



THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: December 26, 2012

REPORT NO.: 13-004

ATTENTION: Honorable Council President and City Council

SUBJECT: Landscape Maintenance Contract with Brewer Lawn Maintenance, Inc. for the Ocean View Hills, Remington Hills, and Robinhood Ridge Maintenance Assessment Districts

COUNCIL DISTRICT: 8

CONTACT/PHONE NUMBER: Andrew Field, (619) 685-1307, MS 5D

REQUESTED ACTIONS:

This action would authorize a landscape maintenance contract with Brewer Lawn Maintenance, Inc. for the purpose of providing landscape maintenance services to the Ocean View Hills Maintenance Assessment District (MAD), Remington Hills MAD, and Robinhood Ridge MAD in an amount not to exceed \$1,873,911 over a period of five years (one-year initial term plus four one-year options to renew) beginning in Fiscal Year 2013 and ending in Fiscal Year 2018.

STAFF RECOMMENDATION:

Staff recommends the City Council authorize the Mayor, or his designee, to execute, for and on behalf of the City, a landscape maintenance contract with Brewer Lawn Maintenance, Inc. for landscape maintenance services related to maintenance activities in the Ocean View Hills MAD, Remington Hills MAD, and Robinhood Ridge MAD in an amount not to exceed \$1,873,911.

BACKGROUND:

Program Overview

MADs are authorized by law to assess benefiting property owners for landscape and lighting maintenance and other service activities. These activities must provide a special benefit above the standard level of service provided by the City. Maintenance areas may include but are not limited to landscaped and paved medians, landscaped right-of-ways and slopes, open space, parks, ponds, flood control channels, monuments, decorative street lighting, decorative gates and

fences, community signage, and banners. MADs may also provide for cleaning curbs and gutters and sweeping sidewalks.

The City of San Diego's Park and Recreation Department, Open Space Division currently administers 49 of the 56 MADs located throughout the City. The Development Services Department, Economic Development Division administers the remaining seven MADs, mostly in conjunction with existing Business Improvement Districts in commercial areas. MADs are authorized by the State of California and provided for in the Landscape and Lighting Act of 1972 (Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of Proposition 218 (Article XIIIID of the California Constitution), and provisions of the San Diego Municipal Code §65.0201 et seq.

Under the provisions of these laws, the City may assess properties based on the amount of benefit each property will receive. To form a new district, the City ballots property owners. Each ballot is weighted based on the amount of maximum annual assessment for the parcel. If a majority of the ballots returned are in favor of forming an assessment district, the district may be formed by resolution of the City Council. Each year, the City Council authorizes approval of updated assessment engineer's reports and annual levy of assessments in each existing maintenance assessment district. The most recent action for Fiscal Year 2013 was taken on August 10, 2012, per Resolution R-307663.

District Background

The Northwest Otay Mesa MAD was established on June 22, 1999, per Resolution R-291812 to provide landscape maintenance services for three distinct neighborhoods: Ocean View Hills, Remington Hills, and Robinhood Ridge. A subsequent Council action on July 25, 2005, split the Northwest Otay Mesa MAD into three separate MADs named for each neighborhood per Resolution R-300707. Located in the northwest corner of the Otay Mesa Community Planning Area, the Ocean View Hills, Remington Hills, and Robinhood Ridge MADs are located within largely residential areas separated by open space canyons and preserve areas. The districts maintain landscape and hardscape medians, parkways, and undeveloped open space. The Fiscal Year 2013 Assessment Engineer's Reports for the Ocean View Hills MAD, Remington Hills MAD, and Robinhood Ridge MAD were approved by the City Council on August 10, 2012, per Resolution R-307663. These reports may be accessed on the City's webpage at <http://www.sandiego.gov/park-and-recreation/general-info/engreports.shtml>.

Landscape Maintenance Contract

All landscape maintenance activities in the Ocean View Hills MAD, Remington Hills MAD, and Robinhood Ridge MAD are provided by a landscape contractor. Areas of maintenance in each contract may include care and cleaning of street medians, parkway landscaping, greenbelts, undeveloped open space, sidewalk, curb and gutter, and/or landscaped slopes. Regular maintenance tasks include litter removal, sweeping, edging, trimming, mowing, and related functions; these tasks are identified categorically within the contract. Special planting projects and repairs are funded through the extraordinary labor allocation.

Staff estimates that maintenance activities require at least eight (8) workers daily, Monday through Friday or approximately 16,996 labor hours annually for routine work in these three MADs. Additional workers may be needed for extraordinary labor tasks. As such, the landscape maintenance contract is anticipated to exceed \$1 million over the maximum possible term of five years as shown in Attachment 1. As a result of the anticipated cost of this maintenance work, this contract is subject to Living Wage Ordinance compliance in accordance with Municipal Code §22.4201 *et seq.*

Bid Process

The City issued a Request for Bids for the Ocean View Hills, Remington Hills, and Robinhood Ridge MADs Landscape Maintenance (Bid Number 10023248-12-W). The bid was published in the in the *San Diego Daily Transcript* and posted on the City's website (DemandStar) on February 16, 2012. Staff conducted a pre-bid conference on March 8, 2012. Approximately 323 vendors viewed the bids on DemandStar, and Purchasing & Contracting Department received 11 bids by the deadline of April 5, 2012. Two addenda were issued during the bidding process to clarify questions associated with total labor hours required, location of work/maps, and related matters.

Staff analyzed bids and interviewed the lowest bid firms in accordance with Municipal Code §22.3001 *et seq.* Following a competitive selection and procurement process, the City selected Brewer Lawn Maintenance, Inc. as the lowest responsible bidder. An intent-to-award letter was issued on May 25, 2012, and Brewer Lawn Maintenance, Inc. began services on September 1, 2012. A copy of the contract and outline agreement is provided in Attachment 2.

Based on the scope of regular services and extraordinary labor requests, Brewer Lawn Maintenance, Inc. bid \$320,312 annually, with provisions for annual adjustments for Living Wage Ordinance (LWO) compliance, provisions allowing for inflationary increases tied to the San Diego-Urban Consumer Price Index (CPI), and contingencies required as a result of special projects, storms, future maintenance areas not yet on-line, or unexpected needs. The bid amount includes extraordinary labor, which is a discretionary account used for special projects such as replanting projects, repairs, irrigation upgrades, storm damage, subcontractor specialized work, and unexpected needs. Discount terms for this contract are five percent if vendor is paid by the City within 20 days of the City receiving the monthly invoice.

City Council Approval Requirement

This landscape maintenance contract will exceed \$1 million in total expenditures over the extent of the total five-year contract period. A memorandum of law (ML 2009-20) issued by the Office of the City Attorney, indicated that these service contracts require City Council approval due to the anticipated expenditures exceeding \$1 million during the contract period in accordance with San Diego Municipal Code §22.3211(d). The \$1,873,911 contract would exceed \$1 million during the second option year, which begins on September 1, 2014, and occurs during Fiscal Year 2015. As such, Council approval is requested to award the second and ensuing options for the duration of the contract.

Phase Funding

Since the term of each contract begins during a given fiscal year but not necessarily at the beginning of a given fiscal year, each contract is typically divided into six separate phases that will span portions of six fiscal years and cumulatively a period not to exceed five years. This action will authorize the execution of the initial one-year term; authorize the execution of up to four one-year extensions; and authorize the expenditure of funds, contingent upon the City Council authorizing the levy of assessments within the district for each fiscal year of the contract and the City Council adopting the Appropriation Ordinance for each fiscal year of the contract.

This contract is phase funded, with authority granted for each phase contingent upon City Council approval of future appropriation ordinances and assessment levies. The bid amount includes extraordinary labor, which is a discretionary account used for special projects (such as replanting projects, repairs, irrigation upgrades, storm damage, subcontractor specialized work, and unexpected needs). Each contract has provisions for annual adjustments for Living Wage Ordinance compliance and inflationary increases tied to the San Diego-All Urban Consumer Price Index (CPI) at an amount not to exceed 5%.

FISCAL CONSIDERATIONS:

The total five-year cost is projected to be \$1,873,911 over the maximum five-year term of the landscape maintenance contract. See Attachment 1 for a detailed cost spreadsheet of the maximum five-year term. The following chart summarizes the annual cost for the contract as divided by district:

Fiscal Year	TOTAL Amount	Ocean View Hills MAD Amount	Remington Hills MAD Amount	Robinhood Ridge MAD Amount
FY 2013	\$280,273.25	\$196,476.26	\$18,005.74	\$65,791.25
FY 2014	\$353,144.29	\$247,560.09	\$22,687.23	\$82,896.97
FY 2015	\$370,801.50	\$259,938.10	\$23,821.59	\$87,041.82
FY 2016	\$389,341.58	\$272,935.00	\$25,012.67	\$91,393.91
FY 2017	\$408,808.66	\$286,581.75	\$26,263.30	\$95,963.60
FY 2018	\$71,541.52	\$50,151.81	\$4,596.08	\$16,793.63
TOTAL	\$1,873,910.79	\$1,313,643.01	\$120,386.60	\$439,881.18

Funding in the amount of \$280,273 is available from the three MADs as follows: \$196,476 in the Ocean View Hills MAD (Fund No. 200096); \$18,006 in the Remington Hills MAD (Fund No. 200098); and \$65,791 in the Robinhood Ridge MAD (Fund No. 200097) in Fiscal Year 2013 for the first phase of the contract. Additional funds for future phases will be available in future years contingent upon available reserves, approval to levy future annual assessments, and approval of the annual district budget and appropriation ordinance. See Attachment 1 for a cost schedule for the contract term.

This contract is funded by three MADs, each of which receives funding primarily from property assessments for the special benefits provided by this district. The Gas Tax Fund provides a financial contribution for the districts to maintain medians, and the Environmental Growth Fund provides a financial contribution for the districts to maintain open space lands.

Cost estimates for future years include a cost indexing factor of a maximum of 5% annually based on changes to the CPI and LWO in accordance with contract specifications. Historically, the actual amount of the allowable cost indexing increase has generally been less than the 5% projection; however, the 5% basis is the most conservative approach and is provided as the maximum indexing amount in the terms of the contract. Additional contingency funds are included in the cost estimate for any unforeseen needs in the district. Any unspent funds will be returned to the district fund balance.

EQUAL OPPORTUNITY CONTRACTING INFORMATION:

This contract is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and the City's Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The Ocean View Hills, Remington Hills, and Robinhood Ridge Maintenance Assessment Districts were established on June 22, 1999, per Resolution R-291812, as the "Northwest Otay Mesa Maintenance Assessment District" to maintain landscaped and hardscaped medians, rights of way, native and revegetated open space, gutters, and landscaped slopes. On July 25, 2005, the Northwest Otay Mesa Maintenance Assessment District was split per Resolution R-300707, and each former sub-district became a standalone district.

The City Council last authorized approval of updated assessment engineer's reports and annual levy of assessments for each district on August 10, 2012, per Resolution R-307663.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

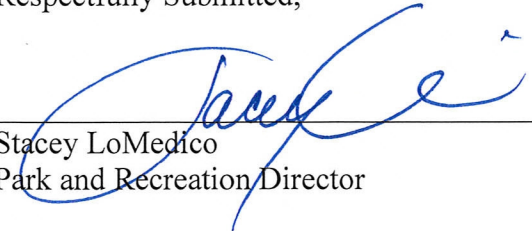
The City's Purchasing & Contracting Department issued a Request for Bids for Ocean View Hills, Remington Hills, and Robinhood Ridge Landscape Maintenance on February 16, 2012, and advertised in the *San Diego Daily Transcript* and on the City's website (DemandStar). None of these three districts have active citizen advisory committees. In accordance with Municipal Code §65.0209 and 65.0210, staff conducted a noticed public meeting to discuss the budget and contract levels of service on January 26, 2012.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:


Key stakeholders in this process are the property owners that are assessed as part of the Maintenance Assessment Districts program. The services identified in the Brewer Lawn Maintenance, Inc. contract are necessary in order to meet legal requirements and to provide

Maintenance Assessment District services. If this action is not approved by the City Council, services would cease prior to any expenditure over \$1 million (projected to occur during the second option year), and staff would initiate a new competitive bid process at that time.

Respectfully Submitted,



Stacey LoMedico
Park and Recreation Director



Jay M. Goldstone
Chief Operating Officer

Attachments:

1. Cost Estimates for Brewer Lawn Maintenance, Inc. – Ocean View Hills, Remington Hills, Robinhood Ridge Maintenance Assessment Districts
2. Copy of Brewer Lawn Maintenance, Inc. Contract and Pricing Agreement