

Exhibit to Agenda Item #6

Authorize the Chief Executive Officer and General Manager to award a sole source contract to the **Sacramento Tree Foundation** to provide shade trees to SMUD customers during the period May 1, 2023, through April 30, 2026, for a not-to-exceed amount of \$3,876,000.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, March 14, 2023, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

Background

- SMUD has been contracting with the Sacramento Tree Foundation (STF) to deliver this program since 1990.
- One of SMUD's oldest and most loved programs, experiencing 90% awareness and 80% customer satisfaction among homeowners.
- Sixty percent of SMUD customers have participated in the program and planted over 650,000 trees, storing close to 600 million pounds of carbon.

Community Strategy

- Focus on under-canopied/under-resourced areas as identified on the Sustainable Communities map including but not limited to Valley High, Del Paso Heights, and Meadowview.
- Coordinate with our Sustainable Communities group to include community tree plantings in existing and upcoming partnerships or events.
- Partner with Community Outreach to establish a more visible presence at events.

Program Improvements

Contract will focus on cost-effective industry best practices that increase tree survivability.

- Avoid planting during hot, dry, summer months by curtailing tree deliveries in July and August.
 - Continue to site trees for both residential customers and community trees.
 - Provide tree stewardship and education workshops.
 - Conduct tree monitoring survey.
- Select and pre-order trees at nurseries to eliminate delivery of poor-quality trees.

Program Goals

	Year 1	Year 2	Year 3
Total Trees Delivered	10,000	11,500	12,250
Trees for Community Plantings	2,000	3,500	4,250
Service Level Agreement <ul style="list-style-type: none">✓ Customers contacted <1 week✓ Trees delivered <3 months✓ Reports provided by 5th business day	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Contract years:

- Year 1 — May 1, 2023, through April 30, 2024
- Year 2 — May 1, 2024, through April 30, 2025
- Year 3 — May 1, 2025, through April 30, 2026

Program Budget

	Year 1	Year 2	Year 3	TOTAL
Sacramento Tree Foundation Services/Labor	\$964,125	\$1,054,516	\$1,127,339	\$3,145,980
Sacramento Tree Foundation Supplies/Equip.	\$241,211	\$244,511	\$243,949	\$729,671
STF TOTAL	\$1,205,336	\$1,299,027	\$1,371,288	\$3,875,651

Action Request

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