



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 21, 2004

ITEM NUMBER: _____

SUBJECT: AWARD CONTRACT FOR PROFESSIONAL LANDSCAPE AND TURF MAINTENANCE SERVICES

DATE: JUNE 14, 2004

FROM: PUBLIC SERVICES DEPARTMENT/MAINTENANCE SERVICES

PRESENTATION BY: BRUCE HARTLEY, MAINTENANCE SERVICES MANAGER

FOR FURTHER INFORMATION CONTACT: BRUCE HARTLEY, MAINTENANCE SERVICES MANAGER, 714-754-5164

RECOMMENDATION:

It is recommended the City Council:

1. Approve a Professional Services Agreement, with an initial term of three-years, in an annual amount of \$454,200 to Azteca Landscape, for Landscape and Turf Maintenance Services, to begin on July 1, 2004, contingent upon funds being budgeted in Fiscal Year 2004-05; and subsequent years; and
2. Authorize staff to execute up to three (3) annual renewals, beyond the initial three-year term, if the renewal amount does not exceed the contract amount plus the relevant Consumer Price Index (CPI) for the previous year.

BACKGROUND:

The City of Costa Mesa has contracted for landscape maintenance services for many years. The current contract was awarded in 2002, and provides for maintenance of approximately 265 acres of land, including approximately 100 acres of Newport Mesa Unified School District (District) property. The contract provides turf and landscape maintenance services to City parks, parkways and to District sports fields that are utilized by the City for recreational programs. During the first two years of the current contract, the City increased the acreage and scope of services due to assumption of the turf maintenance at a number of school sites as part of the Joint Use Agreement with the District. This has caused some difficulty with the current contract.

To insure the quality of the turf and landscape maintenance services meets or exceeds the current levels, the Maintenance Services Division prepared an extensive set of specifications for the maintenance of City and District landscape and turf areas that it is responsible for. Great care and attention was paid to insuring the specifications would yield high quality turf and landscape maintenance. The specifications were included in a Request for Proposals (RFP) advertised in the newspaper and sent to all companies on the City's vendor list. An RFP process was utilized instead of a lowest competitive

bid process to insure that the pricing and scope of services could be negotiated legally with the top-rated firm. With anticipated cost increases, the negotiation process would allow the City to maximize the services for the available funding

ANALYSIS:

At the recent mandatory pre-proposal meeting, eight companies were in attendance. Subsequently, five companies participated in the RFP process by providing a proposal for the requested services.

City staff completed a thorough review and evaluation of the five proposals received. The proposals were ranked based on three weighted factors: 1) The quality of the technical response to the scope of services; 2) The qualifications and references of the company proposing on the scope of services; and 3) The competitiveness and value of the pricing offered.

The most qualified company, based on the evaluation process was Vandergeest Landscape Care, Inc. However, the price offered by this company was over \$90,000 higher than the City's available budget. Following negotiations on the scope of work and price, the company did not offer a price that would meet the City's budget. The second highest rated company, based on all factors considered, was Azteca Landscape, located in Ontario, California. This firm is the current landscape maintenance contractor for the City. The technical response to the proposal presented by Azteca Landscape was good. The company demonstrated a clear understanding of the work and presented a plan to meet the terms of the contract, meeting all the City requirements. Additionally, the references provided by Azteca Landscape were checked by staff, and provided solid recommendations for the quality of work and service the company currently provides to other customers.

The pricing initially offered by Azteca Landscape for the scope of work outlined in the specifications was very competitive, but was still significantly higher than the City's budgeted amount. The proposed pricing was consistent with the estimated hours and costs staff calculated based on the increased cost of providing services in the current economic situation, i.e. higher fuel, fertilizer, material costs and higher worker's compensation premiums. Due to the unsuccessful negotiations with the highest rated firm, staff initiated negotiations with Azteca Landscape. Azteca Landscape provided price reductions for the services that were in line with the City budget. They have offered an annual price of \$454,200, for a savings of \$14,300 per year when compared to the amount offered by highest rated firm (Vandergeest Landscape Care, Inc.).

The proposed contract is for an initial three-year period. However, the City, with a thirty-day notice, may terminate the contract at any time. Three one-year optional renewals are included in the agreement. The renewals would allow for the agreement to continue with both parties approval on a year-to-year basis, for three years after the initial contract. This would save the cost and disruption of annually re-bidding the maintenance contract as long as the work is satisfactory. The recommendation included in this report would authorize staff to extend the contract annually, under certain conditions for up to three years, without having to bring it to Council for consideration. If the contract renewal price for subsequent years exceeds the Consumer Price Index, the contract will be presented to Council for approval.

ALTERNATIVES CONSIDERED:

1. The City Council could choose to award the contract for Landscape and Turf Maintenance Services, to Azteca Landscape.
2. The City Council could choose not to award a contract for Landscape and Turf Maintenance Services to Azteca Landscape and continue on a month-to-month basis with the current contractor, who is also Azteca Landscape.
3. The City Council could reject all proposals and direct staff to re-advertise the work. However, staff does not feel re-advertising the RFP would result in lower prices.

FISCAL REVIEW:

Sufficient funding is available for this agreement within the Maintenance Services budget as proposed in the City's 2004-2005 fiscal year operating budget.

LEGAL REVIEW:

The City Attorney's office has reviewed the documents and approved them as to form.

CONCLUSION:

It is recommended that the City Council approve a Professional Services Agreement, with an initial term of three-years, in an annual amount of \$454,200 with Azteca Landscape, for Landscape and Turf Maintenance Services, to begin on July 1, 2004, contingent upon funds being budgeted in Fiscal Year 2004-05; and subsequent years; and authorizing staff to execute up to three (3) annual renewals, beyond the initial three-year term, if the renewal amount does not exceed the contract amount plus the relevant Consumer Price Index (CPI) for the previous year.

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ATTACHMENTS: 1 [Agreement](#)

DISTRIBUTION: City Manager
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File Name062104-Landscape Award Azteca Staff Report Date June 9, 2004 Time 4:50 p.m.