

Date..... January 11, 2010

TERMINATING MOWING AND TRIMMING CONTRACT AND APPROVING NEW CONTRACT WITH A+ LAWN AND LANDSCAPING FOR 2 YEARS WITH 3 ONE YEAR RENEWALS AND AUTHORIZING THE CITY MANAGER TO SIGN FUTURE RENEWALS AND TO TERMINATE SAID NEW CONTRACT BASED ON FAILURE TO MEET PERFORMANCE STANDARDS

WHEREAS, the Park and Recreation Department is charged with providing mowing and trimming maintenance for park, open spaces and boulevards and has sought to reduce costs of the department by the outsourcing of the mowing and providing mowing and trimming maintenance for such public grounds, in response to the City Council request to reduce costs; and

WHEREAS, on December 8, 2008 by Roll Call No. 08-2158 the City Council approved the issuance of a Request for Proposals for such mowing and trimming services; and

WHEREAS, on December 9, 2008, a Request for Proposals ("RFP") for mowing and trimming services was issued by the Procurement Division of the Finance Department; and

WHEREAS, the Procurement Agent solicited proposals by advertising and mailing RFP V09-56 to nineteen (19) potential proposers with nine (9) proposals received; and

WHEREAS, on February 9, 2009, the City Council approved proposals from various service providers for the provision of mowing and trimming maintenance services for park, open spaces and boulevards and authorized the City Manager to negotiate and execute contracts for the same; and

WHEREAS, on March 2, 2009, the contract for professional turf mowing and trimming services for the City's parks, open spaces and right of ways was entered into by the City and Contractor ("the March 2, 2009 Contract");

WHEREAS, the Park and Recreation Department has negotiated a new contract with A+ Lawn and Landscaping whereby the Contractor will now provide all the equipment and fuel for said equipment; and

WHEREAS, the City will now pay \$25.00 per acre and \$25.00 per mowing site for areas less than one acre; and

WHEREAS, other changes involving improved communication and performance review have been added to the contract language; and

WHEREAS, the new Contract shall be for a period of two years with three one-year renewal options.

Date January 11, 2010

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NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that:

1. The March 2, 2009 Contract is hereby terminated and the above described Contract with A+ Lawn and Landscaping for mowing and trimming services is hereby accepted and approved and the Mayor is authorized to execute such agreement on behalf of the City and the City Clerk is directed to attest to his signature
2. The City Manager is hereby authorized to execute any renewal of such agreement if deemed to be in the best interests of the City and to terminate said contract for failure to meet the performance standards.

(Communication No. 10- 001)

Moved by _____ to adopt.

APPROVED AS TO FORM:

Ann DiDonato
 Ann DiDonato
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

 Mayor

 City Clerk

January 11, 2010



The Honorable Mayor
and
Members of the City Council
City of Des Moines, Iowa

Re: Mowing Contract

Dear Mayor and Council Members:

In response to a request for an audit of the mowing contract at the December 21, 2009 Council meeting, Finance Department staff reviewed records and documentation related to the mowing contract and have determined the following:

In February 2009, staff recommended to the Mayor and City Council the Park and Recreation Department's reorganization, which included privatization of mowing and trimming services, resulting in a \$400,000 savings. Included in that savings was a contract for mowing and trimming with A+ Lawn and Landscaping at a projected cost of \$421,370. This action was reflected in the fiscal year 2010 budget reductions. Actual paid and pending invoices in the first full fiscal year of the mowing and trimming contract were \$367,968. During the first year of the contract, various issues arose such as size and number of parcels maintained that resulted in actual payments to the contractor being less than projected.

A review of equipment in the horticultural areas also shows a decrease in maintenance costs from calendar year 2008 to 2009. This is partially a result of a reduction in the Park and Recreation Department fleet as contemplated in the Park and Recreation Department reorganization. Damage caused to City-owned equipment by contractor personnel, other than normal wear and tear, has been billed to their company per the contract.

Privatization of mowing and trimming services (as opposed to fixed costs via an in-house operation) provides flexibility to reduce the number of acres and/or cycles mowed. The Park and Recreation Department is proposing such action on Monday night's agenda. For your easy reference, attached is the Privatization Report outlining topics of concern as provided by the Park and Recreation Department on December 9, 2009.

Please let me know if I can provide further information.

Sincerely,

Richard A. Clark
City Manager

Attachment

December 9, 2009

Park and Recreation Department Privatization Report

In a continuing effort to provide high quality services within the constraints of limited financial resources, the Park and Recreation Department has implemented various forms of privatization efforts over the last decade. Agreements are in place for the Blank Park Zoo, Botanical Center, Model City and Logan community centers, BMX track, Soap Box Derby track, golf course operation, sport turf maintenance, and cemetery trimming and mowing. Last April, the City entered into contracts with vendors to provide mowing services at parks (and select public properties) and custodial services at municipal buildings and parks. Below is a synopsis of what are considered topics of concern, based on our experience.

Careful Planning - Needed at the beginning in developing a Request for Proposals (RFP). Entering the process to bid for government services is often confusing and difficult for contractors, much more so than bidding for a specific item. A challenge for staff is to make sure bidders understand and interpret the terms, services, and expectations of the RFP, as was intended, and that things assumed are not assumed, but defined and included. Those issues can only be minimized through careful planning, but never totally eliminated. Pre-bid and post award meetings and tours of properties should be considered mandatory to achieve success.

Service Difference - Some services are easier to contract for than others. The more qualified providers that have demonstrated a history of providing such service, the more likely a successful outcome. That is why an RFP process that considers factors other than price is recommended. Experience teaches us to be extremely thorough and detailed in explaining the expected standards of work. It is also possible that a reduced level of care will still be acceptable to the public, and given the cost savings, may actually be preferable.

Transition Process - Changing service providers from experienced city staff to private contractors will be rough at times. It takes time, effort and involvement of stakeholders for success to occur. With private contracts there have been personality conflict issues, theft, and equipment misuse. It is very important to predict all the sources of these conflicts and include remedies in the contract (e.g. charging the contractor for damage to city equipment). Nothing goes 100% as hoped.

Performance Metrics - An organization (department) involved in contracting for services must have the ability to develop and manage a strong performance based services agreement (including appropriate incentives and penalties). Those need to be in the contract.

Management Cost - A real cost needs to be considered when deciding to contract because successful contracts require regularly scheduled meetings to review performance, discuss suggested changes from either side, and resolve issues.

Expect the Unexpected - When defining contract terms, you should assume you will want to make changes you do not think about today, so when developing the contract, allow for maximum flexibility; for instance, allowing the ability to now reduce the scope of services. One lesson learned is to have a draft RFP reviewed by an unbiased private sector professional (who will not be a bidder) prior to officially releasing the process to accept proposals. In many of the contracts managed by our staff, there are certain standard, industry terms and languages that can be understood by City staff, however, also interpreted much differently to industry experts.

The critical element in making these privatization efforts successful is communication and planning. Specific case examples include: the Park and Recreation Department has been working with the mowing contractor to review mowing routes, process and procedures for missed areas, evaluation of work performance during the mowing season, and regular meetings between park management staff and the contractor to voice concerns and resolve identified issues. Additionally, language needs to be added that allows flexibility to change a contractor's personnel with or without cause. In the case of the custodial contract, we had a few early examples of personality conflicts that did not foster a professional working environment. As with any partnership, being effective communicators will greatly aid in the success of privatization of general labor type work. In all, many of the contracts we manage have set routine meetings to discuss contractual performance, as well as time to hear the contractor's ideas on improving efficiencies. Our experience has taught us that this communication has to be routine as in some experiences, the contractor will occasionally allow their services to diminish if they feel that they are not being managed.

As noted above, the Park and Recreation Department has experienced many successes with privatization of unskilled work or leasing of complete facilities, but has also had to work through some challenges as well. Most of what we have to report was considered at the time we made the recommendation. We should initially expect a drop in quality, due to lack of experience and the higher turnover rate. The question is, is the drop acceptable? The most important element is a committed contractor, with a good contract that allows the City to terminate the contractor, which we have in place with current mowing and custodial contracts. It will take a lot of time to manage the contract, site visits, regular meetings, checklists, regular reports, and lots of documentation. Based on managing these contracts, the best performances have come from a complete privatization of the work or facility, mandatory scheduled meetings with the contract provider, and routine performance evaluations of the services being provided to the City.

Donald M. Tripp
Director of Park and Recreation