

CITY OF COSTA MESA

Department of Public Services
INTER OFFICE MEMORANDUM

TO: Tom Hatch, Chief Executive Officer

FROM:  Ernesto Munoz, Interim Director, Public Services Department

DATE: November 10, 2011

SUBJECT: Analysis of Alternatives Proposed by the Parks and Landscape Maintenance Contracting Committee

The Public Services Department has reviewed the alternatives for Parks and Landscape Maintenance Services as outlined in the November 4, 2011 memorandum from the Contracting Committee. The following analysis is provided for each of the four alternatives as requested.

Alternative 1: Maintain current service levels and current costs.

The Committee recognizes that the current service levels are lower than previously provided to the community. The FY 11-12 Budget is approximately \$3.3 million and provides funding for 18 full-time employees and 50% of the supervisor's time.

Currently, there are a few services provided by a private entity including mowing of parks and medians. With budget reductions and retirements/vacancies, the Public Services Department has had to reduce previous service levels to a more affordable level. The Public Services Department will elaborate on how service levels have changed in their departmental response. The bid scope of work is reflective of the service levels provided prior to reductions, assuming the City would like to return to those service levels. Currently, the Parks section has 3 full-time vacancies which are being filled with part-time personnel due to the demand for services.

Departmental Response to Alternative 1:

The services in this area which have seen reductions over the past three fiscal years include:

1. Mowing; this is now biweekly instead of weekly.
2. No pre-emergent applications to planters are currently provided. (These applications prevent weeds from emerging.)
3. No aerification or dethatching of turf is currently provided.

4. No turf fertilization is currently provided for facilities, fire stations, medians, or parkways.
5. Fertilization of sports turf has been reduced from previous years (partially restored).
6. Hardscape maintenance on medians was eliminated (vacuuming of paved/stamped concrete areas).
7. Sports turf renovation (overseeding, sodding, etc.) was reduced.

Pros: The existing organizational structure maintains service levels at current costs within current budget constraints. Service levels may be increased in the future as additional funding becomes available. This alternative provides the flexibility to reallocate staff to address immediate needs, cover special projects, sport field events, storm response, and weekend assignments.

Cons: Retaining the existing organizational structure would not allow for the evaluation of proposals, which may offer alternative, innovative technologies, or pricing that is more beneficial to the City. Retaining existing service levels would require continued support by public employees and would not yield a potential reduction of salaries, pension liabilities, or other long-term City costs.

Alternative 2: Restore previous levels of service at an increased cost.

The City could choose to return the Park Maintenance service levels equal to those before budget reductions. The Public Services Department will elaborate on how service levels have changed in their departmental response. Returning to these levels with full-time personnel will likely increase the overall cost/budget for the Parks and Landscape Maintenance Program.

Departmental Response to Alternative 2:

Pros: Restoration of higher service levels as previously provided will improve the visual and aesthetic quality of the City's parks; improve the health and vigor of turf and landscape plants; address aging infrastructure; and allow for a more pro-active approach to the maintenance and repair of public parks and recreational facilities. This alternative would likely yield long-term cost avoidance due to larger renovations and/or replacements not being needed when the level of on-going repair is increased. Public satisfaction with the improved condition of parks, parkways, and recreational facilities may result in an increase in patronage and a decrease in complaints.

Cons: Restoration of service levels will result in an increase in the Park Maintenance budget; with the amount of that cost increase unknown at this time depending on whether or not the increase in services is performed by current City employees and the current contractor, or performed entirely by a contractor.

Alternative 3: Contract all services with a private entity(s).

The City could contract out all work to a private entity including the current contract work and work provided by in-house staff. However, the Committee recognizes the City may still require some full-time personnel to ensure work is properly supervised and completed and that customer service levels are met by the private entity(s) in accordance with the contract.

Departmental Response to Alternative 3:

Pros: Service levels can be maintained by contracting all the functions currently provided by the program. This alternative may reduce permanent staffing costs, and would allow the City to reduce or increase levels of service as needed, or upon contract expiration to meet budgetary constraints.

Cons: This alternative may reduce responsiveness to customer complaints unless this requirement is specifically negotiated in the contract documents. The financial impact of this alternative is unknown. Unless proposals/bids are solicited, it would be difficult to quantify savings or cost increases. This alternative necessitates appropriate, qualified staff to manage and oversee the contract which may reduce its cost effectiveness.

Alternative 4: Contract a greater portion of the services to a private entity.

The Committee recognizes that the City could choose to contract a greater portion of the services to a private entity(s) and retain some full-time personnel to perform minor work to ensure immediate response to certain requests, and supervise other services that are contracted out. The Public Services Department will elaborate on these services in their departmental response.

Departmental Response to Alternative 4:

Pros: This has been the direction the Public Services Department has taken for several years in the Parks and Landscape Maintenance service delivery. This is an effective approach to reduce costs while retaining flexibility to deliver the services, particularly specialty services that are either costly to provide with in-house staff, or are only needed periodically. The Public Services Department has implemented this approach in several service areas including tree trimming, pesticide applications, lake maintenance, and backflow testing. This alternative may reduce permanent staffing costs, and allows the City to reduce or increase levels of service as needed or upon contract expiration to meet budgetary constraints.

Cons: None identified.

- c Tamara Letourneau, Interim Assistant CEO
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