



**Southern California Edison 2021 GRC**

**A. 19-08-013**

**TURN CROSS EXAMINATION EXHIBIT**

**TURN-082**

SCE Response to TURN-SCE-118, Q.05

*Southern California Edison*  
*A.19-08-013 – SCE 2021 General Rate Case*

**DATA REQUEST SET T U R N - S C E - 1 1 8**

**To: TURN**

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**Job Title: Senior Advisor**

**Received Date: 7/23/2020**

**Response Date: 7/29/2020**

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**Question 05.a-c:**

The following questions relate to use of a competitive solicitation process for vendors, in relation to the forecast increase in SCE-24:

- a. Please explain whether SCE utilized a competitive solicitation process to award contracts to trimming and removal vendors after SB 247 was signed into law and provide a full description of any such process that was used. If the answer differs for any aspect of trimming or removal work, provide separate answers as necessary.
- b. Please provide supporting documentation that reflects any competitive solicitation process described in response to “a” above.
- c. If SCE did not use a competitive solicitation process for any aspect of its trimming and removal work after SB 247 was signed into law, please identify the aspect of trimming and removal work for which competitive solicitation was not used and explain why not.

**Response to Question 05.a-c:**

- a. Edison’s competitive solicitation process straddled the point at which SB247 was signed into law. The Request for Proposal (RFP) was issued in June of 2019, proposals were received July 2019 and awards were executed in November 2019. The award date could not be postponed to allow for a full re-solicitation of proposals post-SB247 due to the fact that (1) contract awards were required by November to prepare for ramp-up and pre-inspection activities to be completed before the initial trim month of January 2020 and (2) after SB247 was signed into law, each contractor was required to negotiate with the local union, IBEW Local 47, to renegotiate their labor agreements in light of the new law. Initial awards in November did not reflect the impact of SB247 since post-SB247 negotiations by the contractors and IBEW Local union were not completed until December 2019.

Due to the complexity and numerous changes to the Vegetation Management Scope of Work (e.g. deeper trims, changing work management system, etc.) SCE began its competitive solicitation process with a 6-month lead time in order to meet the required contracting date of November 2019. In order to ensure SCE obtained the most competitive bids possible, a pre-solicitation workshop was held with a broad array of Vegetation Management contractors to identify efficiencies and develop unit rate structures that could benefit SCE, Contractor and, ultimately, ratepayers. Improvements were implemented and the official RFP was issued in June 2019 to 21 bidders, 50% Diverse Business Enterprises. Bids were

returned in July and initial bid analysis was completed in August. Key elements of commercial bid evaluation criteria included the following: Unit Rates and Estimated Annual Cost by Vendor per Zone (Trimmer), Annual Lump Sum Cost by Vendor per Zone (Pre-Inspection), Time and Equipment Hourly Rates, Adherence to Master Terms and Conditions, and DBE Subcontracting Commitment.

Negotiations began in September with an initial recommendation for awards completed at the end of September. In September 2019, SCE held additional negotiations with its short-listed bidders when it became clear that while SB247 clearly laid out the required minimum wage for line clearance tree trimmers, the effect of this change on the 2020-2021 contracts would take multiple months to determine in light of the associated agreements each contractor would have to negotiate with the IBEW Local 47 to establish a new collective bargaining agreement compliant with SB247. Notwithstanding, SCE required awards on its original schedule (i.e. November) in order to have the pre inspection contractors on-boarded by November 15th; and trimmers provided inventory by mid-December. With those constraints, the optimal path was to negotiate the best prices and most optimal contractor base and then review and validate the new set of pricing from its contractors after their negotiations with Local 47. This approach allowed us to continue forward with November awards so as to not interrupt critical tree trimming activities and then negotiate the post-SB247 and Local 47 negotiation increases. The contractors with the most competitive proposals post-RFP but pre-SB247 and Local 47 negotiations still had the most competitive proposals post-SB247 and Local 47 negotiations.

- b. SCE provides attachment “TURN-SCE-118-Q5b\_Vegetation Management Bidders Conference 062819”
- c. As mentioned above, the post SB-247 rates were not competitively solicited but, rather, negotiated with the successful bidders as soon as the union agreements had been completed.