



CITY OF POMONA COUNCIL REPORT

August 7, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Meg McWade, Public Works Director

Subject: **Approval to Terminate an Agreement with Landscape West Management Services, Inc. for Landscaping Maintenance of Phillips Ranch – Zones A and B; Award the Remaining Term to Greentech Landscape, Inc., the Next Lowest Bidder, Including up to Two (2) Additional One (1)-year Extensions; and Adopt a Resolution Appropriating \$69,881 from Phillips Ranch Assessment District Fund Reserves**

OVERVIEW

Recommendation – That the City Council:

1. Approve terminating the Award of a three-year contract to Landscape West Management Services, Inc. (Landscape West) for landscaping maintenance of Phillips Ranch – Zones A and B after the company served one year and one month;
2. Award the remainder of the contract term, which is 23 months, to the next lowest bidder, Greentech Landscape, Inc. (Greentech) at the prices bid, with up to two additional one-year extension options; and
3. Adopt a Resolution appropriating \$69,881 from the Phillips Ranch Assessment District Fund Balance to cover the additional cost of the new contract; and
4. Authorize the City Manager to execute any and all necessary documentation related to this action, subject to review by the City Attorney, as appropriate.

Fiscal Impact – Greentech Landscape, Inc. was the second lowest bidder in the 2016 Bid Proposal Process. Greentech's cost is \$75,862.80 more per year than Landscape West's original winning bid; Landscape West's bid was \$299,117.28, and Greentech's bid is \$374,980.08. Since Staff had budgeted a small increase for the existing contract in Fiscal Year 2017-18, the award of this agreement to Greentech will result in a need for additional funding in the amount of \$69,881 (rather than \$75,862.80) which will be appropriated from Phillips Ranch Assessment District Fund reserves to Account No. 256-4073-52932-00000.

Public Noticing Requirements – Public Noticing is not required.

Previous Council Action – On February 22, 2016, City Council awarded a three-year contract, with two, one-year extension options to Landscape West Management Services, Inc., for landscaping maintenance services in Phillips Ranch – Zones A and B.

EXECUTIVE SUMMARY

This action will result in termination of the current contract with Landscape West Management Services, Inc. (Landscape West) for landscaping maintenance services for Phillips Ranch Zones A and B during the first 13 months into the initial three-year contract term, which commenced on July 1, 2016. The action will award the remaining term of the contract to the next lowest bidder, Greentech Landscaping, Inc. (Greentech) at the prices bid. The contract has a remaining term of 23 months, with the option to renew up to two additional one-year terms. The annualized cost of the contract is anticipated to be \$374,980.08 with a Consumer Price Index adjustment applied to future extensions.

DISCUSSION

On February 22, 2016, the City Council approved the Agreement with Landscape West Management Services, Inc. for an initial three year term that began July 1, 2016, with two (2), one (1)-year extension options. This agreement provides for landscaping maintenance services in Phillips Ranch area Zones A and B. The landscaping services includes maintenance in all common greenbelt areas including maintenance of turf, ground cover, fuel modification areas, open-space areas, irrigation repairs, and rodent control. Landscape West has not been providing a satisfactory level of service and was sent a Formal Notice of Failure to Perform and Conditional Notice of Termination for Cause. The City and Landscape West have been unable to agree on acceptable terms. The City is requesting Termination of the Agreement for cause.

As a result of the potential termination, the City reached out to the next lowest bidder, Greentech about assuming the remaining 23 months of the Agreement with renewal options. Greentech has confirmed in writing the cost to perform the scope of services are in alignment with the original bid price. Staff has performed reference checks for Greentech, and the company has successfully performed work on similar contracts in the City of Long Beach and Orange County at various regional parks and open space areas. The proposed Agreement with Greentech will mirror the terms of the Agreement with Landscape West. The annualized cost of the contract is \$374,980.08. This is an increase in contract costs of \$75,862.80. There is not adequate funding for this contract included in the FY 2017-18 Operating Budget; therefore, Staff is requesting an additional \$69,881 from Phillips Ranch Assessment District Fund Reserves.

Upon approval by City Council, Staff will terminate the Agreement with Landscape West Management Services, Inc., and proceed with awarding an Agreement to Greentech Landscape, Inc. for landscaping maintenance services in Phillips Ranch. The initial term of the Agreement will be 23 months, with the option to renew up to two additional one-year extensions. It is anticipated the contractor will begin work on August 14, 2017.

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Related to funding, the Phillips Ranch Annual Assessment District Fund provides for contractual services such as landscaping, lighting, tree maintenance, water, utilities and limited personnel costs. This Assessment has not been increased in over 20 years and requires, under Proposition 218, voter approval through a mail-in ballot. As a note, the Assessment does not provide funding for the maintenance of Phillips Ranch Park and Country Crossing Park; and the General Fund absorbs those costs. In order to fund the current level of service within Phillips Ranch without utilizing reserves, an increase in the Assessment would be necessary to offset continually rising costs. If an Assessment increase is not a viable option, there will need to be a future discussion of reduction in service levels.

Attachment: Resolution

17-843

Prepared by: Sharlyn de la Paz, Senior Management Analyst