



CITY OF POMONA COUNCIL REPORT

June 17, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Rene Guerrero, Interim Public Works Director

Subject: **RESOLUTION AMENDING THE FY 2019-20 OPERATING BUDGET AND AWARD OF CONTRACTS FOR CITYWIDE LANDSCAPING AND PARK AMENITY MAINTENANCE SERVICES, AND CITYWIDE MEDIANS AND PARKWAYS LANDSCAPE MAINTENANCE SERVICES**

RECOMMENDATION: It is recommended that the City Council:

1. Adopt the following resolution:

RESOLUTION NO. 2019-79: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING THE FY 2019-20 GENERAL FUND PARKS AND LANDSCAPE MEDIANS OPERATING BUDGET BY APPROPRIATING \$177,783 FROM AVAILABLE RESERVES AND AWARD OF CONTRACTS FOR CITYWIDE LANDSCAPING AND PARK AMENITY MAINTENANCE SERVICES, AND CITYWIDE MEDIANS AND PARKWAYS LANDSCAPE MAINTENANCE SERVICES TO MCE CORPORATION: or

2. Direct staff to negotiate with the bidder to amend the scope of work to bring the contract amount to be within the existing budget; or
3. Adopt the resolution above and direct staff to further pursue in-house maintenance and a transition plan for Council consideration

EXECUTIVE SUMMARY: Adopting the Resolution No.2019-79 (Attachment 1) will amend the FY 2019-20 General Fund Public Works Department Parks and Landscape Maintenance Operating Budget in the amount of \$177,783 from unappropriated funds estimated in the proposed General Fund budget which, upon adoption totaled \$1,164,368. The additional actions recommended in Recommendation 1 will award two separate three-year agreements to MCE

Corporation (MCE) for Citywide landscaping and park amenity maintenance services and Citywide medians and parkways landscape maintenance services, with an option to renew for up to two additional years, in one-year increments. The second recommendation directs staff to modify the scope of work to match the existing appropriations. The third recommendation directs staff to execute the budget amendment and contracts, but to further investigate bringing the services in-house. At the direction of Council, a preliminary analysis of the cost to bring these services in-house has been prepared. The staff report does not include a timeline nor a strategy for how the transition could occur.

FISCAL IMPACT: Funds for these two procurements were budgeted within the various FY 2019-20 Department operating budgets. However, staff did not receive the bids for the services until after the budget was adopted. MCE was determined to be the lowest, most responsive and responsible bidder (see Attachments 2 and 3 – Bid Summary Sheets), but their bid came in higher than what was budgeted and adopted as the FY 2019-20 Operating Budget on June 3, 2019. Other funds do not have sufficient fund balances to cover the increase in cost of \$177,783. Currently, in fund 101-4011 there is \$958,000 budgeted and \$1,135,783 is needed to cover the costs of the contract. Therefore an appropriation amending the FY 2019-20 General Fund Parks and Landscape Maintenance Operating Budget in the amount of \$177,783 from available reserves is requested. The estimated annual expenditures are expected to exceed \$30,000 per fiscal year. Funding for future years will be included in applicable Departments' annual budget submissions. Funding will come from funds 101-4011; 128-4012; 216-2506; 253-4075; 254-4072; 138-4012; 206-4012; 208-4012; and 230-9200.

Should Council choose Recommendation 2 and approve the award of the contract, but not the appropriation of additional needed funds, staff's recommendation would be to reduce costs primarily on the Medians and Parkways contract through the elimination of the additional contractor staffing element for North and South Garey medians for a total reduction of approximately \$140,519, and then an overall reduction of the remainder of the Medians and Parkways contract to Service Level C for the first year of the contract and/or until such time as additional funds can be allocated.

Landscaping and Park Amenities		
Fund Description	Fund	Amount
General Fund	101-4011	\$792,899
Measure R Fund	128-4012	\$45,056
Measure M Fund	138-4012	\$45,056
State Gas Tax - RMRA	206-4012	\$77,284
State Gas Tax Operating	208-4012	\$45,056
Proposition A	216-2506	\$31,738
AD-South Garey Assessment Zone DEF	253-4075	\$35,445
AD-University Corp. Center Assessment Dist.	254-4072	\$7,089
Vehicle Parking District	230-9200	\$42,200
Total		\$1,121,823

Medians and Parkways	
101-4011	\$342,884
128-4012	\$18,502
138-4012	\$18,502
206-4012	\$31,736
208-4012	\$18,502
216-2506	\$13,033
253-4075	\$15,555
254-4072	\$2,911
230-9200	\$0
	\$460,625

DISCUSSION: The purpose of the landscape and park amenity maintenance service agreement is to provide a level of maintenance at park sites and other facilities Citywide ensuring that these sites and facilities are safe, aesthetically pleasing, and in a usable condition with all plant material maintained and kept healthy. Responsibilities include, but are not limited to, cleaning restrooms and picnic facilities, upkeep of sports fields, pruning, trimming, shaping and training of shrubs and groundcover plants, removing and controlling weeds, controlling plant diseases and pests, mowing and edging turf grass and groundcovers, irrigating plant materials, maintaining and repairing irrigation systems, and debris and trash removal (See Attachment 4 – Scope of Work Landscaping and Maintenance of Parks and Amenities).

The purpose of the medians and parkways landscape maintenance service agreement is to provide a level of service and landscape maintenance required to uphold the City's medians and parkways in a safe, aesthetically pleasing, and usable condition, and with all plant material maintained in a state of good health. Responsibilities include, but are not limited to, mowing, edging and trimming, groundcover and vine maintenance, tree maintenance, shrub maintenance, watering, fertilization, maintaining irrigation systems, and maintaining surface drains of the City's medians and parkways (See Attachment 5 – Scope of Work Medians and Parkways). MCE will furnish all labor, equipment, materials, tools, services, supervision, and training of its personnel in any special skills required to perform the services required for both contracts.

The City conducted a two-step bidding process for each contract in order to determine the most qualified vendor for each service. The first phase was a Request for Qualifications (RFQ), which was posted on March 21, 2019 and was due April 8, 2019 for each of the two services. A total of six companies responded to each of the RFQs. The submitted qualifications were reviewed by staff and the top three most qualified companies were invited to submit a bid. Section 2-970 of the Purchasing Ordinance requires that a Notice Inviting Bids be published at least ten days before the date of opening. The Purchasing Division released formal Requests for Bids (RFB) (Bid No. 2019-11 - Citywide landscaping and park amenity maintenance services and Bid No. 2019-07 - Citywide medians and parkways landscape maintenance services). The RFBs were posted on PlanetBids, the City's website and the Public Notices board on May 20, 2019. As a result, three (3) bids were received (Attachment No. 1 - Bid Summary Citywide Landscaping and Park Amenity Maintenance Services and Attachment No. 2 – Bid Summary Citywide Medians and Parkways Landscape Maintenance Services) by the June 3, 2019 deadline. MCE Corporation has been determined to be the lowest, responsive and responsible bidder for each bid. MCE Corporation is currently providing these services, and their performance has been satisfactory with regard to the scope and details of the respective contract.

Transition to Staff/"In-House" Discussion

Relevant to the discussion about continuing to contract park maintenance services for the City, Council/Mayor have previously requested information on the potential for bringing landscape maintenance "In-house." The most objective method of analyzing the question of contractor vs. staff costs, head-to-head, is to take the lowest bid amount, attempt to project the best in-house scenario this amount could support, and assess whether this scenario could provide the level of services prescribed by the contract. The results of this analysis are presented as Scenario A.

However, it is staff's belief that this scenario is unlikely to provide the level of landscaping services that will be provided for by the contractor at the same amount, or satisfy expectations. In light of this, a second analysis was conducted and this scenario is also provided outlining an in-house organization, and costs, that staff feels is more likely to meet the aforementioned expectations. The results of this analysis are presented as Scenario B.

Finally, in the event Council would definitively pursue an in-house solution, a proposed plan and timeline for implementation/transition are also presented.

Scenario A: Potential Staffing Levels Under Current Recommended Award Amount

The current recommended total award amount is \$1,582,448. After an analysis, with a similar budget as the recommended , it was determined that an additional 17 full-time equivalent (FTE) staff at step 1 and 4 hourly employees (See Table 1) could be hired to provide City landscaping services, with any estimated total cost of \$1,048,594 the first year. The addition of these staff and transition to in-house services would also require acquisition and first year operational costs for additional equipment and materials estimated at \$803,313 (See Table 2).

With the addition of these staff and equipment and materials, estimated total costs in year-one would be \$1,851,907. After the initial year, annual average equipment replacement costs were estimated, and the total necessary funds including staff, equipment and materials under this projected scenario once staff salaries reached their anticipated final step after 5 years would be \$1,600,160. The projected cost difference in year one between the recommended award amount and in-house operations would be \$269,459. After five years, the total of staff plus annual equipment maintenance, repair, and replacement costs would be \$17,712 more annually than the cost of the current contract.

As mentioned previously, this scenario only represents a projection of an in-house organization using approximately the same amount of funds as the recommended award, and is not a scenario that staff believes will be equal the services provided by the contractor for an equivalent amount or that will meet the expectations of Council and the majority of residents and visitors. This estimate also does not include additional administrative personnel or the likely need for additional office and equipment storage space. The former was not included in this first analysis due to maximizing funded field staff under the proposed award amount, and the latter based on the widely variable costs depending on what potential locations and facilities may be available.

Under this scenario, the newly expanded Parks Unit would be organized into three separate teams under the existing Parks and Landscape Supervisor. The three teams would be assigned to the "North Parks" (Districts 1, 4, and 6), "South Parks" (Districts 2, 3, and 5), and then Medians and Other Landscape City-Wide, respectively.

Each team would be led by a Lead Landscape Maintenance Technician (LLMT), who would assist coordinating their area's daily activities, along with performing higher skill level landscaping maintenance and repairs. The teams under the two Parks LLMTs would consist of two (2) Landscape Maintenance Technician IIs (LMT2), three (3) Landscape Maintenance Technician Is (LMT1), and two (2) 20hr/week Maintenance Worker I (MW1) staff for weekend

coverage. The team under the Medians and Other LLMT would consist of two (2) LMT2s, two (2) LMT1s, and two (2) 20hr/week MW1 staff for weekend coverage (See Figure 1).

Parks team staff would typically work in two-person crews of one (1) LMT2 and one (1) LMT1, with the remaining LMT1 working directly with the LLMT, and Medians and Other Landscape would be the same minus the LMT1 assigned to the LLMT. Teams and members would rotate assignments and partners on a regularly scheduled basis to build internal bench strength and City-wide experience, and foster familiarity within the team.

LMT2 and LMT1 positions would be new job classifications, and salaries are estimated based on the existing Public Services Maintenance Worker II and I positions, so costs could potentially exceed those proposed depending on the Human Resources review process.

Equipment and materials were estimated based on being sufficient to support added staff and attempting to fill all services currently provided, with a 10% overall cushion for general maintenance and repairs to hopefully cover unanticipated costs. Costs were also included for the addition of an Equipment Mechanic in the Fleet Services Division to maintain added vehicles and larger power equipment.

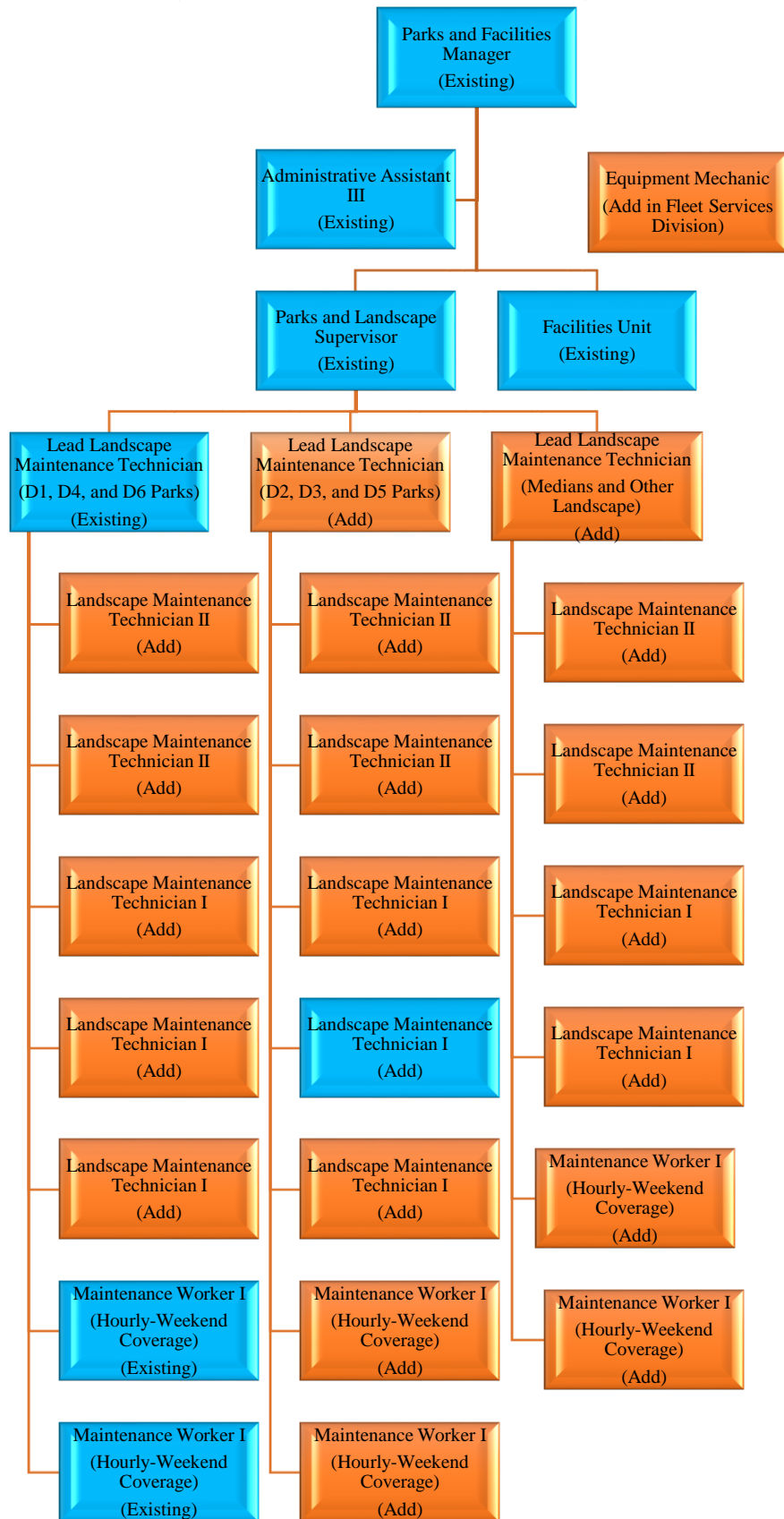
Table 1: Scenario A Projected Staffing Cost

Title	Minimum Salary Need	Maximum Salary Need	Estimated Total Minimum Compensation (Salary + 47% for Full Time)	Estimated Total Maximum Compensation (Salary + 47% for Full Time)	Number of FTE and Hourly Staff	Extended Cost Minimum	Extended Cost Maximum
Lead Landscape Maintenance Technician	\$47,016	\$57,144	\$69,114	\$84,002	2	\$138,228	\$168,004
Add Landscape Maintenance Technician II	\$40,548	\$49,284	\$59,606	\$72,447	6	\$357,636	\$434,682
Add Landscape Maintenance Technician I	\$36,732	\$44,652	\$53,996	\$65,638	8	\$431,968	\$525,104
Equipment Mechanic	\$48,192	\$58,584	\$70,842	\$86,118	1	\$70,842	\$86,118
Maintenance Worker I (20 Hours/WK)	\$12,480	\$19,427	\$12,480	\$19,427	4	\$49,920	\$77,709
Sum						\$1,048,594	\$1,291,617

Table 2: Scenario A Projected Equipment and Materials Cost Coverage

Equipment and Materials	Estimated Cost	Quantity	Estimated Recurrence Rate (Years)	Initial Acquisition and First-Year Operational Costs	Prorated Average Annual Replacement Costs
3/4-Ton Crew Cab Truck	\$40,000	8	10	\$320,000	\$32,000
12" Commercial Brush Chipper	\$50,000	1	10	\$50,000	\$5,000
54" Commercial Zero Turn Mower	\$6,000	3	10	\$18,000	\$1,800
16' Landscape Trailer	\$3,500	6	20	\$21,000	\$1,050
Athletic Field Maintenance and Turf Restoration Equipment (Mower, fertilizer applicator, line painter, roller, aerator, etc.)	\$125,000	1	10	\$125,000	\$12,500
Commercial Trimmer	\$650	8	5	\$5,200	\$1,040
Commercial Chainsaw	\$800	8	5	\$6,400	\$1,280
Commercial Blower	\$600	8	5	\$4,800	\$960
Small Power Tool Maintenance, Supplies and Repair	\$500	8	1	\$4,000	\$4,000
Full-time Personnel Handtools, Uniforms, PPE, IT needs	\$1,500	16	1	\$24,000	\$24,000
Hourly Personnel Handtools, Uniforms & PPE	\$750	4	1	\$3,000	\$3,000
Irrigation Supplies	\$100,000	N/A	1	\$100,000	\$100,000
Added Vehicle Maintenance and Repair, including Fuel	\$4,700	8	1	\$37,600	\$37,600
Other Equipment Fuel	\$7,500	1	1	\$7,500	\$7,500
Janitorial Supplies	\$50,000	N/A	1	\$50,000	\$50,000
Unanticipated Cost/10% Added General Maintenance & Repairs Cushion				\$26,813	\$26,813
Sum				\$803,313	\$308,543

Figure 1: Scenario A Projected Staffing Level



Scenario B: Desired Service Level Staffing, Equipment and Materials Needs and Costs

In addition the Scenario A, staff also hypothesized an in-house scenario they felt was more likely to meet the expectations of Council and the majority of residents and visitors.

Based on this analysis, staff determined that an additional 29 full-time equivalent (FTE) staff at step 1, 6 hourly employees, and 1 reclassification of an existing position (See Table 3) would be needed in a more ideal scenario, with any estimated total cost of \$1,668,651 the first year. The addition of these staff and transition to in-house services would also require acquisition and first year operational costs for additional equipment and materials estimated at \$1,318,115 (See Table 4).

With the addition of these staff and equipment and materials, estimated total costs in year-one would be \$2,986,766. After the initial year, annual average equipment replacement costs were estimated, and the total necessary funds including staff, equipment and materials under this projected scenario once staff salaries reached their anticipated final step after 5 years would be \$2,612,148. It is worth noting that the highest combined bids received for the current contracts to be awarded was for \$2,783,892.

The projected cost difference in year one between the recommended award amount and in-house operations would be \$1,404,318. After five years, the total of staff plus annual equipment maintenance, repair, and replacement costs would be \$1,029,700 more annually than the cost of the current contract.

While this scenario does include costs of administrative personnel changes for the expanded administrative needs of the unit, it still does not include potential added costs for office and equipment storage space due to the widely variable costs depending on what potential locations and facilities may be available.

Titles and crew organization would be relatively similar to Scenario A, but with additional staffing within each team, and 4 teams instead of 3, and organized as follows (Figure 2):

- Districts 1 & 6 Parks
- Districts 2 & 5 Parks
- Districts 3 & 4 Parks
- Medians and Other Landscape

Equipment was estimated similarly to Scenario A, but with additional equipment for athletic fields and turf restoration based on additional staffing and desire for higher service level.

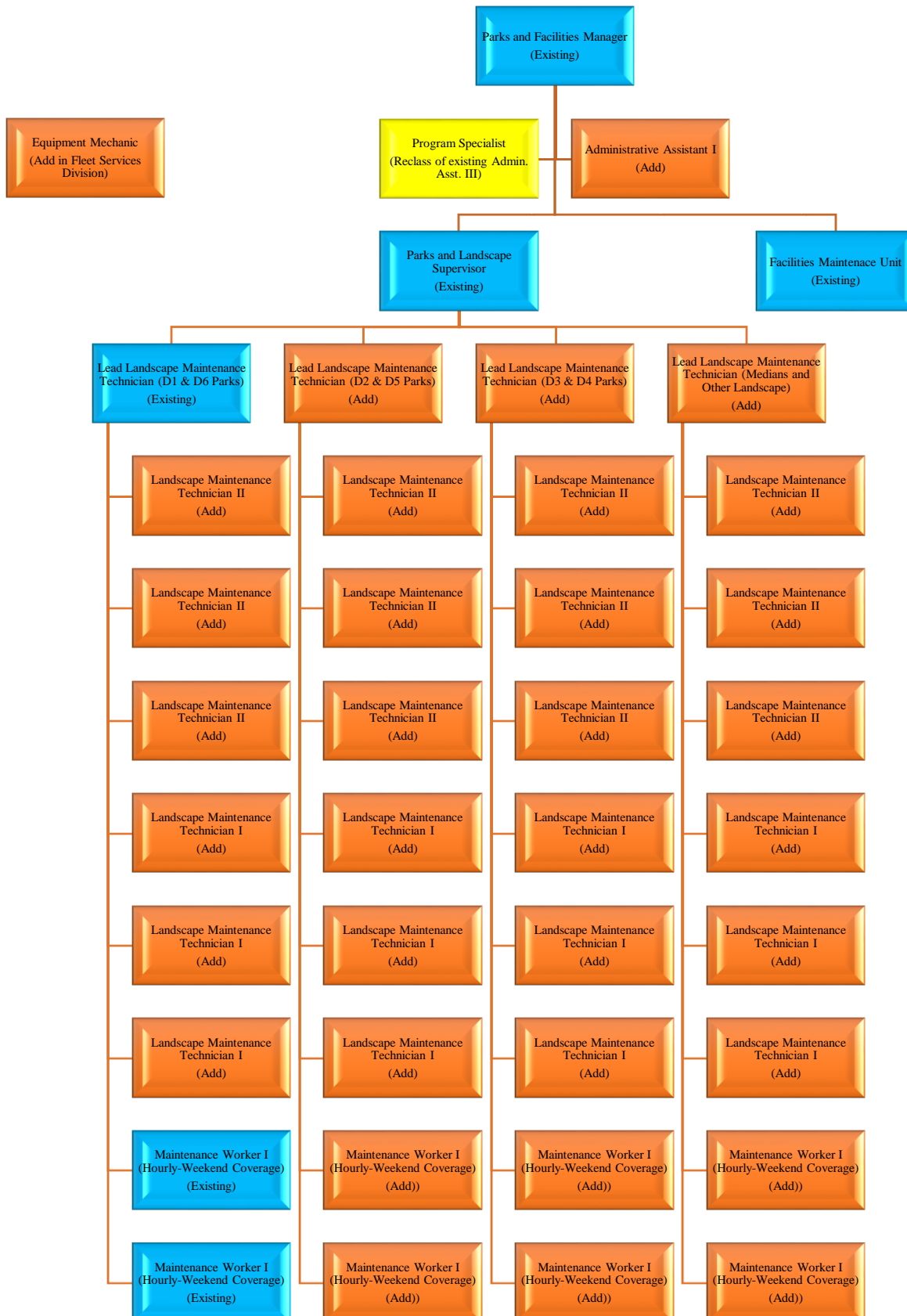
Table 3: Scenario B Projected Staffing Cost

Title	Minimum Salary Need	Maximum Salary Need	Estimated Total Minimum Compensation (Salary + 47% for Full Time)	Estimated Total Maximum Compensation (Salary + 47% for Full Time)	Number of FTE and Hourly Staff	Extended Cost Minimum	Extended Cost Maximum
Lead Landscape Maintenance Technician	\$47,016	\$57,144	\$69,114	\$84,002	3	\$207,341	\$252,006
Add Landscape Maintenance Technician II	\$40,548	\$49,284	\$59,606	\$72,447	12	\$715,272	\$869,364
Add Landscape Maintenance Technician I	\$36,732	\$44,652	\$53,996	\$65,638	12	\$535,824	\$787,656
Administrative Assistant I	\$36,732	\$44,652	\$53,996	\$65,638	1	\$53,996	\$65,638
Equipment Mechanic	\$48,192	\$58,584	\$70,842	\$86,118	1	\$70,842	\$86,118
Maintenance Worker I (20 Hours/WK)	\$12,480	\$19,427	\$12,480	\$19,427	6	\$74,880	\$116,563
Reclass Admin. Asst. III to Program Specialist (Salary Difference Only Shown)	\$7,140	\$8,700	\$10,496	\$12,789	1	\$10,496	\$12,789
Sum						\$1,668,651	\$2,190,133

Table 4: Scenario B Projected Equipment and Materials Cost Coverage

Equipment and Materials	Estimated Cost	Quantity	Estimated Recurrence Rate (Years)	Initial Acquisition and First- Year Operational Costs	Prorated Average Annual Replacement Costs
3/4-Ton Crew Cab Truck	\$40,000	15	10	\$600,000	\$60,000
12" Commercial Brush Chipper	\$50,000	1	10	\$50,000	\$5,000
54" Commercial Zero Turn Mower	\$6,000	4	10	\$24,000	\$2,400
16' Landscape Trailer	\$3,500	12	20	\$42,000	\$2,100
Athletic Field Maintenance and Turf Restoration Equipment (Mower, fertilizer applicator, line painter, roller, aerator, etc.)	\$250,000	1	10	\$250,000	\$25,000
Commercial Trimmer	\$650	15	5	\$9,750	\$1,950
Commercial Chainsaw	\$800	15	5	\$12,000	\$2,400
Commercial Blower	\$600	15	5	\$9,000	\$1,800
Small Power Tool Maintenance, Supplies and Repair	\$500	15	1	\$7,500	\$7,500
Full-time Personnel Handtools, Uniforms, PPE, IT needs	\$1,500	27	1	\$40,500	\$40,500
Hourly Personnel Handtools, Uniforms & PPE	\$750	6	1	\$4,500	\$4,500
Irrigation Supplies	\$100,000	N/A	1	\$100,000	\$100,000
Added Vehicle Maintenance and Repair, including Fuel	\$4,700	15	1	\$70,500.00	\$70,500
Other Equipment Fuel	\$10,000	1	1	\$10,000	\$10,000
Janitorial Supplies	\$50,000	N/A	1	\$50,000	\$50,000
Unanticipated Cost/10% Added General Maintenance & Repairs Cushion				\$38,365	\$38,365
Sum				\$1,318,115	\$422,015

Figure 2: Scenario B Projected Staffing Level



Potential Implementation/Transition Plan/Timeline if Directed by Mayor/Council

Given the extent of services currently provided by contractors relative to minimal city staff, it is difficult to definitively say what exact scenario would provide landscaping services at the level currently provided by the contractor or desired by Mayor/Council and the majority of residents and visitors.

In light of this and the substantial effort and time that would be needed to hire the necessary personnel and acquire the needed equipment, staff's recommendation should Mayor/Council decide to pursue implementation would include approving the current award, and gradually phasing in additional staff and materials using the following timeline.

It is the opinion of staff that the strategy/timeline outlined below would provide a field tested method of assessing the true amount of labor and funds needed to provide the currently contracted services, along with a more gradual acquisition of tools and equipment to mitigate the initial hit of start-up costs, and prevent any drop-offs in service.

Given the time needed to build towards this model, and the need for landscaping services in the interim, it is still Staff's recommendation that the current bid be awarded to MCE Corporation as the lowest responsive bidder.

1. June 17, 2019
 - a. Mayor/Council approve current recommended award and continue contract services as bid for interim period.
 - b. Public Works and Human Resources Staff begin process of creating new LMT1 and LMT2 position classifications in concert with relevant employee representation group input.
2. December 2019
 - a. Staff finalizes new classification creation, including salary determination.
3. January 2020
 - a. Staff begins recruitment process to fill one initial full team and support staff (addition of 1 LLMT, 3 LMT2s, 3 LMT1s and 2 hourly MW1s, 1 Equipment Mechanic, 1 Administrative Assistant, and reclassification of existing Administrative Assistant III to Program Specialist)
4. May 2020
 - a. Staff completes recruitment processes and hires selected personnel and acquires respective needed equipment pending Mayor/Council appropriating necessary funds at that time.
5. June 2020-December 2020
 - a. Initial team used to restore current landscaping to desired condition and become familiar with City landscaping while maintaining contract services as bid.
6. January 2020
 - a. Seek to terminate median and other landscaping contract with appropriate notice, but continue park landscaping contract during remaining interim period.
 - b. Transition initial team to maintaining medians and other landscape areas while maintaining parks contract.

7. June 2020
 - a. Assess performance of team and adequacy to task.
 - b. Assuming desired results are achieved based on Mayor/Council input and review, begin recruitment process of additional second team.
8. October 2020
 - a. Staff completes recruitment processes and hires selected personnel and acquires respective needed equipment pending Mayor/Council appropriating necessary funds at that time.
9. November 2020-July 2021
 - a. Second team used to continue restoring and improving current landscaping to desired condition and become familiar with City landscaping while maintaining remaining contract services as bid.
10. July 2021
 - a. Providing satisfactory notice to contractor per contract terms, existing parks landscaping contract amended to remove services for one parks team area (area selected by vote of Council/Mayor)
11. July 2021-June 2022
 - a. While continuing to monitor performance of teams, repeat recruitment, hiring, equipment acquisition and onboarding processes of remaining two teams.
12. July 2022
 - a. Initial contract term expires and not extended.
 - b. Final two teams assume maintenance of remaining parks team areas.

ATTACHMENTS:

Attachment No. 1 – Resolution No. 2019-79

Attachment No. 2 – Bid Summary Citywide Landscaping and Park Amenity Maintenance Services

Attachment No. 3 – Bid Summary Citywide Medians and Parkways Landscape Maintenance Services

Attachment No. 4 – Scope of Work Landscaping and Maintenance of Parks and Amenities

Attachment No. 5 – Scope of Work Medians and Parkways

Prepared by: Michael Sledd, Parks and Facilities Manager, and Shandy Dittman, Senior Management Analyst