



CITY OF POMONA COUNCIL REPORT

February 23, 2026

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Meg McWade, Public Works Director

**SUBJECT: AUTHORIZATION TO EXTEND AGREEMENT WITH MERCHANTS
LANDSCAPE, INC. FOR PARKS AND CITY FACILITY
LANDSCAPING AND AMENITY MAINTENANCE SERVICES**

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Waive the formal bidding procedures pursuant to the provisions of Section 2-995 of the Procurement Ordinance;
- 2) Authorize a one-year extension of the agreement with Merchants Landscape, Inc., beyond the original five-year term for parks and city facility landscaping and amenity maintenance services, effective March 1, 2026, through February 28, 2027, in an amount of \$1,976,115.05 for the initial one-year extension (a 3.5% increase from current contract), with one optional one-year extension with annual cost adjustments based on the Consumer Price Index (CPI); and
- 3) Authorize the City Manager to execute the agreement with Merchants Landscape, Inc. and any extra work, extensions or amendments thereto, subject to review by the City Attorney.

EXECUTIVE SUMMARY:

Staff recommends extending the agreement with Merchants Landscape, Inc.(Merchants) for an additional one-year term, through February 28, 2027, with one optional one-year extension, beyond the original five-year term, to maintain cost-effective, high-quality landscape maintenance services for parks and city facility site landscaping and amenity maintenance areas.

A review of comparable contracts from other municipalities revealed significantly higher rates, and Merchants has indicated a willingness to continue services, with a 3.5% increase for the initial

extension, and annual CPI-based increases, if extended beyond one-year, allowing the City to sustain lower rates, while ensuring uninterrupted landscape maintenance.

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$500 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT:

The Adopted Fiscal Year 2025-26 Budget has a total of \$2,001,233 for occupied space landscape maintenance services in the following worktags:

Worktags	Amount
FD101, General Fund CC4011 Parks Landscape Maintenance Landscape Maintenance	\$1,902,173
FD216, Prop A CC2506, General Operations Landscape Maintenance	\$29,500
FD254, Uni Corp Ctr CC4072, University Corporate Center MD#4 Zone H Landscape Maintenance	\$34,560
FD230, VPD CC9200, Vehicle Parking District Landscape Maintenance	\$35,000
Total:	\$2,001,233

The contract amount of \$1,976,115.05 in the extension reflects a 3.5% increase applied to the current contract rate of \$1,909,289.90.

Funding to account for renewal related CPI increases will be requested as part of the annual budget request for subsequent years of the contract. By extending the existing agreement, the City anticipates avoiding substantial rate increases associated with a new contract and contractor. This approach is projected to save the City hundreds of thousands of dollars annually, while still meeting occupied landscaping and amenity maintenance needs citywide.

PREVIOUS RELATED ACTION:

On February 1, 2021, following a competitive bid process, City Council awarded a three-year base term agreement, with two optional one-year extensions to MCE Corporation for occupied space landscaping and amenity maintenance services. The two optional one-year extensions have now been exercised.

DISCUSSION:

As the end of the final extension for competitively awarded parks landscape services approaches, Staff explored the City's option to re-bid for these services, including a review of nearby cities landscape maintenance contracts. The analysis found that trends in other communities show increases ranging from 7.5% to 12% for the first year of services. Applying these trends to Pomona's current annual cost of \$1,909,289.90 suggests that re-bidding could result in a substantial increase to the City.

Given the General Fund budget constraints associated with Measure Y implementation, such an increase is not financially feasible for the City at this time without reducing other programs or services to fund it. As a result, staff initiated discussions with Merchants to explore the possibility of extending the existing contract beyond the original term. Merchants has indicated a willingness to renew services on an annual basis, with annual cost adjustments tied to CPI. This approach offers cost predictability and protects the City's budget from the substantial rate increases observed in other jurisdictions for landscape maintenance needs. Since award, Merchants has consistently provided reliable, high-quality landscape maintenance in the City.

Structuring the initial extension as a one-year term with one optional one-year extension provides the City with flexibility. Should the financial impact of Measure Y change in future years, the City will have the option to re-bid services without being locked into a full five-year commitment, while still maintaining continuity of service in the near term.

Pomona's Procurement Ordinance (Ordinance No. 4276, Section 2-984) limits contract terms to five years unless specifically approved by the City Council. This request is also being made in alignment with the provisions of Section 2-995 of the Procurement Ordinance, which allows for special procurement in cases of extenuating circumstances. The financial impacts of Measure Y implementation have put additional pressure on the General Fund, requiring increased scrutiny of contract renewals and expenditures. Therefore, extending the contract with Merchants presents the most fiscally responsible option. Entering a new contract at current market rates would result in significantly higher costs for the City.

Approval of the extension with Merchants will ensure service continuity, cost stability, and the preservation of recent progress in occupied space landscape maintenance. Staff believes this approach best serves the City's operational goals and fiscal responsibility.

Prepared by:
Lindsay McElwain, Senior Management Analyst

Attachments

Attachment No. 1 – Merchants Agreement Extension Amendment

Attachment No. 2 – Original Merchants Fully Executed Agreement