Exhibit to Agenda Item #7

Approve an increase to the aggregate contract not-to-exceed amount for Upper American River Project (UARP) Reservoir Project Wildfire Risk Reduction services by $5 million, from $8 million to $13 million, for Contract No. 4600001538 with Tree Service Unlimited, Inc., Contract No. 4600001539 with Mountain F. Enterprises, Inc., and Contract No. 4600001540 with The Original Unlimited Tree Service Co.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting Tuesday, October 18, 2022, scheduled to begin at 5:30 p.m. Virtual Meeting (online)
UARP Wildfire Risk Mitigation - Tier 2/Tier 3

Project Scope
• UARP Transmission Easement
• High Fire Threat District
• Tier 2 Elevated Fire Risk (Yellow)
• Tier 3 Extreme Fire Risk (Red)
1442 to 1443 Looking West
Jones Fork Union Valley 69kV

Before

During

After
1446 to 1445
Jones Fork Union Valley 69kV

Landowner: USFS
Tower 178 - South Facing

Before

After
Benefits

• Multiple Contractors at lower rates compared to a single source Wildfire Mitigation Contract

• Cost savings of $878K/11% to date for issued Wildfire Mitigation work

• Diversity of work ensures likelihood of qualified crew availability to perform SMUD work in a resource-constrained environment
Vegetation management spend

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October 18, 2022
Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Procurement process

• Proposals were solicited by RFP and evaluated based on the following:
  ▪ Experience, qualifications, technical approach, customer relations, safety, SEED participation, environmental sustainability, commercial terms (price), and compliance with SMUD’s contractual terms

• Due to current contractor labor resource constraints, pricing, and quick turnaround needed to complete the project, it is in SMUD’s best interest to increase the contract value through contract changes