



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** November 22, 2011

Approved

Date

11/29/11

**SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR LANDSCAPING  
MAINTENANCE SERVICES FOR SMALL PARKS AND CIVIC GROUNDS**

## RECOMMENDATION

Report on Request for Proposal for Landscaping Maintenance Services for Small Parks and Civic Grounds and authorize the City Manager to:

- (a) Negotiate and execute an agreement with Bayscape Landscape Management, Inc. (Alviso, CA) for Landscaping Maintenance Services for Small Parks and Civic Grounds, for an initial three-year term ending December 27, 2014, in an amount not to exceed \$1,368,000
- (b) Execute three one-year options to renew the agreement, subject to the appropriation of funds.
- (c) Execute change orders as required to add or delete sites, or change service levels due to seasonal changes or budget constraints, subject to the appropriation of funds.

## OUTCOME

Preserve the maintenance of small parks and civic grounds so that these amenities continue to be clean, green and safe for the community.

## BACKGROUND

Prior to July 2011, City staff performed landscaping maintenance services for small parks and civic grounds. In preparation for the proposed 2011-2012 budget, staff evaluated the service

delivery model to determine whether in-house landscaping maintenance services could be provided more cost effectively. Pursuant to Council Policy 0-41, a preliminary business case analysis was transmitted to the Council in February 2011 identifying small parks and civic grounds as an alternative service delivery candidate for a cost reduction proposal for the 2011-2012 Proposed Budget. In March 2011, a preliminary business case analysis was published evaluating Parks, Recreation and Neighborhood Services (PRNS) delivery model for providing landscaping maintenance services to small parks and civic grounds. The analysis compared the PRNS model with other City departments that have outsourced landscaping maintenance services (Public Works and Department of Transportation) as well as other local public agencies.

As part of solving the approximately \$115 million 2011-2012 General Fund shortfall, the 2011-2012 Proposed Operating Budget, which was issued on May 2, 2011, included a recommendation to outsource this service generating savings of \$260,000. The Administration issued the final business case analysis on May 27, 2011, through the Manager's Budget Addendum #41. Based on the aforementioned evaluation, the business case concluded that a contracted service model would generate estimated savings of \$260,000 in 2011-2012 while providing the same level and quality of service. In the Manager's Budget Addendum, staff recommended that the City proceed with a private contractor to provide landscaping maintenance services, and to retain in-house staff to provide the required supplier and contract management to oversee the program.

In July 2011, Staff issued an interim six month purchase order with Jensen Landscaping (Jensen) to give staff sufficient time to complete a competitive Request for Proposal (RFP) process. Jensen was selected for this interim purchase order because they had been selected, through a competitive Request for Proposal (RFP) process, to provide similar services for the Department of Transportation in Community Facility Districts 2 and 3.

## **ANALYSIS**

On June 30, 2011, the Finance Department released a Request for Proposal (RFP) for Landscaping Maintenance Services for small parks and civic grounds on the City's e-procurement system. 41 companies downloaded the RFP, and four proposals were received by the August 23, 2011, due date as follows:

- Bayscape Landscape Management, Inc, (Alviso, CA)
- Jensen Landscape Services, Inc. (San Jose, CA)
- New Image Landscape Company, Inc. (Fremont, CA)
- Paradise Landscape and Professional Tree Care, Inc. (Santa Cruz, CA)

## **Evaluation Process:**

***Minimum Qualifications:*** The initial review consisted of a pass/fail assessment to ensure that all minimum qualifications were met and that all proposals were complete. Of the four proposals reviewed, all were deemed responsive and passed to the evaluation phase.

**Technical Evaluation (55%):** A three-member evaluation team with representatives from the Department of Parks, Recreation and Neighborhood Services (PRNS) independently evaluated and scored the technical proposals for experience, capacity, and capabilities.

**Cost Proposals (30%):** Cost proposals were opened and scored at the conclusion of the technical proposal evaluation.

**Environmental Stewardship (5%):** Proposers were required to specifically address how their proposals would support the goals and objectives of the City’s Environmentally Preferable Procurement Policy.

**Local and Small Business Preference (10%):** Pursuant to City policy, ten percent of the total points were reserved for local and small businesses. Bayscape, Jensen and Paradise requested and were granted local preference. In addition, Paradise requested and was granted an additional five points because they are a small business with 35 or fewer employees. The preference did influence the award outcome. Had Bayscape not been awarded five points as a local business, their total score would have been 71 points and Paradise would have received the highest score with 74 total points.

The final scores from the top four proposers are demonstrated in the table below:

Evaluation Criteria	Max Points	Bayscape	Jensen	New Image	Paradise
Experience	25	20	20	10	18
Technical Capabilities	25	17	14	8	11
Environmental Stewardship	5	3	2	2	3
Cost	35	31	24	35	32
Local	5	5	5	0	5
Small	5	0	0	0	5
<b>TOTAL</b>	100	76	65	55	74

**Protest:** Pursuant to City procurement policy, the RFP process included a ten-day protest period. Paradise Landscape submitted a protest about an issue that was not an RFP specification: that Bayscape is not a “Diamond Certified” Company although they appear to claim to be on their website. Staff denied the protest on the basis that Bayscape’s proposal did not make any such representation in their proposal and that being “Diamond Certified” was not a requirement of the RFP, Paradise did not appeal Staff’s decision to deny their protest to the Council.

**Award Recommendation Summary:** Staff recommends award to Bayscape Landscape Management, Inc (Bayscape) because the evaluation committee deemed Bayscape’s proposal to be the most advantageous and “best value” for the City. Bayscape submitted the most detailed and comprehensive proposal that met or exceeded the RFP requirements in the following key areas:

- Demonstrated experience through an existing contractual agreement with Department of Transportation.
- A comprehensive management and staffing plan ensuring optimal maintenance levels and cost efficiencies.
- A complete training program to ensure that staff is well qualified and cross-trained.
- A transition plan that minimizes service interruptions.

**Wage Requirements:** Bayscape Landscape Management will be required to pay the City’s living wage rates and Department of Industrial Relations established prevailing wage rates, as applicable.

**Summary of Agreement:** Bayscape will provide all management personnel, supervision, labor, material, and equipment required for the work to be performed under contract for the detailed scope of services. The initial term of the agreement will be for three years with three, one-year options to renew. Compensation shall be fixed for the initial three year term and paid monthly in arrears upon City’s inspection and acceptance. After the initial three year term, prices may be adjusted a maximum of 3% per year provided that Bayscape can demonstrate to the satisfaction of the City that a price increase is justified. The agreement will include a termination for convenience clause that will allow the City to terminate the agreement at any time and for any reason with thirty days written notice.

As demonstrated in the table below, the outsourcing of this service will save the City \$290,000 per year which exceeds the savings estimated in Manager’s Budget Addendum #41 by \$30,000 per year.

Description	Cost	Contract Administration	Total	Savings
In-house Annual Cost	\$774,000			
Projected Contracted-out Annual Cost	\$486,000	\$28,000	\$514,000	\$260,000
Actual Contracted-out Annual Cost	\$456,000	\$28,000	\$484,000	\$290,000
Actual vs. projected Cost Savings				\$30,000

**EVALUATION AND FOLLOW-UP**

This memorandum will not require any follow-up from staff.

**PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 3 and will be posted on the Council Agenda for December 13, 2011.

On March 23, 24, and 29, 2011, PRNS held a series of community meetings to discuss the alternate service delivery model for small parks and civic ground maintenance. Both City staff and community members were in attendance at these meetings. Some members of the community supported the recommendation as a means to maintain services at a lower cost, while other members voiced concern about outsourcing, most often in conjunction with concerns about work quality that the vendors would provide. The issue of alternative service delivery was also a discussion topic at most of the Community Budget Meetings, with similar feedback.

**COORDINATION**

This memorandum was coordinated with Parks, Recreation & Neighborhood Services, the Public Works Office of Equality Assurance, the City Manager’s Budget Office, and the City Attorney’s Office.

**FISCAL/POLICY ALIGNMENT**

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, “We must focus on protecting our vital core City services for both the short and long term and we must continue to streamline, innovate and simplify our operations, so that we can deliver services at a higher quality level with better flexibility, at a lower cost.”

**COST SUMMARY/IMPLICATIONS**

The following outlines the elements of the contract.

1. AMOUNT OF RECOMMENDATION/CONTRACT:

Description	Year One Cost	Three Year Max. Compensation
Maintenance of Landscaping Areas	\$348,000	\$1,044,000
Weed Control, Debris and Litter Control	42,000	126,000
Maintenance of Irrigation Systems	48,000	144,000
Playground Area and Equipment Inspection	18,000	54,000
<b>Total</b>	<b>\$456,000</b>	<b>\$1,368,000</b>

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2. SOURCE OF FUNDING:

PRNS	General Fund 001
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**BUDGET REFERENCE**

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Year One of Contract*	2011-2012 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
001	0642	PRNS – Non Personal	\$10,918,900	\$456,000	VIII-258	10/18/11, Ord. No. 28979
<b>Total (Year One)</b>				<b>\$456,000</b>		

\* Year two and three of the contract are subject to the appropriation of funds.

**CEQA**

Not a Public Project, File No. PP10-066(e) Services that involve no physical changes to the environment.

ARN ANDREWS for:	/s/
Acting Assistant	JULIA H. COOPER
Director of Finance	Acting Director of Finance

For questions please contact Mark Giovannetti, Purchasing Division Manager (408) 535-7052.