



## **Street Landscape Maintenance Consolidation**

Staff requests the Transportation and Infrastructure (T&I) Subcommittee recommend City Council approval to award a contract for street landscape maintenance. Based upon bid results, staff recommends a contract award to Basin Tree Service & Pest Control, Inc., DBA United Right-of-Way, for a service level of three times per year. This rate of frequency would provide regular maintenance to street landscaping and improve the current complaint-driven process.

### **THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

#### **Summary**

As a result of the City's Comprehensive Organizational Review Evaluation (CORE) process, City staff presented a recommendation to consolidate street landscape maintenance operations into the Street Transportation Department, as this function has been split between Parks and Recreation and the Street Transportation Departments. Currently, the Street Transportation Department manages an annual contract of \$1.5 million to provide landscape maintenance for approximately 76 miles outside of freeway walls, which includes special areas such as traffic calming devices, washes, basins and new street landscapes. The Parks and Recreation Department currently performs street landscape maintenance in the right of way on a complaint-only basis due to various budget reductions to the program. In order to respond to street landscape maintenance complaints, Parks and Recreation Department staff is redirected from their parks maintenance efforts, and a significant use of overtime is also necessary.

On April 28, 2015, City staff presented to City Council the concept of consolidating street landscape design and maintenance activities into the Street Transportation Department (Attachment A). Consolidating activities into the Street Transportation Department with a predictable service level would create an opportunity to achieve greater consistency and efficiency. City Council unanimously passed the motion to pursue outsourcing measures.

Following Council approval, staff from the Parks and Recreation, Street Transportation, Finance, and Budget and Research departments worked together to

begin the process to pursue outsourcing measures. Parks and Recreation held 21 full-time positions vacant to allocate funds to Street Transportation for contracted street landscape maintenance. Street Transportation developed a contract management model for staffing and equipment and worked with Parks and Recreation in identifying equipment to reallocate to the contract management staff.

Contracted maintenance would consist of continuous weed control, trash removal, pruning of trees and shrubs, and irrigation system operations. This does not include any budgeted funds for any plant, tree or granite replacements. The transition of a contracted street landscape maintenance program to Street Transportation, including initiation of contracted landscape maintenance services, would be scheduled to take place after February 2017.

### **Procurement Information**

Parks and Recreation and Street Transportation staff developed a two-step Job Order Contracting (JOC) process based on both qualifications and price-based selection criteria, to procure a contractor to perform outsourced maintenance services. The procurement was structured to obtain competitive price proposals from vendors that incorporated three options of service level: three times per year; four times per year and 12 times per year service levels. Any of these options represent an improvement in service level.

Out of the two-step JOC procurement process, three firms were selected to submit cost proposals to the City. The firms are DLC Resources, Brightview Landscape Services, and Basin Tree Service & PEst Control, Inc. DBA United Right-of-Way. Based on the proposals received, staff is recommending Option A with award to United Right of Way, providing three times per year service.

### **Financial Impact**

Attachment B summarizes different service level options, contract services, project administration, and total costs based on the current \$1,250,832 budget of 21 vacant Parks and Recreation Department Groundskeeper positions. This funding amount was allocated to outsource street landscape maintenance as identified during the April 28, 2015 City Council presentation. Project administration will consist of one Horticulturist and one Senior Construction Inspector positions.

The four-month funding requirement to implement Option A in fiscal year 2016-17 is approximately \$416,944, which has been achieved from the savings of vacant street landscape positions within the Parks and Recreation Department.

### **Concurrence/Previous Council Action**

On Jan. 28, 2015, Parks and Recreation and Street Transportation staff provided an overview of the street landscape maintenance activities to the Finance, Efficiency, Economy and Sustainability Subcommittee.

On Feb. 25, 2015, the Transportation and Infrastructure Subcommittee unanimously recommended Council approval to consolidate street landscape design and maintenance activities into the Street Transportation Department and begin the process to pursue outsourcing measures.

On April 28, 2015, City Council unanimously approved the proposal.

**Responsible Department**

This item is submitted by Deputy City Managers Deanna Jonovich and Mario Paniagua, and the Parks and Recreation and Street Transportation departments.

180634

**CITY COUNCIL REPORT**

**POLICY AGENDA**

CITY CLERK DEPT.

TO: Rick Naimark  
Deputy City Manager  
  
Deanna Jonovich  
Deputy City Manager

AGENDA DATE: <sup>2015 APR 24 AM 7: 21</sup> April 28, 2015

FROM: Ray Dovalina, PE  
Street Transportation Director  
  
James P. Burke  
Parks and Recreation Director

ITEM:5

**SUBJECT: STREET LANDSCAPE MAINTENANCE**

This report requests City Council approve the consolidation of street landscape design and maintenance activities into the Street Transportation Department and begin the process to pursue outsourcing measures.

**THE ISSUE**

During the City's Comprehensive Organizational Review Evaluation (CORE), street landscape maintenance was identified as a function currently performed by both the Parks and Recreation Department and the Street Transportation Department.

The Street Transportation Department is responsible for:

- Design and retrofit of landscaping along major streets;
- Removal of litter and vegetation from unimproved right-of-ways (ROW) along major streets;
- Management of contract maintenance of any new street projects along a major arterial (since 2009); and,
- Management of an annual contract of approximately \$1.84 million dollars to provide maintenance of 75.2 miles of landscaping along the outside of freeway walls and 467 acres of landscape in special areas, such as traffic calming devices, washes, and other agreed-upon locations. The current contract calls for weekly/monthly service.

The Parks and Recreation Department is responsible for:

- Maintenance of landscaping along major streets (developed prior to 2009).

Neither department addresses landscape maintenance or clean-up on collector or residential streets or in areas maintained by commercial property owners or homeowner associations.

In 2003, the Parks and Recreation Department had 90 full-time equivalents (FTEs), who performed street landscape maintenance every 11 days, covering 552 acres. Positions fluctuated over the years, but major budget reductions were made beginning in fiscal year 2008-2009. Currently, there are 21 FTEs who maintain 657 acres, or approximately one staff person per 31 acres. The drastic decrease in staffing coupled with the increase in acres maintained by the Parks and Recreation Department has resulted in a complaint-only maintenance schedule.

The table below summarizes different options for addressing the challenge of providing more efficient and effective street landscaping services.

Options for consideration:

<b>Option 1</b>	<b>Service Level</b>	<b>Budget</b>	<b>City Resources</b>	<b>Total Amount</b>	<b>Notes</b>
No change to current level of service in Parks and Recreation	Complaint driven	\$1,230,524	21 FTE		
<b>Option 2</b>		<b>Contract Cost Estimate</b>			
Contract with minimal service level improvements	3 times per year, plus complaint response	\$881,000	Contract Inspection (6 staff) \$350,000 (estimate)	\$1,230,524	
<b>Option 3</b>					
Modest level of improvement	Monthly	\$2,289,513 to \$3,373,286	Contract Inspection \$350,000	\$2,639,513 to \$3,723,286	\$1,408,989 to \$2,492,762 Funding needed

<b>Option 4</b>					
Highest level of improvement	Blend of weekly/monthly	\$4,579,027 to \$6,868,540	Contract Inspection \$350,000	\$5,186,405 to \$6,903,540	\$3,955,881 to \$5,673,016 Funding needed

Based upon the CORE review, staff recommends the consolidation of street landscape maintenance activities into the Street Transportation Department. This measure will allow Parks and Recreation maintenance staff to focus on its core mission of maintaining parks and create an opportunity to achieve greater street landscaping consistency and economies of scale by combining the service in one City department. This combination also allows the City to take advantage of anticipated lower costs through private sector delivery of the service, which is expected to result in a somewhat higher service level for the same budget.

Based upon current City contract rates for similar landscape maintenance services, staff anticipates outsourcing with the current budget will likely result in an increase in the service level to 3 times per year, which is an increase from the current complaint-driven service. This includes the addition of contract management staff needed to assure appropriate oversight and quality assurance (see Option 2 above). Options 3 and 4, above, provide estimates of the cost to enhance the service even further by devoting additional resources not currently budgeted to the program.

If this consolidation and outsourcing approach is approved, the following process will be used:

- Staff will issue an Invitation for Bids (IFB) to determine actual costs to contract all areas of street landscaping along major arterials with various bid tabs for three possible levels of service:
  1. Three times per year, plus complaint response
  2. Monthly
  3. Blend of weekly/monthly
- Based upon bid results, staff will evaluate funding needs and develop options for implementation.
- Staff will return to City Council with bid results and a recommendation for implementation.
- All staff previously performing street landscaping maintenance service will be fully devoted to maintaining parks. Twenty-one vacant positions will be eliminated.

Depending upon bid results, it may be fiscally beneficial to phase-in the contracted firms based upon available funds and resources.

## OTHER INFORMATION

With more than 755 miles of arterial streets traveled by 100 to 150 million vehicles per month, street landscaping is one of the most visible City assets.

Landscaping in the ROW provides both aesthetic and tangible benefits. Well-maintained landscaping impacts public perception of an area and improves surrounding property values. The importance of public landscapes was confirmed by City Council adoption of the 2010 Tree and Shade Master Plan, which details the important role trees play in creating a healthier, more livable, and prosperous city. Recent community outreach for City projects such as Reinvent Phoenix and the Complete Streets initiative indicated growing community support for well-designed and maintained ROW landscaping in order to provide shade on streets and sidewalks, and other environmental benefits.

This item was unanimously recommended for Council approval by the Transportation and Infrastructure Subcommittee on February 25, 2015, and discussed by the Finance, Efficiency, Economy, and Sustainability Subcommittee on January 28, 2015.

## RECOMMENDATION

Staff recommends City Council approve the consolidation of street landscape design and maintenance activities into the Street Transportation Department and begin the process to pursue outsourcing measures.

**Attachment B**  
**Street Landscape Maintenance**

**Table 1. Service Level Options and Annual Cost for Street Landscape Maintenance**

<b>Option</b>	<b>Service Level</b>	<b>Contract Services</b>	<b>Project Administration</b>	<b>Total Cost</b>
<b>A</b>	3 times/year	\$1,060,000	\$190,832	\$1,250,832
<b>B</b>	4 times/year	\$1,320,000	\$190,832	\$1,510,832
<b>C</b>	12 times/year	\$2,045,000	\$190,832	\$2,235,832