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# CITY OF POMONA COUNCIL REPORT

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September 16, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Rene Guerrero, Public Works Director

Subject: **AWARD AN EXTENSION OF THE EXISTING AGREEMENT WITH  
MCE CORPORATION FOR NINE MONTHS FOR \$1,032,187 FOR  
LANDSCAPE AND PARK AMENITY MAINTENANCE AND  
ADDITIONAL RELATED SERVICES**

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

- 1) Approve a nine-month extension of the existing agreement with MCE Corporation, including a Consumer Price Index increase of 3.3 percent, bringing the total amount of the contract to \$1,032,187 for landscape and park amenity maintenance and additional related services; and
- 2) Authorize the City Manager, or her designee, to execute the extension to the agreement on behalf of the City, subject to review by the City Attorney.

**EXECUTIVE SUMMARY:** Approval of the extension will enable MCE Corporation to continue providing landscape and park amenity maintenance and additional related services to the City for the period of October 1, 2019 through June 30, 2020 under the same terms and conditions of its existing Agreement. During the balance of the fiscal year, in cooperation with the City Council ad hoc sub-committee, City staff will carefully review the scope of work and contractor performance and craft a new or amended scope of work for landscape and park amenity maintenance services to be rebid for a FY 2020-21 contract (with annual extensions).

**FISCAL IMPACT:** Pricing is based on the monthly rate in accordance with the current Agreement that will expire September 30, 2019. A Consumer Price Index (CPI) increase of 3.3 percent, the Los Angeles Area increase between 2018 and 2019, is being factored into the pricing with this extension. Funding for this recommendation is not to exceed \$1,032,187 for the nine-month period and is available in the FY 2019-20 Operating Budget within the following funds:

<b>Fund Name</b>	<b>Fund Number</b>	<b>Amount</b>
General Fund	101-4011	\$698,220
Measure R	128-4012	48,506
Proposition A	216-2506	33,826
South Garey Maintenance Assessment District	253-4075	29,062
University Corp. Center Maintenance Assessment District	254-4072	7,242
Measure M	138-4012	48,506
SB-1	206-4012	83,267
Gas Tax	208-4012	48,506
Successor Agency	315-6201	4,066
Vehicle Parking Dist.	230-9200	30,987
	<b>Total</b>	<b>\$1,032,187</b>

**PREVIOUS RELATED ACTION:** On February 24, 2014, the City Council awarded a three-year contract with the option for two, one-year extensions to MCE Corporation (MCE) in the amount of \$1,183,636 for the first year, with annual CPI adjustments. CPI adjustments of 0.5 percent and 1.7 percent were enacted administratively and went into place on April 1, 2015, and April 1, 2016 respectively, bringing the total contract amount to \$1,209,777 at that time. The first amendment went into effect April 1, 2017, exercising the first one-year extension, and implementing a 2.1 percent CPI increase, bringing the total contract amount to \$1,235,182. The second amendment went into effect April 1, 2018, exercising the second one-year extension, implementing a 3.5 percent CPI increase, and adding the newly opened location of Esperanza y Alegria Park to the agreement, bringing the total contract amount to \$1,280,323,

On February 25, 2019, the City Council awarded an additional three-month extension to the current agreement with MCE beyond the original term, with no CPI increase, with the intent to synchronize future contract terms with the fiscal year. On June 17, 2019, the City Council considered the award of two new contracts to MCE for Citywide landscape and park amenities maintenance services and for City-wide medians and parkways landscape maintenance services. Council continued this item to a future date and formed a sub-committee consisting of the Mayor and two Councilmembers to discuss the performance of MCE and explore other potential options for the provision of said maintenance services. Council also directed staff to award another three-month extension to the current agreement with MCE.

**DISCUSSION:** The purpose of the landscape and park amenity maintenance service agreement is to provide a level of maintenance at park sites and other sites that ensures 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 turfgrass and groundcovers, irrigating plant materials, maintaining and repairing irrigation systems, and debris and trash removal. MCE furnishes all labor, equipment, materials, tools, services, supervision, and training of its personnel in any special skills required to perform the maintenance responsibilities.

On June 17, 2019, the City Council considered the award of two new contracts to MCE based upon their responses to Request For Bid Nos. 2019-11 – Citywide Landscaping and Park Amenities Maintenance Services; and 2019-07 – Citywide Medians and Parkways Landscape Maintenance Services. Staff determined MCE to be the lowest, responsive, and responsible bidder for each bid. However, the bids exceeded the budgeted amounts for FY 2019-20 for said services. Therefore, due to financial constraints, the City will exercise its right to reject all bids received for these RFBs and anticipates going out to bid again and awarding a new contract effective July 1, 2020, consistent with the FY 2020-21 budget projections.

In addition, the City Council continued this item to a future date and formed a sub-committee consisting of the Mayor and two Councilmembers to review MCE's performance and explore other potential options for the provision of said maintenance services, including exploration of likely costs should the City attempt to bring certain services "in-house." At the June 17, 2019 Council meeting, Council also directed staff to award another three-month extension to the current agreement with MCE for continued maintenance services which will expire September 30, 2019.

The sub-committee and staff met on September 4, 2019. Discussion topics included the potential for an amended scope of work that will be within budget and the consideration of transitioning landscape maintenance services in-house in the future. Based on questions and concerns expressed by the sub-committee regarding the Contractor's performance of duties in relation to the terms of the existing contract, staff will also be implementing additional oversight measures during the period of the contract extension to assure that performance is in fact adhering to those terms. With this knowledge, the sub-committee recommended the current contract with MCE be extended for another nine months to June 30, 2020, including a CPI increase of 3.3 percent. During this period, staff will also be attempting to identify the anticipated additional funds that would be needed to fund the increased services outlined in the most recent RFB, or amend the scope of work to ensure that future bids are within budget.

Therefore, it is recommended that the current agreement be extended to June 30, 2020 with MCE, and include a CPI increase of 3.3 percent. This will ensure that there is no lapse in landscaping services while the City considers an amended scope of work and prepares two new Requests for Bids.

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