able to bring equipment in and out on a daily basis. You have accounted for that, but how does that impact your business in

terms of being able to run it and be on-site and on call? Are you on-site for most of your other clients? This is a fairly large contract and I imagine you would expect to be on-site, or is that not a problem for you?

Mr. Bashand stated we anticipated being on-site but we included a provision and a financial allowance for us to secure property close to this facility if we do not have an on-site facility. We built into our budget the opportunity to have a facility close by, if necessary. We will have no problem with equipment. We have an 11:1 asset to debt ratio with our company, and we can simply write a check to purchase equipment we do not already have. We have 77 trucks, well over \$1.7 million in equipment at our disposal, and we will be able to mobilize here without any reservations. Frankly, it is never the difficult part of a job. Getting the right staffing and the right people in place so we can provide the customer service and quality of care that you deserve is a much bigger challenge for contractors than the equipment aspect.

Mr. Moore asked which of your clients is the closest to Celebration?

Mr. Bashand stated we have a large timeshare along U.S. 192 and Lighthouse Key Resort farther down. We maintain Bahama Bay Resort on U.S. 27, and the Tupperware World Headquarters that we have maintained for 14 years. We did some landscape renovation and remedial work at the Hyatt Grand Cypress but we have not been there for four or five years in a maintenance capacity.

Mr. Carlson asked how do you plan to staff this job?

Mr. Bashand stated we will have an Account Manager on-site who will be more of a Supervisor and facilitator to review the property. We will have a senior level Foreman who will direct the crews. We will have a Foreman under him and a chemical crew member out here full-time. We will have two full-time Irrigation Technicians. We anticipate having 10 to 14 people here, depending on the season, to produce the physical work on the property. We will support extra services such as mulch, annual installation and tree care from our home office. Our Arbor Department will take care of the arbor services. Our annual bedding/Flower Department will come out and install the annual installations and change out the soils, cultivate and things like that. The weekly services will be provided by the on-site crew members. We budgeted within the 14 members to have one for pressure washing continually.

Mr. Carlson asked is your Account Manager dedicated solely to Celebration or will he have other accounts?

Mr. Bashand stated he will be here full-time, as will the other full-time staff members, other than the arbor care and bedding/Flower Department.

Mr. Carlson asked will the full-time staff who will be doing the work be new hires or will you move them here from other areas?

Mr. Bashand stated it will be a combination. The Senior Foreman, the Foreman and the Account Manager will be existing company staff members. Some of the laborers will probably be transfers as well as hiring a few new people.

Mr. Carlson asked how will you hire those new people? How do you screen them to make sure they live up to your company's standards?

Mr. Bashand stated we screen the same for the project as we would hiring them for our company. We perform pre-employment drug testing. We will do a worker's compensation background check on any potential employees to see what their prior activity has been in that area. We do MDRs on any potential employees to see what their driving records are. We do criminal background checks only on management staff, not on our workers because we can usually find out about the workers through other processes. We can do background checks if that is preferred by the community for everyone, but our normal system is for managers to have criminal background checks performed. We go through an interview process with human resources, and they are interviewed by the managers in the departments where they will work. Once that is complete, they go through an orientation process for one day to become familiar with the company and our culture. If it is an inexperienced person, we will not put him on this project due to the level of service you require. We will test them on each piece of equipment that they will be operating. They first have to do a remedial review and then they go through a testing process, and then they are given a pass. We start our crew members as Tech 1, Tech 2 and Tech 3. Then they move to a Foreman Trainee, Foreman 1, Foreman 2, Foreman 3 and then Senior Foreman. We have various levels throughout all departments.

Mr. Carlson stated you were substantially higher in your lawn care services for St. Augustine and Bahia and substantially lower in your bid for shrubs, in particular, and for tree care. Do you fully understand the scope for those items?

Mr. Bashand stated we absolutely understand the scope. Several people in our company reviewed the scope, in addition to myself. Your turf care is something that can be improved that we plan to improve. I added to my action plan that the first thing we want to do is some soil samples to get an analysis of what we are working with. I think

we have some hard pan soils that are retaining a lot of water and need to be treated differently than average. We included a substantial amount of money to fertilize and provide insect care that is necessary out here. Chinch bugs are becoming a bigger problem because they are building up a resistance to the chemicals. You need good chemicals to properly control chinch bugs; otherwise, you are doing this every week in order to get an effective kill. For trees and shrubs, I feel our numbers are more than adequate to do what we feel is necessary out here. There are not as many challenges on shrubs and trees as there are with turf. Oak trees, by and large, are pretty healthy. The palm trees seem to be healthy. My concern in looking at this for the long term is turf. I think there are challenges with turf in all areas and there are a lot of opportunities with turf and bedding care. Those are things where we can impress people. It is not just about working for the money. If you cannot make an impact on a project, at the end of the day you have not done anything to differentiate yourself from the person who was there before you. We feel we can do some good things in that area.

Mr. Collins asked over your company's 50-year history, has it been the same ownership or has it changed?

Mr. Bashand stated ownership changed one time. The original owner was Bill King from 1960 through 1975. My family purchased the company in 1975 when Mr. King retired, and my father was vice president.

Mr. Collins asked did you maintain the airport at one time?

Mr. Bashand stated a long time ago.

Mr. Smith asked what is your largest contract dollar amount per year?

Mr. Bashand stated it is a two-property contract for one client, and it is very similar to our bid for this project. It is for Plaza International in Bonnet Creek and is around \$1.3 million. We also maintain all of International Drive from Sand Lake Road to 528, as well as Universal Boulevard, Point Plaza Boulevard and all of that area.

Mr. Smith stated you listed a quantity of 2,500 trees, and in actuality we have close to 7,000 trees, not including the trees along State Road 417, which has several thousand trees. We also have about 1,000 Washingtonian palms. Will that impact your bid pricing?

Mr. Bashand stated no, the quantity of 2,500 is for the Oak Trees. We did count the Palm Trees, but we looked at it from a tree maintenance standpoint and in terms of arbor services. We wanted a firm number on the oaks and the palms.

Mr. Smith stated you mentioned that your arbor care crew would not be a full-time crew but they would come in and work here as needed. How many people are in that crew and how often do you think they will need to be here?

Mr. Bashand stated they will need to be here for many days. We have 24 days annually for all trees, not including the Palm Trees. That is for four men. The 1,074 Palm Trees would require about 15 days. That does not take into account the crew on-site every day dealing with smaller issues and minor pruning. The care I am referring to is when we bring in the lifts and aerial equipment. We will also have a chipper on-site.

Mr. Smith stated one of the criterion was to have an Arborist. Do you have a certified Arborist on staff? That information was not provided in the bid materials.

Mr. Bashand stated yes, my brother is an ISA certified Arborist. We look forward to an opportunity to work with you and we feel we can help move the ball forward.

C. Davey Tree

Mr. Garth Rinard reviewed the information in their bidding materials and provided a brief presentation of the strengths and resources of their company, support for the bid pricing provided, emergency responses, staffing levels and office locations.

Mr. Sunnarborg stated I appreciate you participating in this process. I was one of the Board members who was very insistent that we go through this process. I feel it is our job and our duty, and I am happy we did it. I know your firm and your qualifications.

Mr. Carlson stated I also want to thank you for participating in this process. We have had a great relationship over the last nine years. I appreciate the analysis you provided comparing all three firms. You dropped \$125,000 for materials within the analysis, and I presume that cost is for mulch.

Mr. Rinard stated yes. Whether that number is \$125,000 or \$150,000 does not matter. What matters is that it is equally applied to get down to revenue per hour.

Mr. Carlson stated I want to focus on the actual number for total hours as there is a discrepancy for total hours. I am unclear on the personnel. Are they full-time workers?

Mr. Smith stated that was the intent of the bid. Carol King and Davey applied full-time workers. Girard said they are not full-time workers but at certain periods of time, they will have that many people on-site. That creates a situation where their dollar amount is lower, although their average salary per person was closer to \$18. Girard's staffing levels are closer to Carol King's levels.

Mr. Carlson stated that is what I am trying to understand, if they are actually full-time or if they are full-time equivalents.

Mr. Moore stated right now, Davey maintains CROA and CDD areas. How many full-time staff members do you have combined on a daily basis?

Mr. Rinard stated we break down both clients into cost centers. I have 24 full-time employees dedicated to CDD property, which includes the Enterprise CDD.

Mr. Moore asked they are not a part of this contract, so how many people are here for the Celebration CDD?

Mr. Rinard stated 22 people.

Mr. Collins stated I agree with Mr. Sunnarborg and Mr. Carlson. I appreciate what you have done for us in the community. When we were looking for green initiatives, you implemented them into your work flow and maintenance. I think you have done a good job. I think there are some areas that could use some improvement, but you have done a good job with the Bermuda grass, which is a CROA maintenance issue. I think some of the turf along Celebration Avenue could be better. We are all business people and landscaping is a fairly labor intensive business. We have a low bid and some higher bids. Since this is a labor business, I was looking at the number of people it will take. You do a good job, and I agree that Girard's number of 31 people does not equal their bid. What equals their bid is about the level that Carol King is at, which is 15 to 18 full-time people. Their number of 31 includes full-time equivalents and Supervisors. The only way I could sort this out was to count staff in Celebration. I counted everything, including CROA, for four days, and I counted 15 to 19 people. If I look at that and say two-thirds is CDD and one-third is CROA, that is the range where Girard and Carol King is, and that supports a lower bid. You are saying they cannot perform the work at that level, but that is what we have to figure out. Based on what I saw in the field and based on the bid, I do not see 27 people. If you add the CROA area, that would be a total of 40 people, and there were not that many.

Mr. Rinard stated during the course of a day, as crews move throughout the community, it is difficult for us as managers to always get an accurate head count. The best way to do that is to come in at the beginning of the day and at the end of the day to see the people who are doing the work. There have been times when I have tried to track people down, and I can make a turn and miss them as they come back to where I was

from the other direction. We have two out on vacation this week. Usually when people are off, we adjust with the rest of the staff and provide them with some additional time.

Mr. Smith asked what is your breakdown of people and where are the crews?

Mr. Rinard stated there are two to three men trimming, nine men mowing, one doing pest control, one doing pressure washing, four on trees, and the balance are in the detail and weeding. There are three who are supervisors.

Mr. Collins stated that is essentially what I saw, but once all of them were on CROA property: eight were doing the townhomes in Artisan Park, and five were doing the ball fields. They are out there, but they are doing Celebration CDD work, CROA work, and Enterprise CDD work. They are also doing additional jobs, as well, such as the intersection at Eastlawn and Celebration Avenue. The number of people I see working is consistent with what Girard and Carol King provided. I do not think we have as many people working here as your numbers suggest.

Mr. Moore stated one of the big concerns for me is if Girard can do the job for the price. I think that is a concern for all of us because we do not know them. We know Davey, and we are comfortable with your company. As you pointed out, the cost of mulch is more than their bid amount, and that is a concern for me. They say they will have 16 people and you say you will have 22 people. When you take into account vacations and sick time, with a crew of 16, you are not running 16 people the entire time. Davey is on-site seven days a week. I am not comfortable with Girard not being mobilized on-site, but when I look at their bid, I wonder if I need to be comfortable with them because the price is such a big difference and I feel I owe that to the residents. Davey is a great company. We have gone through the bid process and I feel Girard is fairly competent. I think they are trying to win the contract based on price, and their margins are narrower than Davey's. Perhaps they are not making money, but they are certainly a competent company and that is something we have to look at. It is a concern to me if they think they can do the work with 16 people. Do they think they can mulch for the price they quoted? Do they know our level of expectations? We have a high level of expectation in Celebration, and I am not sure they really understand that level. That is one of my biggest concerns. They did underbid everyone, but will we have a situation like CROA had with Vila & Son? Davey is definitely an asset to the community and we appreciate you. It is a hard decision because I have to wrestle the dollars with their competence if they can accomplish the work. It will save the residents a lot of money, but

I do not want to put the residents through another situation like CROA did with Vila & Son.

Mr. Carlson stated I appreciate Mr. Rinard's analysis. I think what Girard was telling us was they had that number of full-time employees. They really are at 25 and 20 people depending on the season as far as full-time equivalents they have working. We like Davey and they have been here a long time. We are disappointed they came in with a higher bid compared to the other bidders because it makes it a very difficult decision on our part not to save the residents money if the other bidders are qualified. It is our job to make sure they are well qualified enough to do the job.

Mr. Collins stated the issue for me is if the headcount is sufficient to do the job and what it takes to do a good job in Celebration.

Mr. George Gaumer stated we need to prove to you that our headcount is sufficiently higher than what you have witnessed throughout the community.

Mr. Collins stated that is why I rode my bike around the community on four separate days because I know there are people working on the boardwalks and retention ponds that you cannot get to in a vehicle. The numbers were pretty consistent. It seemed to me that the crew you had was sufficient to do a very good job in this community. You do not need more than one mowing crew in the winter. The tree crew was doing a fine job. I saw the cleanup crew. I saw two people working in the shrubs. I saw your price of \$350,000 in shrub maintenance for 15 full-time people, and I know you do not have 15 full-time people working on shrubs. What I saw was consistent with two or three people. I look at the maintenance areas we have. Celebration Boulevard has grass and trees, no shrubs. Mainly where we have shrubs are around the retention ponds and things like pampas grass that needs to be cut back twice a year. I did not see a lot of shrubs that require a lot of man-hours. I did see one guy pulling weeds.

Mr. Moore asked how many weed people did Girard have?

Mr. Smith stated I believe they have one or two. If you look at shrubs and groundcover on the bids for Davey and Girard for North Village, they did not provide numbers for shrubs in that village, when in reality we have a significant number of shrubs and groundcover. That is something to discuss. Girard shows zero shrubs for North Village, South Village, and S.R. 417.

Mr. Collins stated it looked like they had four or five people budgeted for those categories. I think Girard said they would pull people from other villages.

Mr. Smith stated that was not the intent and is what makes this very difficult. They have zero for mulching in North Village for shrubs and groundcover.

Mr. Moore stated the few bid processes I have been through are cut and dried. It is an act of faith on some of it.

Mr. Smith stated we drove everyone around on our tour and showed them the areas in North Village that have to be maintained. We have littoral plantings around all of those lakes and behind the wall.

Mr. Akey stated I echo the other Board members' comments about the quality of work Davey has done. Any bid process is difficult. The bids were significantly different, but if a vendor submits a price like Girard did, they may not make any money but they still will do a quality job. I appreciate Mr. Rinard's analysis.

Mr. Rinard stated as you think about the headcount, at the end of the day it comes down to total man-hours you put toward the project through the seasons, not just off season. Whether it is through time cards or reports, I am happy to show that information to you. Historically, we know what it takes as far as man-hours are concerned. It becomes incumbent upon us that if we are wrong with that man hour assessment, we either need to apply more resources to that job to be sure the product we deliver to you lives up to your expectations and requirements in the RFP. I do not know that we should be stuck on just a headcount. I may have four guys dedicated to a tree crew this week. Next week I may have three on the tree crew and the fourth member on a mulch crew or assisting mowers or whatever I need at that time in order to manage this project. There is a lot of time involved to keep weeds under control, especially during the summer months in Florida. To cover that kind of territory with just two guys, it cannot be done. I am hearing that Girard is now changing their headcounts from what they provided in their bid.

Mr. Moore stated no, they did not. We just asked them if that was for full-time employees or equivalents. They broke it down.

Mr. Rinard stated there are a lot of variables involved in managing this project. It is a very dynamic environment.

Mr. Moore stated I think you have lived up to our expectations, and maybe they have not. I think there is also a water issue that makes it more difficult to do your job that we did not discuss today. It brings up a lot of issues, and it comes down to the fact that there is a huge difference in price.

SEVENTH ORDER OF BUSINESS

Board Evaluations and Scoring of Proposals

Mr. Moore stated in item 4, it seems that should be something we all will be consistent with regarding pricing. It does not seem we should be differing too much. For price, 15 points is awarded to the bidder with the lowest responsive bid.

Mr. Sunnarborg stated I have a similar thought. The first part would be scored mathematically.

Mr. Moore stated I agree, and the other two categories are more subjective.

Mr. Carlson stated I think this sheet is guidance for us to rank these companies in these areas. First and foremost, whether they are qualified to do the job. Second, whether they have a good track record for safety and services to other communities. Whether they comply with the bid and understand it. Whether they can do the job and have the staff to do it. If they meet all those criteria and we are confident of those criteria, the bottom line is if they can save us money. I do not necessarily agree with the breakdown for price: 15, 10 and 5 for the three categories. But it is a guideline for us. My concern is if we get down to a savings of \$2 million for the residents, we need to be careful how we apportion the rest of the criteria.

Mr. Smith stated it is a percentage of that amount. The low bidder would get 15 points and the next bidder would get a percentage of how much higher they are to receive a percentage of that score of 15.

Mr. Moore asked how is the score of 15 for the lowest bid subjective? It does not seem like that number would be subjective. The lowest bid should get 15 in my mind.

Mr. Smith stated the other two bidders would then receive a percentage of 15.

Mr. Sunnarborg stated that is the only criterion that I think is pure math.

Mr. Collins stated we will still have different numbers because they are subjective. If I feel like they are all qualified to do the job, I will give them all the same number for one category.

Mr. Moore stated I agree. Do we submit our scored sheets and that is our vote?

Mr. Moyer stated you need to come up with your ranking for these three firms: 1, 2, and 3. It discounts the variance in the numbers that you will come up with, but at the end of the process, the Board will come up with its ranking.

Mr. Sunnarborg stated I think discussion with the bidders is helpful, but at some point, the questions start to allow the bidder to change things. They cannot rebid anything

at this point. Their bid is their bid. They can clarify things but they cannot change their bid information.

Mr. Akey stated you are correct. Now that we have heard the presentations, we will have Board discussion.

Mr. Collins stated I would like to hear a response from Girard on the issue Mr. Smith raised in their quantities of maintenance items.

Mr. Smith stated on the bid form for Bahia, you have zero quantities for Celebration Boulevard, Aquila Reserve and West Village. For shrubs and groundcover, you have zero for North Village, South Village, and S.R. 417. There are shrubs and groundcover in all those areas.

Mr. Girard stated the total count for Bahia is the correct quantity for what you have onsite.

Mr. Collins stated I think we are clear on Bahia since we discussed that earlier. The question I had was for the shrubs and groundcover.

Mr. Smith stated there is also mulching for those beds that had a zero quantity in your bid. The other contractors provided quantities for those areas.

Mr. Girard asked do you have the total for those areas if you total all of the columns? Do you know what those quantities should be?

Mr. Smith stated yes.

Mr. Collins asked do you think you put the quantities in a different category?

Mr. Girard stated that is why I am trying to explain. I am certain that we included the shrubs for North Village, but I did not put those quantities in that column. They are included in the total.

Mr. Smith stated when I called you and talked with you, you indicated it would be about 200,000 square feet, which is close to the other bid quantities. The quantities were similar but the dollar amounts were drastically different for doing the work.

Mr. Girard stated that would be what we are charging you for the service.

Mr. Smith stated that goes back to the scope. It includes pest control, weed control, and mulching, which take fairly large quantities of chemicals and fertilization and man-hours. That concerns me.

Mr. Collins stated the specific question was you included zero dollars for shrub care in North Village, South Village or S.R. 417. Are you aware there are shrubs in those areas?

Mr. Girard stated yes.

Mr. Collins asked are you saying the dollar amount for those are included somewhere else in your bid?

Mr. Girard stated yes, they are in different areas. I have pricing for 200,000 square feet of shrubs. It was allocated in the wrong square, but I included the correct quantity in our bid to maintain it.

Mr. Smith stated your number for Bahia was drastically lower than the other bids in several locations.

Mr. Girard stated my Bahia count is about 100,000 square feet higher than the other bids. We included some of those areas in one line item. For horticultural care, it is State law that I cannot be within 10 feet of that water line, so that would have been backed out on my bid. If you are asking how much we charge to mow 100,000 square feet of Bahia, it is fairly straightforward. It takes a certain number of man-hours to mow a certain number of square feet, and we have a price we charge for that. It comes down to what my labor rate is compared to my competitive rate.

Mr. Smith stated there are 40 mowings for Bahia, which is the same frequency as for St. Augustine.

Mr. Collins stated I am fine with their answer.

Mr. Akey asked in your meeting with the contractors, did you cover what they need to pressure wash, they are on call on the weekends, and they need to provide a list of emergency numbers?

Mr. Smith stated that is all included in the scope of services. The scope includes basic coverage, comparable to what we have today.

Mr. Carlson asked if we have a different organization providing our landscape maintenance, what kind of transition process will we have?

Mr. Smith stated whatever contractor is chosen, if they do not have a place to mobilize on-site, they will need to figure out how they are going to handle that situation.

Mr. Akey stated they should be planning on that anyway because the CDD does not have any site available.

Mr. Carlson stated Girard said they would be able to mobilize tomorrow. Does that mean they will bring in trucks and begin dropping off equipment? I would like to hear from the contractors on how they would transition into the community.

Mr. Girard stated we will not be dropping off any equipment. All of our crews are self contained. They will come in, do their work that day, and then leave in the trucks and trailers.

Mr. Bashand stated I would start by bringing in something mobile like trucks and trailers. Upon notification of award, we would secure a rental facility in this area so we could stage closer to the project.

Mr. Akey stated we have a number of crew members on carts and smaller vehicles. Does that mean if a contractor is not on-site that they will not have these vehicles?

Mr. Smith stated they would have to bring them in on trailers.

Mr. Girard stated we maintain a lot of properties that do not have on-site facilities, so I think we are pretty good at servicing properties from our branch. It would be a benefit for both of us to be able to procure an on-site facility, but there is more discussion to have on that issue. I do not think it will benefit us to have a facility that is 9 miles away or 19 miles away. We cannot start operating until 7:00 A.M., and we are on properties throughout the State by that time. Moving in to get set up on a job by 7:00 A.M. is not a big deal for us. Finding a location on-site is the ultimate goal, but we would need to come to agreement on the site we would move to for the community's benefit so we are not fighting traffic patterns and so it is safe for the community and our staff. The square footage here is larger than any projects that we maintain and the methodology is going to remain the same. We are just bringing more trucks, more trailers and more people and staging it in that manner.

Mr. Carlson stated you mentioned that you do not touch anything within 10 feet of a water line, and yet today most of our water is drainage basins and are not controlled as wetlands.

Mr. Smith stated we discussed in our drive-through that maintenance of the ponds does go down to the water's edge for littoral plantings.

Mr. Girard stated I am referring to fertilization, pest control and herbicide treatments within 10 feet.

Mr. Carlson stated I thought it was for mowing, so that makes sense.

Mr. Collins stated there is land designated for a maintenance facility. Once that is platted with a road and easement through there, I would hope that we can take the two acres that we have and use it as a temporary site almost immediately. It is almost platted. I think we should have access to that. I would much prefer to have them on-site. I think

that makes a huge difference. I know staff will work hard to find something, even if it is just a temporary site.

Mr. Carlson stated Mr. Smith works with our contractors and has been doing much of the work for this bid process. I would like to hear his comments of these three bidders in terms of qualifications, the customer service, the capability of doing the job, the reasonableness of bid forms.

Mr. Smith stated these are three good companies of varying size. They are all landscape companies and none of them are perfect. The reference scoring was included in your bid materials. Davey used me as a reference, as did Girard for another project. They are all professional companies. My concern is that I know this property very well and I know all of the quantities. I would like to discuss it more with Girard as to their thinking, but it is a great price. It is so much different than the other bids, about a 53% difference. I have done the same thing Mr. Collins has done in counting crew members, which I have done on many occasions. It is very difficult to find them all when you could be driving in opposite directions. I know how many people it takes and when I ask where their crews are, they tell me and I find them. Summer staffing is a huge issue because the grass grows so fast and pressure washing is done more frequently. Those are all things that concern me that you need to take into consideration.

Mr. Akey asked would you say each of the bidders has a decent understanding of the scope of work?

Mr. Smith stated yes.

Mr. Collins stated one of the first questions they asked was what the bids were for the previous RFP. We provided that information, and the dollars were high. If I am an interested company and I come up with a bid that is half that amount, the first thing I will ask myself is if we missed anything. I cannot imagine that a company would stay in business for very long if they did not make sure that they had everything covered. At the end of the day, if they do not perform to our expectations, they will lose the contract. The last thing any company wants, in this area, is to be known for being kicked out of Celebration. I know this Board would not be shy about terminating a contract for cause.

Mr. Moore asked do we want a recommendation from staff?

Mr. Collins stated I think that puts staff in a difficult position to make a recommendation.

Mr. Carlson stated we are all concerned about the differences in the bid prices. I have been involved in a lot of bids in my career. I know a lot of companies who wanted business so bad that they were willing to put in a very low bid and not make any money for a few years. That is a way to do business. It is my job, as one Board member, to make sure they are a qualified contractor and that they are not going to let us down. If you let us down, you let the community down, and you probably will not be back for a very long time. The greatest concern that I have is that I cannot, as a Board member, look the other way for \$2 million in savings to the residents over the term of this contract. It is very difficult to say that there is enough reason why we should not accept a lower cost to our residents.

Mr. Girard stated I would have the same concern that you have. We put 45 days of due diligence into this bid to be able to confidently say that we can do the job for you at this price. It is public knowledge and these are public numbers. Many bidders will look at previous contracts and look at the percentages. If you are willing to pay \$1.5 million, then you would be willing to pay \$1.3 million. We started from zero and calculated our costs, disregarding what you are currently paying. We came up with our numbers.

Mr. Moore stated I recommend that we enter into a motion to award a contract tonight, if there is no objection from the rest of the Board members. All of the Board members are present tonight and we will not all be at the regular meeting next week.

Mr. Carlson stated I agree with you.

Mr. Bashand stated ultimately when we are looking at jobs of this type, or even a small residential job, it comes down to man-hours and the number of people who will be put on a job. My costs are not appreciably different from Girard's costs, which are not appreciably different from Davey's costs with respect to what we are paying people in the marketplace. We are all competing in the marketplace and are going to pay a similar amount of money. If you look at the cost of this job and you factor in the number of people it takes to maintain the square footage that is here, the numbers will not add up based on what has been submitted. If you take the 18 to 20 people, or whatever number that you determine is appropriate for this project and you take the direct cost of paying a laborer, not the overhead or benefits, but the direct cost times 12 months of the year, you will reach a number to which you have to add mulch, flowers, fertilizers, chemicals, fuel, dumpster fees, and so forth. When you add that up, it will exceed a minimum number that it will take to perform the job. Once that number is reached, it is not about whether you

want to do the job out of goodwill or for advertising, you have to deliver the product at the end of the day. If you cannot cover your expenses, then you will look for other ways to meet your bottom line.

Mr. Moore asked do we also have costs for additional work that is not in the scope of services?

Mr. Smith stated yes, we will request a proposal for additional work that needs to be done. I will review the proposal and if the costs are reasonable, I will submit a work authorization for that work to be completed.

Mr. Collins stated Mr. Carlson has shared his thoughts. I would like to share mine and I would like to hear from the rest of the Board, as well. My thoughts are similar to what Mr. Carlson expressed. If the bids were within 5% to 10%, I would be more than happy to rank Davey as my #1 firm. They have done a good job for us and I would have no problem extending the contract with Davey Tree. However, there is a more significant difference and we have to consider that amount of savings for the residents of the community. The next obvious question is whether the low bidder can do the job. My feeling is that it is a healthy company. I think it is the right size at \$18 million. Our project is about \$1 million, and the company is large enough to be able to meet all of our needs. We would be their most important customer and for what they want to accomplish as far as being a premier landscaping company in Florida, that is one of the advantages we have. We should be able to get good pricing because if someone is awarded a contract and they perform well, they will be in demand because so many people know about Celebration. Even at a breakeven cost, I think Celebration should get that. Girard maintains communities similar to ours, such as Heathrow. Are they a good company? Do they have a good reputation? Are they big enough with enough resources? I think the answer is yes. The final question to me was if they can provide the quality that we expect, for the price that they have given. It is clear to me that they provided a very comprehensive bid. They have been on-site in their preparations. They knew the bids provided the last time we bid this work. Mr. Smith provided a very comprehensive bid package, and I do not think there is any question that we missed something or they did not know something was not included. It comes down to a headcount, which is why I went into the field to count the number of crew members to see how many are needed to maintain our community. CROA has more labor-intensive maintenance in their landscape. They have a lot of Bermuda turf and a lot of shrubs. We do not have the kinds

of things that require the same quality of maintenance as CROA. We have boulevards and trees but not a lot of shrubs. I became very comfortable with the headcounts and the labor dollars that are reflected in Girard's bid and in Carol King's bid. I think the higher bids reflect where the economy was three or four years ago. At that time, it was hard to get companies to provide bids, and it was hard for them to come by labor. I think what we have seen is there is a new competitive environment. Honestly, I do not think the other bids reflect that. I know an executive at Disney and I asked him to review the package. He now has a consulting firm that reviews bid packages. He was very complimentary about the bid package that Mr. Smith put together. He did not see anything that would indicate Girard cannot do the work for the price they provided. It is a matter of being comfortable with the price and the company. The cost savings are fairly huge with Girard's bid.

Mr. Carlson stated the three companies present tonight are the final three out of the seven companies who provided bids. I want to thank all three companies for putting the kind of time and effort into this bid. The packages you provided were superb; otherwise, you would not be here tonight in the final round of negotiations. I want to thank Davey for being there for this community and being our partner over the past years.

Mr. Moore stated a lot of this is emotional for me because Davey and Mr. Rinard have done a great job for the community. At the end of the day, it comes down to the bids and if I believe Girard can do the job. I do believe they can do the job. It is hard for me to say to my constituents that Davey has done a great job and we want to stay with them rather than save \$2 million over the contract term. I wrestled with this over the past few weeks. I also feel that if Girard fails, Davey will still be here. Davey is a great company and they have done great work here, including community outreach. I cannot justify turning down \$2 million for the people who voted for me with a company that I believe can do the job.

Mr. Sunnarborg stated I am completely opposite of the Board members who have spoken so far. For me, there is no emotion in this whatsoever; it is all business. It starts with the act of bidding it in the first place. We had a discussion of whether or not we needed to bid this. I do not think we were required to do so by law, but I think it was the right thing for us to do. For me, the act of bidding has two primary purposes. One is to get some fresh eyes on something that may have gotten stale after a while. The second, and more important, is to try to establish what the market price is for whatever you are

bidding. It is the market, through competitive bidding, that tells you what the real price for any service is. We received seven bids. There was a huge standard deviation. To say we have found the market price for this is not correct. For me as a Supervisor, this is the search for what the right price is. The closest thing to the right price is the price that we had, the contract that was in place. We all know that prices have come down. I started my analysis on the previous contract. We had a fairly competent contractor who did a good job, who understood our scope, who understood our idiosyncrasies and listened to our complaints for eight years, and who had no financial problems. That is the closest thing to the truth in our search for the true price. I scrubbed all three of these bids thoroughly. When I back up out of the detail and look at what is the right price, is 53% of our previous contract even possible? I have to think it is not. I do not have any criticism of the competency of anyone here; I have nothing but appreciation for all of the work you have done. A purely bottom-up approach is too prone to mistakes. I think despite Girard's answers to a couple questions, I still think you missed a couple things. Even those things that I think you missed do not explain a bid that is 53% of our previous contract. For me it is not possible. The risk of that miss, in terms of our contract, it is still 5% of your total revenue. If we had a serious financial dispute with you, that would be a serious problem for you as a company. I do not want to be in a position where our financial dispute on contract or service or scope leads you to suffer severe financial hardship. With Carol King this bid is 18% of your previous year's revenue. For me, that is too much of a risk for you or to put us in a position of imposing that risk on you. Like Mr. Carlson, I have done a lot of bidding in my career, but my experience is in capital bids because I am in development. It comes down to the same kinds of questions of companies trying to buy bids all the time. One of my former colleagues used to say that we are so good we can make a bad contractor perform. I never believed that, and I saw the consequences of signing up the lowest bidder in terms of constant nitpicking about the scope. The trauma of bankrupting a company is something I do not ever want to go through again. I do not like the idea that they are going to make it up through supplemental work somehow. I do not want to start a relationship like that. I also do not want to start a relationship with anyone who, I am convinced, is losing money. We will pay for that somehow. There are unintended consequences that come from a relationship like this. When I say it is all business, what I mean is the contractor is not your partner, ever. You need to have a professional, good relationship, but a contractor is your contractor. They are not your

employees and they are not your partner. When there is a dispute and you have to win, and if it means they will go out of business if you win, you cannot have them as your partner. Someone will win and someone will lose. The definition of a partnership to me is when no one loses. Sometimes, someone has to lose. To address Mr. Moore's point of how I justify this to my constituents, I think the justification for me, to not select the low bidder is not a wrong thing to do if you have reasons, and I think I have reasons. If I did not, then I would be taking the low bid. I come back to what is the market price. We do not know what that is because we did not have the normal clustering of prices in these seven bids. Normally, in my experience, there is a low cluster, a center cluster that is close to the right price, and then a high cluster. The market price is somewhere in the middle, usually, when you have five or more bidders. I think we did that when we eliminated the first four. I think the lowest bid here is an outlier and I think Carol King and Davey are close enough. My expectation of the market price is where we were minus the problems in the economy with everything generally being lower in a substantial discount from where we were. That is what we have with Davey's bid, which is 12% lower from the previous contract. I think that is very fair. When we compare that 12% to what CROA accepted a few months ago at 2.5%, we are in a position to get a better reduction and no increase over four years. Girard also had no increase for four years, but Carol King had an increase after two years and an increase for the fourth year. My ranking is Davey #1, Girard #2, and Carol King #3.

Mr. Akey stated I echo everyone's comments. I do not think this Board or the CROA Board realizes how much work we all had to put in to check these proposals. The Board does an enormous amount of research. At the end of the day, it comes down to qualifying the vendors. Everyone on this Board has run a business. I have been on the bidding side more than I have been on the reviewing side. I have been the low bidder and I have been the high bidder. I have serviced buildings for 20 years as the high bidder. It is somewhat emotional and this is a very difficult decision. I think all of the vendors presented themselves well. I hear you saying this is a partnership. I have taken contracts at a break even price, which is a responsibility you take and you withdraw your bid if you think it is too close. I appreciate the hard work that the vendors put into preparing their bid and to the Board and staff in reviewing the bids. It is an enormous amount of work. I will now ask everyone to prepare their rankings.

Mr. Akey stated regarding the tree audit, Mr. MacCubbin was here last week and he is preparing his report. Once that is received, Mr. Moyer will distribute it to the Board.

Mr. Akey stated I know Mr. Moore is not available for our regular meeting next Tuesday. We have no action items. My preference was to still have the meeting.

Mr. Carlson stated it is likely I will be in New York. I would prefer to cancel that meeting and move any major items to our agenda in January.

Mr. Akey stated then we will cancel the meeting for next week. I will call Mr. Don McDonald in January regarding a joint workshop with CROA to be held in February.

Mr. Merritt stated we finalized the donation of the Stetson parking lot, which took place last week.

TENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Carlson, seconded by Mr. Moore, with all in favor, the meeting adjourned at 9:55 p.m.

Tom Sunnarborg, Secretary

Cliff Akey, Chairman