



CITY OF POMONA COUNCIL REPORT

February 1, 2021

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Rene Guerrero, Public Works Director

SUBJECT: AWARD OF LANDSCAPING CONTRACTS TO MCE CORPORATION AND MERCHANTS LANDSCAPE SERVICES, INC.

RECOMMENDATION:

It is recommended that the City Council review the following and choose the appropriate action in each recommendation:

RECOMMENDATION NO. 1

- 1) Approve a three-year contract, with two optional one-year extensions, to MCE Corporation to provide Citywide Non-Occupied Median, Streetside/ROW, and other Landscaping and Amenity Maintenance;
OR
- 2) Direct Staff to reject the current bids for Citywide Non-Occupied Median, Streetside/Right-of-Way (ROW), and other Landscaping and Amenity Maintenance and issue another Request for bids, and extend the current Citywide Landscaping contract with MCE for the portion of their contract that addresses Citywide non-occupied medians, streetside/ROW, and other landscaping and amenity maintenance an additional four months to facilitate the timing of the bidding process.

RECOMMENDATION NO. 2

- 3) Approve a three-year contract, with two optional one-year extensions, to Merchants Landscape Services, Inc. to provide Occupied Space Landscape and Amenity Maintenance and adopt the following Resolution:

RESOLUTION NO. 2021-09: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AMENDING THE FY 2020-21 OPERATING BUDGET BY APPROPRIATING A TOTAL \$6,576 FROM THE UNIVERSITY CORP ASSESSMENT DISTRICT BUDGET FROM AVAILABLE RESERVES

OR

- 4) Direct Staff to reject the current bids for Citywide Occupied Space Landscape and Amenity Maintenance and issue another Request for bids, and extend the current Citywide Landscaping contract with MCE for the portion of their contract that addresses Citywide occupied space landscaping and amenity maintenance an additional four months to facilitate the timing of the bidding process;
- 5) Reject the bid protest submitted by MCE Corporation as meritless; and

RECOMMENDATION NO. 3

- 6) Provide direction to Staff to further pursue in-house maintenance services; and
- 7) Authorize the City Manager to execute the contracts and any extensions to the contracts on behalf of the City, subject to review by the City Attorney.

EXECUTIVE SUMMARY: Approval of the contracts will ensure that Citywide landscaping maintenance services will continue. The new contracts were bid by location, with additional sites and various levels of frequency added to the bid documents to ensure a higher level of maintenance than was provided in the previous contract. This also allows for greater flexibility in negotiating the desired level of service frequency for each location while staying within budgetary constraints. This is discussed in greater detail below. Pursuant to discussions in a recent meeting of the landscape ad-hoc subcommittee (comprised of Mayor Sandoval and Councilmembers Garcia and Lustro), it is recommended that the City Council adopt Resolution No. 2021-09 (Attachment No. 1); award a contract to MCE Corporation for Non-Occupied Medians, Streetside/ROW, and other Landscaping and Amenity Maintenance at Frequency Level B (refer to Attachment Nos. 2 and 3 for locations and description of levels of frequency); and award a contract to Merchants Landscape Services, Inc. for Occupied Space Landscape and Amenity Maintenance at Frequency Level A (refer to Attachment Nos. 4 and 5 for locations and description of levels of frequency).

FISCAL IMPACT: In order to fully fund both contracts for the remaining four months of the Fiscal Year, \$6,576 will need to be appropriated from Maintenance Assessment District 4 (University Corporate Center Fund 254-4072). While the total cost of both contracts will be higher than the cost of the current landscaping contract, there is sufficient funding available for the remainder of Fiscal Year 2020-21 because award of the new contracts was initially delayed due to Covid-19. The prior landscaping contract was \$1,379,628 annually, while the new contracts combined will total \$1,992,100 annually at the service level frequencies currently proposed. For the remainder of the Fiscal Year from March 1 through June 30, 2021 the Non-Occupied Median, Streetside/ROW, and Other Landscape and Amenity Maintenance will cost \$122,374 at a Frequency Level B and the Occupied Space Landscape and Amenity Maintenance contract will cost \$541,764 for the remainder of the Fiscal Year at a Frequency Level A. When budgeting for the next Fiscal Year, an analysis will be conducted to determine whether contracts should remain at the current frequencies, or if they can be adjusted. The table on the next page outlines the remaining budget by funding source available for the remainder of the Fiscal Year and the funding sources for each contract.

Fiscal Year 2020-21 Budget By Funding Source for Landscaping Contracts Between March 1, 2021 and June 30 2021

FUND	FUND NAME	Remaining Budget FY 2020-21 (4 months)	MCE - Bid (Non-Occupied Median, Streetside/ROW, and other Landscaping) B Level (4 Months)	Merchants (Occupied Space Landscape and Amenity Maintenance) A Level (4 months)
101-4011	General Fund (Parks)	\$543,731	\$16,646	\$513,456
128-4012	Measure R	\$23,131	\$23,131	NA
138-4012	Measure M	\$23,131	\$23,131	NA
206-4012	Gas Tax RMRA	\$28,599	\$28,599	NA
208-4012	State Gas Tax	\$23,131	\$23,131	NA
216-2506	Prop A	\$16,034	NA	\$3,984
253-4075	Maint AD#3	\$17,197	\$7,736	NA
254-4072*	Maint AD#4	\$3,568	NA	\$10,144
230-9200	VPD	\$19,956	NA	\$12,320
101-2003	Fire Station	\$323	NA	\$323
101-2004	Armory	\$1,537	NA	\$1,537
TOTAL		\$698,478	\$122,374	\$541,764

* Fund 254-4072 has a remaining budget of \$3,568 and requires an appropriation of \$6,576 to fully fund the Occupied Space Landscape and Amenity Maintenance Contract

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 in the amount of \$1,183,636 for the first year, with annual CPI adjustments.

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 Citywide 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 contractor performance 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.

On September 16, 2019, Council awarded a nine-month extension to the current agreement with MCE, which expired June 30, 2020. On March 4, 2020, the Governor of the State of California issued a State of Emergency in response to the global COVID-19 pandemic. Due to the State of

Emergency, the City requested an additional 3-month extension to continue essential maintenance services.

On September 21 and December 21, 2020, Council awarded additional three-month and two-month extensions, respectively, to the current agreement with MCE to allow sufficient time to pre-qualify vendors, bid submittals, and contract awards.

DISCUSSION: The contract for Non-Occupied Median, Streetside/ROW, and other Landscaping and Amenity Maintenance provides a scope of services for the maintenance of designated medians, streetside/ROW areas, and other locations, and defines the various levels of frequency, or how often, the designated areas can be maintained (Attachment No. 2). The bid sheet provides all of the designated locations for this contract (Attachment No. 3). Depending upon the task, the level of frequency in which an area is to be maintained may vary. For example, the removing of litter and trash can be a daily service at Frequency Level A or twice per week at Frequency Level D. Some tasks range from once per week to monthly, or quarterly to annually, depending on the frequency selected.

The contract for Occupied Space Landscaping and Amenity Maintenance provides a scope of services for the maintenance of the City's parks and other facilities, like, for example, the Huntington St. median, and defines the various levels of frequency, or how often, the designated areas can be maintained (Attachment No. 4). The bid sheet provides all of the designated locations for this contract (Attachment No. 5). Again, the frequency of service varies by the type of task. For example, the emptying of trash cans and replacement of liners can be a daily service at Frequency Level A, four times per week at Frequency Level B, or three times per week at Frequency Levels C or D. Some tasks and locations may require weekly service to several times a week, or quarterly to annually.

The City conducted a two-phase bidding process in order to determine the most qualified vendor for each service. The first phase was Request for Qualifications (RFQ) 2020-23, posted on July 6, 2020 with qualifications due July 30, 2020, in which contractors would be prequalified to submit bids on these contracts. Nine companies responded to the RFQ, and five were pre-qualified and selected to move onto the next phase, the submittal of bids. Then on September 23, 2020, the Purchasing Division released two formal Request for Bids (RFB): Bid No. 2020-37 – Non-Occupied Median, Streetside/ROW, and other Landscaping and Amenity Maintenance, and Bid No 2020-38 – Occupied Space Landscaping and Amenity Maintenance.

Three bids were received for Bid No. 2020-37 - Non-Occupied Median, Streetside/ROW, and Other Landscaping and Amenity Maintenance from: MCE Corporation, Merchants Landscape Services, Inc., and Nieves Landscaping. For Frequency Level A, MCE Corporation was determined to be the lowest, responsive and responsible bidder, as shown in the table below:

Bid Summary: Frequency Level A	
MCE Corporation	\$456,606
Merchants Landscape, Inc.	\$480,768
Nieves Landscaping	\$682,749

For Bid No 2020-38 - Occupied Space Landscaping and Amenity Maintenance, two bids were received from: Merchants Landscape Services, Inc. and Nieves Landscaping, with Merchants Landscape Services, Inc. determined to be the lowest, responsive and responsible bidder for Frequency Level A, as shown in the table below:

Bid Summary: Frequency A	
Merchants Landscaping, Inc.	\$1,625,212
Nieves Landscaping	\$1,802,832

It should be noted that MCE did not submit a bid for the Occupied Space Landscaping and Amenity Maintenance contract, having erroneously submitted their bid in the wrong location on PlanetBids. This was realized only after the bid window had closed. MCE filed a protest on November 30, 2020 on the basis of minor error/defects, informalities and procedures. Upon review by the Purchasing Manager and after City Attorney review, it was determined that the protest is rejected based on the error not being considered a minor error.. Council does have the option to reject all bids for this bid and reissue the RFB in order to obtain three bids. Should the Council wish to reject all bids and re-release the RFB, it will be necessary to extend MCE's current agreement for 90 days to facilitate the bidding and award process.

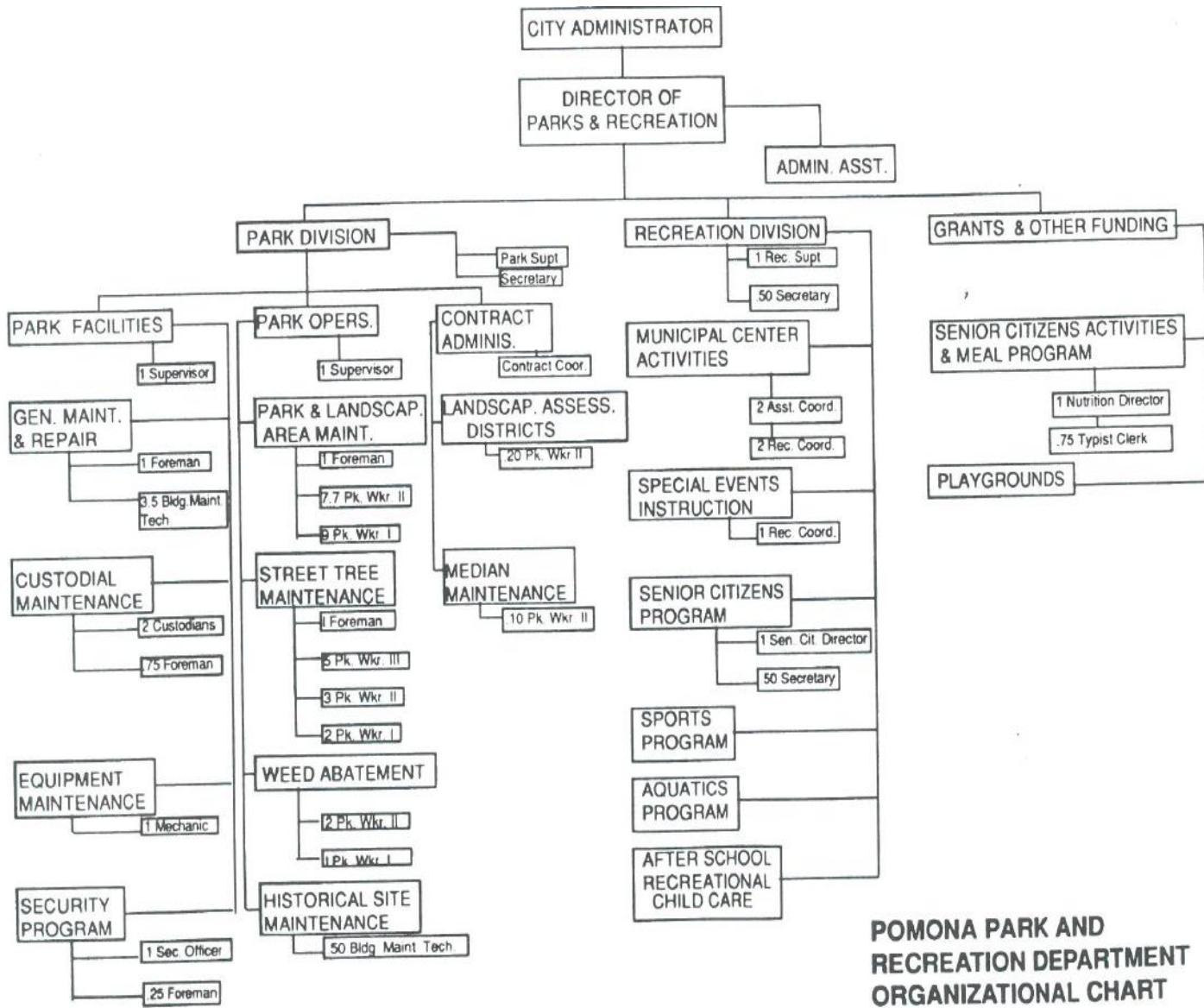
Contracts were bid out by location and by maintenance level of frequency to allow Staff greater flexibility to adjust pricing depending on the available budget. Additionally, Frequency Levels A and B should represent an overall improvement to the current landscape maintenance contract as both represent higher levels of service than is currently being realized by the existing contract. Theoretically, all sites could be contracted at Frequency Levels A, B, C, or D, or any number of permutations with varying frequencies depending on the sites. In order to narrow down the multitude of available options, City Staff met with the Landscape Oversight Ad-Hoc Committee on December 21, 2020 to discuss these contracts and determine the ideal frequency levels based on budget constraints and need. Additionally, Staff did an analysis of parks based on usage to determine if certain parks could be maintained at a lower level of service over others. Staff compared Frequency Level A service costs versus Frequency Level C service costs at some lesser used parks, and ultimately determined that the cost savings between Levels A and C was fairly minimal, at less than \$10,000 per year. Based on this meeting, it was determined that it would be the most beneficial for the City, given the desire for well-maintained landscaping and budget constraints, to award the Occupied Space Landscaping and Amenity Maintenance contract at Frequency Level A and the Non-Occupied Medians, Streetside/ROW and Other Landscaping and Amenity Maintenance contract at Frequency Level B.

Discussion on Transition to Staff/“In-House”

Relevant to discussing the continuation of contracting out the parks and landscape maintenance services for the City, City Council has previously requested information on potentially returning the maintenance services covered under these contracts to “in-house” City staff. In support of this analysis, Staff attempted to determine what type of organization existed within the City most recently prior to contracting out these services. The most relevant document Staff located on this

was a “Parks Division Policy Manual” from 1991, when the City still operated a full Parks and Recreation Department and maintenance was mostly in-house. Contained within that was an organizational chart from that time (**Figure 1**).

Figure 1: 1991 Pomona Park and Recreation Department Organization Chart



When viewing this relative to what would be needed to successfully return services fully in-house today, it is important to consider several mitigating factors, including:

- Pomona’s population was approximately 20,000 less than today;
- Grounds, and landscaping infrastructure, such as irrigation, have aged and likely deteriorated significantly since then, thus requiring additional maintenance and restoration care;

- Cesar Chavez, Esperanza y Alegria, Phil and Nell Soto, and Veteran’s Parks did not exist, but the City also still directly operated and maintained the Palm Lake Golf Course;
- Country Crossings and Phillips Ranch Parks in the Phillips Ranch Assessment District were at that time maintained under that assessment;
- Landscape assessment districts and median maintenance were already contracted out with minimal assigned field Staff; and
- Tree maintenance was also performed in-house by its own separate crew, with its own “Foreman” to oversee street tree maintenance, but is now also contracted, with no additional Staff available to regularly assist overseeing those operations below the Parks and Landscape Maintenance Supervisor, who must in turn also attempt to directly oversee the parks and street landscaping maintenance contracts.

As mentioned, even at that time, median landscaping was largely administered by contract, so the organization described below could still be expected to need the Non-Occupied Space contractor to maintain those areas. Additionally, given that the current report relates only to the most recent landscape maintenance bids, this analysis does not include the return of tree maintenance services to in-house staffing other than addressing the need to provide an additional support staff member to oversee that particular contract in order to enable the existing Parks and Landscape Maintenance Supervisor to oversee overall operations to relatively the same extent they were able to under the historical situation.

An attempt can be made using current titles to imagine a somewhat equivalent organization (**Figure 2**) and create a budget projection based on that (**Figure 3**).

Overall, a return an in-house model closely resembling the previous organization would require the addition of two (2) Lead Landscape Maintenance Technicians, 8 Landscape Maintenance Technician II’s, and nine (9) Landscape Technician I’s, the latter two of which would both be new job classifications at the City (**Figure 2**). Significant equipment purchases would need to be made as well, and the overall first-year cost to enable this organization would be approximately \$2.33 million (**Figure 3**). Additional costs would also likely be realized in Fleet and Administrative support personnel, and the matters of office and equipment space would present additional hurdles, with a possible need to create a new satellite mini-maintenance yard with modular offices at the “Ponderosa” area at Ganesha Park or some other area.

Based upon the Lead Landscape Maintenance Technician’s salary being equivalent to the Public Services Crew Leader Position, it could be anticipated that Landscape Maintenance Technician I and II salaries would be equivalent to the existing Public Services Maintenance Worker I and II salaries, respectively.

One of the newly created Lead Landscape Maintenance Technicians would assume responsibility for directly overseeing the City’s tree maintenance contract, while the other would oversee what is now being called Occupied Space Landscape Maintenance (primarily parks but some other areas as well).

The existing Lead Landscape Maintenance Technician, who is currently 65% funded by the Phillips Ranch Assessment District and primarily works in that area, would assume responsibility

for weed abatement and the Non-Occupied Space Landscape Maintenance (primarily medians but some other areas as well).

In the historic model, the landscape assessment districts and median maintenance were overseen by a Contract Coordinator, but this is a higher paid classification on par with the existing Parks and Landscape Maintenance Supervisor, and tends to be more office-based and less hands-on in ensuring contract compliance or providing maintenance services themselves when not actively monitoring contractors. Because of this, utilizing a Lead Landscape Maintenance Technician for that purpose instead would be both more cost-effective, and operationally effective.

Figure 2: Roughly Equivalent Modern Replication

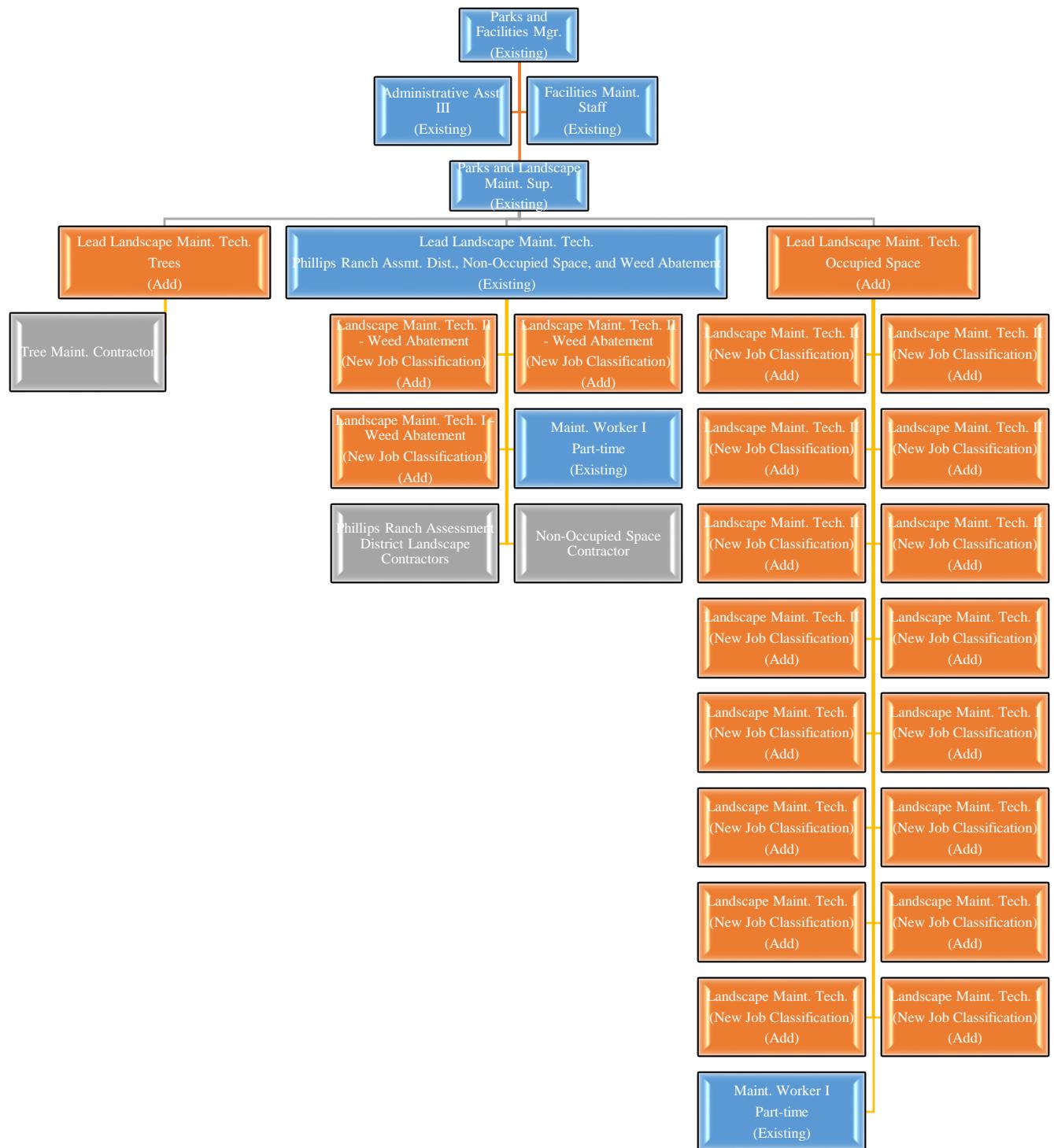


Figure 3: Modern Replication Approximate Estimated Additional Budget Needs

Item	Quantity	Unit Cost/Yr	Year 1 Extended Cost
Lead Landscape Maintenance Technician Salary and Benefits (Step 1)	2	\$74,758	\$149,516
Landscape Maintenance Technician II Salary and Benefits (Step 1)	8	\$61,397	\$491,176
Landscape Maintenance Technician I Salary and Benefits (Step 1)	9	\$55,613	\$500,517
3/4 Ton Pick-up Truck	10	\$45,000.00	\$450,000.00
Fuel and Maintenance/Crew	10	\$4,500.00	\$45,000.00
Chainsaw	10	\$750.00	\$7,500.00
Pole-saw	10	\$600.00	\$6,000.00
Trimmer	10	\$500.00	\$5,000.00
Blower	10	\$300.00	\$3,000.00
Hand-tools	10	\$500.00	\$5,000.00
Uniforms & Boots	19	\$500.00	\$9,500.00
Flex-Wing Grooming Mower	1	\$23,500.00	\$23,500.00
Other Specialized Athletic Field Maintenance Equipment	1	\$30,000.00	\$30,000.00
Hoses, irrigation equipment, etc.	1	\$100,000.00	\$100,000.00
Tractor	1	\$70,000.00	\$70,000.00
12" Chipper	1	\$50,000.00	\$50,000.00
Zero-Turn Mower	2	\$15,100.00	\$30,200.00
Gator/UTV	2	\$13,400.00	\$26,800.00
Trailers	3	\$4,000.00	\$12,000.00
Janitorial Supplies	1	\$100,000.00	\$100,000.00
Unanticipated Costs or Prices (10% of subtotal)	1	\$211,471	\$211,471
Total			\$2,326,180

This depiction illustrates a full transition to in-house landscaping maintenance services. Realistically, the City would likely transition gradually, while still maintaining contractual services at first. For example, the City could decide to transition to in-house now and Staff could return with a recommendation to appropriate sufficient funding for two additional Lead Landscape Technicians, which would result in three total Lead Landscape Maintenance Technicians (one dedicated to Districts 1 and 6, one to Districts 3 and 4, and one dedicated to Districts 2 and 5), supplying each with a truck, chainsaw, polesaw, trimmer, and basic tools. This would be estimated to cost an additional \$350,000 annually, but may provide the City with improved overall landscaping. After a year of this additional staffing and equipment, the City could evaluate whether it would want to gradually add in more in-house staffing and equipment and cut back on contractual services to create savings.

An additional recommendation would be to fund a City Arborist who would assume the primary responsibility for the West Coast Arborist (tree maintenance) contract, which would allow the Parks and Landscape Maintenance Supervisor and Lead Landscape Maintenance Technicians to no longer be involved with tree maintenance other than when assisting with basic wildfire fuel modification work in buffer areas.

Attachment 1 – Resolution No. 2021-09

Attachment 2 – Scope and Maintenance Schedules for Non-Occupied Medians, Streetscape, and other Landscape Amenity Maintenance

Attachment 3 – Non-Occupied Space Streetside – ROW and Other Combined Bid Sheets

Attachment 4 – Scope and Maintenance Schedules for Occupied Space Landscape and Amenity Maintenance

Attachment 5 – Occupied Space Landscape and Amenity Maintenance combined Bid Sheets

Prepared by:

Shandy Dittman

Senior Management Analyst