

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Right-of-Way Landscape Maintenance Services Discussion
DEPARTMENT:	Public Works
PRESENTED BY:	Randy Witt, Public Works Director Lance Newkirk, Utility and Operations Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City currently uses outside contractual services to perform Right-of-Way (ROW) Landscape Maintenance Services. Services outsourced include irrigation, litter removal, mowing, weed removal, and general cleanup for approximately 60 curb miles of arterial and collector streets. Areas served by contract include median beds, planter strips and intersecting streets along Aurora Avenue between 145th and 192nd Streets, 32 Neighborhood Traffic Circles, 28 street locations, five (5) beautification areas, and at specified intervals. The current landscape maintenance services contract ends December 31, 2016.

In preparation of a fall 2016 request for bids for this service, staff is conducting a ROW landscape maintenance program review. Staff is reviewing areas of service, frequency of services, means and methods of service delivery, scope of work parameters, bid schedules and contract language. The intent of this review is to create a ROW landscape maintenance services program that is attractive to potential bidders, provides clarity and ease of contract implementation and monitoring for city staff and contractor alike, establishes service levels that are supported by annual budget appropriations, and is valued by the community. Therefore, staff is seeking guidance from Council to inform the development of the bid request and 2017 budget for ROW landscape maintenance services.

RESOURCE/FINANCIAL IMPACT:

The 2016 budget for the ROW Landscape Maintenance Services Contract is \$215,000. Staff estimates that to add the newly completed Aurora Avenue segment between 192nd and 205th Streets to the landscape maintenance services contract and maintain existing service levels elsewhere in the City will require an estimated additional budget appropriation of \$100,000 for 2017. Of this additional \$100,000, \$44,000 is the estimated funding increase from the CIP model for new Aurora Avenue landscape services with the remaining \$56,000 required for a market adjustment and/or a possible change in the means of service delivery (use of seasonal labor during summer growing season in combination with the contract landscaping services). The City's 10 YFSP model included \$60,000 of market adjustment for 2017 and the Aurora landscaping

(\$44,000) to start in 2018. The Aurora landscaping responsibilities will actually transition to the City in 2017.

In order to help manage overall landscaping costs, consideration may be given to reducing levels of service for the 2017 landscape maintenance service contract through the elimination or reduction in frequency of overall services, a service category, or at specific locations if bids for services come in higher than the City's anticipated budget for such services.

However, given the addition of the newly constructed Aurora Avenue street segment between 192nd and 205th it is anticipated, at a minimum, that the base budget will need to be supplemented to include this new service location.

The distribution of appropriated budget for ROW Landscape Maintenance Services between the Street and Surface Water funds for 2016 and the projected distribution of funds for 2017 is as follows:

Year	Streets Fund	Surface Water Fund	Total
2016	\$185,000	\$30,000	\$215,000
2017	\$275,000	\$40,000	\$315,000

RECOMMENDATION

No action is required by the Council. This item is provided for informational purposes and to solicit guidance on development of the 2017 budget and bid documents for ROW landscape maintenance services. Staff recommends that a combination of outsource landscape maintenance services with City seasonal labor be utilized to provide this service, with no reduction in the level of service.

Approved By: City Manager **DT** City Attorney **MK**

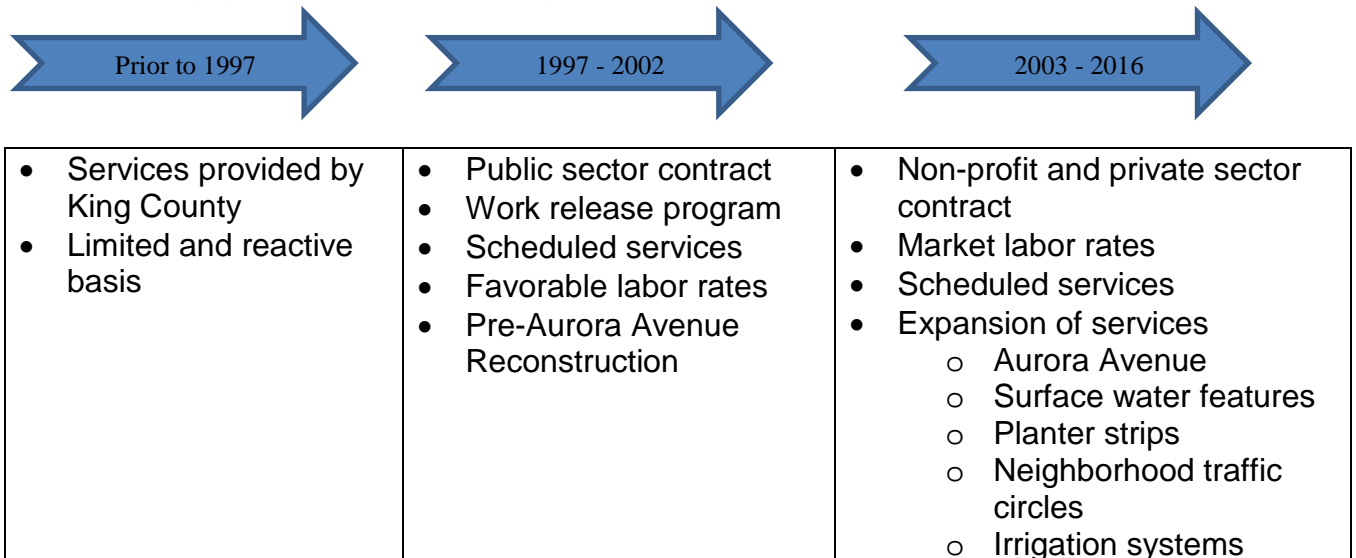
BACKGROUND

The City has used contractual services to perform Right-of-Way (ROW) Landscape Maintenance Services since the summer of 1997. King County provided ROW landscape services from the date of incorporation through mid-1997. The services provided by King County were limited and reactive; meaning that the services were oriented more towards ROW vegetation control (shoulder mowing, sight line distance clearing, hazardous vegetation removal, and etc.) and not organized by specific or general geographical location or set schedule.

In the summer of 1997 a pilot program was tested that organized vegetation control efforts within the public ROW on a scheduled basis. Under a public sector contract, the King County North Rehabilitation Facility (NRF) provided work release labor to maintain planter beds, grass strips between curb and sidewalk and general mowing, weeding and litter control services as directed by City staff. These services were provided by NRF through 2002 until on-site security measures raised public concern with the community viability of the program.

From 2003 through the present day, the City has outsourced the ROW landscape maintenance services to several different vendors in the private and the non-profit sectors. During this timeframe the scope of contracted services expanded as Aurora Avenue Phase I and Phase II was completed and the completed projects required on-going landscape maintenance services. New streets, neighborhood traffic circles and irrigation systems were also added to the contract. These service expansions also included adjustments in frequency of service as staff sought the right service balance between cost, ROW aesthetics and public safety.

The following graphic show the change in provided landscape services over time:



Current ROW Landscape Maintenance Services Status

On August 31, 2015, the City was informed by its landscape maintenance contractor that they were canceling their contract with the City, with an end date of their final contract term on March 31, 2016. The reason given to the City for contract cancelation

was that they had underestimated the amount of labor required to provide the contract services and as a result were losing money.

As a result of this notification staff developed and issued an invitation to bid for ROW Landscape Maintenance Services in January 2016. Bids were received, evaluated and the service contract authorization for the apparent low bidder was brought to Council on March 21, 2016, which was approved. The staff report for this Council action can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport032116-7b.pdf>

However, during the contract execution process, after approval was already given by Council, it came to light that the apparent low bidder had misinterpreted the bidding instructions related to their understanding of the bid schedule service duration and pricing of services. This misunderstanding resulted in the preferred service provider's bid being higher than the City expectations and the amount budgeted for these services. As a result, the City deemed their bid non-responsive. Staff then reviewed the next lowest service provider's bid proposal for this work and determined that their proposal was approximately \$70,000 over the approved budget. As a result of the bidding discrepancy by the apparent low respondent and having insufficient funds to award a contract to the next lowest service provider, all bids for ROW Landscape Maintenance Services received in response to the RFP were rejected.

With no contract for ROW Landscape Maintenance in-place at the start of the spring growing season, staff negotiated a reduced scope landscape maintenance contract with the City's former landscape maintenance contractor. This contract was designed to serve as a 'bridge contract' and provide continuity of service in such a way as to protect the City's investment in its living assets and provide staff with time to evaluate ROW landscape maintenance service options. This short term (90 days) contract began on April 21, 2016 and ended July 20, 2016.

During this 90-day contract timeframe, staff developed an invitation to bid to provide ROW landscape maintenance services from the end of the 90-day contract (July 20, 2016) through the end of the calendar year. The bid was issued June 23, 2016 to qualified firms listed on the Municipal Research Services Corporation (MRSC) small works roster list. Two bids were received on July 7, 2016 and they are currently under review with the intent to award a contract to the qualified low bidder prior to the end of the current 90-day contract.

With the award of this year-end contract, staff is shifting focus to developing the scope of work, bid schedule tables and other documentation required to issue a request for bids for the 2017 ROW Landscape Maintenance Landscape Services contract in early fall 2016.

DISCUSSION

In preparation for the fall 2016 request for bids for ROW landscape maintenance services, staff is conducting a ROW landscape maintenance program review. Staff is reviewing areas of service, frequency of services, means and methods of service

delivery, scope of work parameters, bid schedules and contract language. The intent of this review is to create a ROW landscape maintenance services program that is attractive to potential bidders, provides clarity and ease of contract implementation and monitoring for city staff and contractor alike, establishes service levels that are supported by annual budget appropriations, and is valued by the community. For tonight's discussion, staff reviewed the service delivery model of how landscape services are provided and the level of service provided.

Service Delivery Model

Staff has reviewed three different service delivery options to provide ROW Landscape Maintenance Services within the City. The three delivery options evaluated include outsourcing, providing services with in-house staff and a combination of outsourcing and seasonal labor. The different options and their advantages and disadvantages are as follows:

Option 1: Outsourcing Landscape Maintenance Services

This option envisions a continuation of outsourcing of all of the ROW Landscape Maintenance Services. Services that are outsourced can be increased, maintained at current levels, or reduced. Adding the newest segment of Aurora Avenue will require additional budget appropriation. Based upon recent bids, maintaining current service levels will also require additional budget appropriation; whereas, reducing service levels may allow for a lesser budget appropriation increase.

Pro

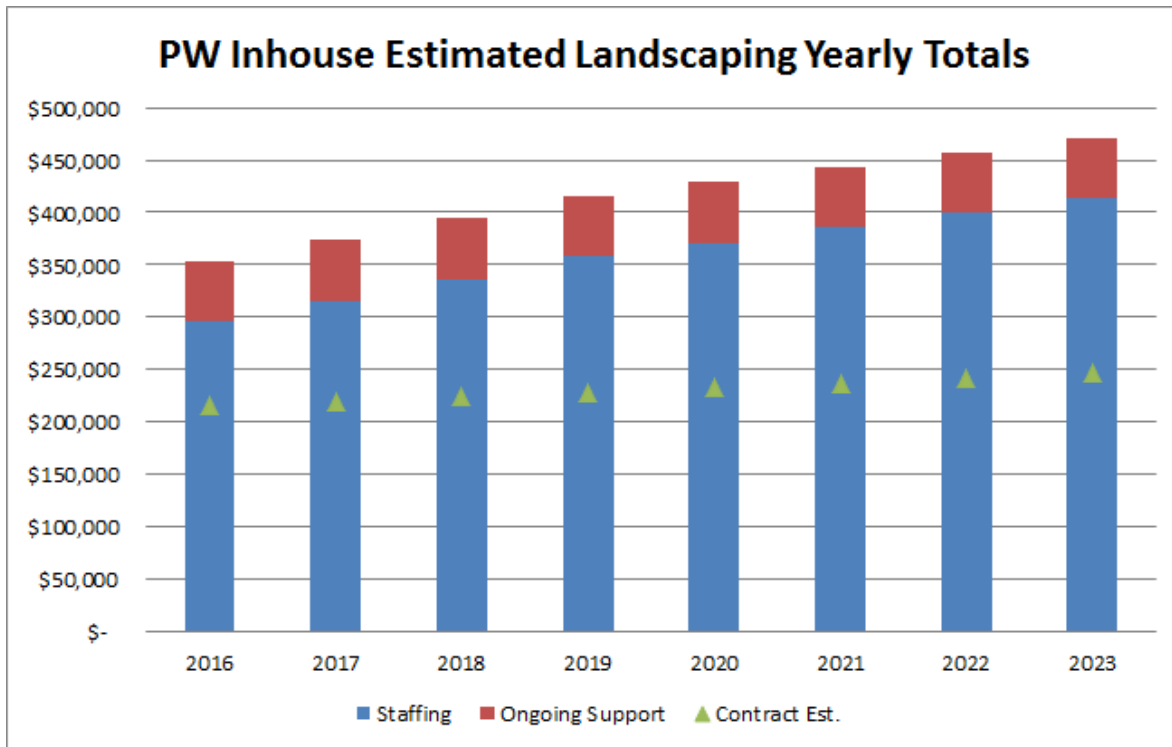
- Reduced cost of service compared to using City staff
- No City equipment acquisition, repair or maintenance costs
- Core business focus of contractors
- Contractor has greater staffing flexibility to adjust labor during growing and off-season

Con

- Completeness of work
- Limited flexibility to direct work
- Timely response to service requests
- Contractor staff turnover
- Contract administration and on-going oversight

Option 2: Provide Landscape Maintenance Services In-House

This option envisions providing all of the ROW Landscape Maintenance Services with addition of new City staff and equipment. Service delivery will shift from outsourced labor to three full-time new City employees: two (2) Maintenance Worker II's, one (1) Maintenance Worker I, and up to four (4) seasonal maintenance positions during the spring-summer growing season. The following graphic illustrates that the estimated expenses of in-house labor with on-going expenditures (fuel, repairs, supplies, etc.), are more expensive when compared to anticipated contracted expenditures for 2016.



Although it will be dependent on the outcomes of the service bids, staff anticipates that a similar result will occur with the addition of the new Aurora Avenue work starting in 2017.

Pro

- Stable workforce
- Flexibility to direct crews
- Quality control; ownership and pride of work
- Ability to support other activities (e.g. emergency weather events)

Con

- Start up and on-going cost currently higher than outsourcing
- Seasonality of work

Option 3: Combination of Outsourced and Seasonal Labor Landscape Maintenance Services

This option envisions providing approximately 75% of the ROW Landscape Maintenance Services through outsourced labor (contract) and approximately 25% of the services with City hired seasonal help. This service model keeps the outsourced labor focused on Aurora Avenue year round and shifts responsibility to the seasonal labor to all other service areas during the spring-summer growing season.

Pro

- Cost containment
- Improved quality control
- Flexibility to direct seasonal labor
- Ability to support other maintenance activities

Con

- Hamlin Maintenance Facility space limitations for equipment, parking and crew muster
- Training and oversight of seasonal labor

Of the three service options, staff believes that Option 3 provides the highest cost value to the City while offering the greatest service flexibility to provide quality ROW landscape maintenance services to the citizens of Shoreline.

Level of Service (LOS)

The ROW Landscape Maintenance Services LOS sought under the 2016 bid (that was rejected for bidding discrepancies) included the following service locations and frequency of services.

Contract Service Locations	Frequency of Service
Aurora Avenue N and Adjacent Side Streets	Twice-a-month
Aurora Avenue N Bioretention and Surface Water Features	Twice-a-month
Beautification Areas	Monthly
Various Street Locations	Three times per year
Various Street Locations (Bid Additive)	One additional time per year
Neighborhood Traffic Circles	Three times per year
Irrigation	Monthly – Inspection and adjustment, and seasonal start up and winterization

The past bid costs to provide these services varied significantly. The last bid prices received from four bidders are organized on the following table by lowest and highest price independent of the bidder.

Contract Service Locations	Low	High
Aurora Avenue N and Adjacent Side Streets	\$62,028	\$83,000
Aurora Avenue N Bioretention and Surface Water Features	11,245	44,994
Beautification Areas	5,033	10,584
Various Street Locations	53,683	165,870
Various Street Locations (Bid Additive)	12,960	82,935
Neighborhood Traffic Circles	1,200	8,388
Irrigation	630	11,743
Total	\$151,779	\$407,514

Staff is updating contract language, scope of work and bidding schedules for the next requests for bids. Staff sees this as one method to improve contractor understanding of the work with the expectation that closer pricing ranges will result for the various contract activities.

Another method to reduce landscape maintenance service costs is to consider a reduction in service levels. For example, reduction in service levels could include:

- Reducing the frequency of service of various streets locations from three (3) times a year to two (2) times a year
- Ending maintenance of the Neighborhood Traffic Circles
- Ending maintenance on beautification areas at:
 - I-5 on and off ramps at N 175th Street
 - Meridian Avenue N and NW 205th Street
 - 178th Street and 24th Avenue

If all of these service reductions were implemented, annual costs savings of between \$30,000 and \$50,000 may result. However, any saving projections will be validated during the bidding process and may be higher or lower than estimated in this report. Staff believes that the current LOS should be maintained to provide a high quality of service.

Shoreline Citizen Feedback

Citizen feedback received through the biennial Citizen Satisfaction Survey indicates that citizens are generally satisfied or very satisfied with ROW landscape maintenance services (although not overwhelmingly so) when asked: “How satisfied are you with mowing and trimming along city streets and other public areas?” The ratings from the three previous surveys are as follows:

Survey Year	Percentage Satisfied or Very Satisfied
2014	57%
2012	59%
2010	56%

On the Importance-Satisfaction matrix it fell into the “Less Important” quadrant in 2010, 2012, and 2014 (people are less satisfied, but it isn’t as important to them). This is illustrated in the graphic taken from the 2014 Community Survey, which is attached to this staff report as Attachment A.

RESOURCE/FINANCIAL IMPACT

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ATTACHMENT

Attachment A – 2014 Community Survey: Importance-Satisfaction Assessment Matrix for Maintenance Services

City of Shoreline 2014 Community Survey Importance-Satisfaction Assessment Matrix

-Maintenance Services-

(points on the graph show deviations from the mean satisfaction and importance ratings given by respondents to the survey)

mean importance

