



CITY COUNCIL AGENDA REPORT

MEETING DATE: OCTOBER 17, 2006

ITEM NUMBER:

SUBJECT: CITY WIDE LANDSCAPE AND TURF MAINTENANCE CONTRACT – PARKWAYS, MEDIANS AND FIRE STATIONS

DATE: OCTOBER 5, 2006

FROM: PUBLIC SERVICES DEPARTMENT – MAINTENANCE SERVICES DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, PUBLIC SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: BRUCE HARTLEY, 714-754-5123

RECOMMENDATION

1. Award Formal Bid Item No. 1101, for a two-year Landscape and Turf Maintenance - Parkways, Medians, & Fire Stations contract, with four one-year optional renewals, to SpectrumCare, 27181 Burbank, Foothill Ranch, CA 92610, in an amount not to exceed \$213,192 for the first year, and an amount in each of the subsequent years that does not exceed the initial term amount plus an adjustment for cost increases (if requested), as recommended by the Purchasing Division and approved by the City Manager.
2. Approve the attached budget adjustment BA# 07-030 in the amount of \$44,666 from undesignated funds to provide necessary funding for the provision of landscape and turf maintenance at various City facilities. See Attachment 1.
3. Authorize the Mayor and the City Clerk to execute the Professional Services Agreement and to authorize the City Manager to approve optional contract renewals after the initial two-year term. See Attachment 2.

BACKGROUND

On November 18, 2005, City Council awarded a three-year contract in the amount of \$238,608 annually, to Merchants Landscape Services, Inc. for the maintenance of turf and landscaped areas including: City parks, athletic fields, street medians, parkways and City facility landscapes.

On July 20, 2006, after less than seven (7) months on the job, Merchants Landscape Services, Inc. submitted formal notice to the City, exercising their legal ability to terminate the contract with the required notice. The City's Maintenance Services and Purchasing Divisions quickly coordinated to prepare specifications and re-advertise for bids. The new specifications split the work into two contracts for landscape maintenance to provide the City greater insurance against a contractor terminating the contract, resulting in a period of time without service to City facilities. With two specifications and a restriction that a contractor could only be awarded one area of work, the work that was previously completed by one contractor could now be awarded to two separate companies.

A “Notice Inviting Bids” was advertised in publications, sent to qualified vendors whose names were on the City’s vendor list, and other vendors requesting to be included in the competitive process. Twenty six prospective bidders were notified. The “Notice Inviting Bids” was published in the Daily Pilot, posted on the public bulletin board at City Hall, and on the City’s web site. A mandatory pre-bid informational meeting was held August 10, 2006 at 8:00 a.m. at the Corporate Yard. Ten vendors participated in the mandatory pre-bid meeting. On August 28, 2006, the Deputy City Clerk received, opened and read four bid submittals for the maintenance of parkways, medians and fire stations.

ANALYSIS

Of the four bids received, one company, Mariposa Horticultural Enterprises, Inc. submitted a formal request to withdraw their bid. After consulting the City Attorney’s Office, the request was approved. The next lowest bid was submitted by TruGreen Landcare, Inc. in the amount of \$168,526.20. The City Council awarded a contract to TruGreen Landcare, Inc. at the meeting of September 19, 2006. Authorized representatives of the company declined to execute the contract following notification by the City Clerk’s Office. When contacted by the City, TruGreen Landcare, Inc. representatives informed the City that the company would not be executing the Professional Services Agreement and would not be performing the work specified in the contract.

The next lowest bidder is SpectrumCare. This company has been contacted to confirm their interest in executing a contract with the City of Costa Mesa, if Council awards a contract to them.

Bid #1101 – Parkway, Medians and Fire Stations – Annual Contract Bid Price

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| *Mariposa Horticultural Enterprises, Inc. | \$156,986.00 |
| **TruGreen LandCare | \$168,526.20 |
| SpectrumCare | \$213,192.00 |
| Azteca Landscape | \$248,761.20 |

*Bid withdrawn at request of contractor with City approval.

**Failed to execute required contract documents.

Staff completed reference and license verification. SpectrumCare has the required California State Contractor’s License and the required pesticide licenses to complete the terms of the contract. Business references from other agencies were verified to insure the company could provide the quality work required, and that they have successfully performed similar services locally.

ALTERNATIVES CONSIDERED

1. The City could hire additional staff and purchase additional equipment to provide the labor and resources necessary to perform the desired landscape maintenance services. However, the Public Services Department has consistently found contracting for turf and landscape maintenance services to be more cost effective than performing the services in-house.
2. The City could reject the bids received and direct staff to re-advertise the specifications to solicit new bids. However, Staff believes that action would result in higher bid prices than those received.

FISCAL REVIEW

The previous contract cost for landscape maintenance services was included in Public Services Department FY 2006-07 Budget. The initial contract award included a budget adjustment to fund a shortfall of \$120,804. However, the increase costs reflected in the current proposed contract award amount exceeds the budgeted funds by \$44,666. Staff requests a budget adjustment in the amount of \$44,666 to fund the increase in contract costs.

LEGAL REVIEW

The City Attorney’s office has reviewed and approved the attached Professional Services Agreement as to form. Additionally, the City Attorney’s office has reviewed the bid bonds submitted by TruGreen Landcare, Inc. At this time the City will actively pursue the monetary penalties associated with the failure to execute the agreement following the award of the contract.

CONCLUSION

The competitive bid process has identified the lowest available pricing for the landscape maintenance of City parkways, medians and fire stations. Although exceeding the previous budget for these services, Staff recommends that City Council award Formal Bid Item No. 1101, for a two-year Landscape and Turf Maintenance - Parkway, Medians & Fire Stations contract, with four one-year optional renewals, to SpectrumCare, 27181 Burbank, Foothill Ranch, CA 92610, in an amount not to exceed \$213,192 the first year and to authorize the Mayor and the Deputy City Clerk to execute the Professional Services Agreement.

 MARC R. PUCKETT
 Finance Director

 WILLIAM J. MORRIS
 Public Service Director

 DEBORAH DOBROTT
 Purchasing Supervisor

 BRUCE HARTLEY
 Maintenance Services Manager

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| Attachments: | 1. | Budget Adjustment #07-030 |
| | 2. | Professional Services Agreement |

Distribution: City Manager
 City Clerk

C: Gary Plumley
 SpectrumCare
 27181 Burbank
 Foothill Ranch, CA 92610