



## PARKS AND RECREATION DEPARTMENT

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### CITY COUNCIL INFORMATIONAL STAFF REPORT

Meeting: June 21, 2022

#### Subject

Maintenance agreements for the Blackberry Farm Golf Course.

#### Recommended Action

Receive report on the maintenance agreements for the Blackberry Farm Golf Course.

#### Background

The Blackberry Farm Golf Course was constructed in 1962 and privately owned until the City purchased the property in 1991. The course site is approximately 16-acres and lies within the Stevens Creek Corridor. The site includes a pro shop, staff office, restroom facilities, and restaurant facility that is leased by the Blue Pheasant. The site is a 9-hole golf course, with a back tee yardage of 1,544 yards and a par of 29 (seven par 3's and two par 4's). Approximately 28,000 rounds of golf are played at the course per year. Until 2002, City employees maintained the course. However, due to challenges in maintaining an aging course, the City decided to seek an outside maintenance contractor at that time.

#### **History of the Blackberry Farm Maintenance Agreements<sup>1</sup>**

##### *The First Contract*

In 2001, the City underwent a competitive process to select a contractor to provide maintenance services at the Blackberry Farm Golf Course (Attachment A). In response to that solicitation, the City received the following bids:

<b>Bidder</b>	<b>Base Bid</b>
Int. Natl. Golf Maintenance, Inc.	\$235,608.00
Environmental Golf	\$192,917.00
Spot Water Management	\$186,600.00
<b>Engineer's Estimate</b>	<b>\$185,000.00</b>

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<sup>1</sup> This report was developed through a historical review of past Council actions and archived records. Since the staff who managed the competitive processes and maintenance agreements for the Blackberry Farm Golf Course prior to 2017 are no longer employed with the City, staff will supplement this report should any additional records become available.

The second low bidder, Environmental Golf, protested an award of the contract to Spot Water Management, contending that it should have the opportunity to negotiate their bid with the City (Attachment B). As a result of this protest, on January 25, 2002, the City Council rejected all bids and authorized the City to rebid the project (Attachment C).

In response to the re-bid, the City received the following bids:

<b>Bidder</b>	<b>Base Bid</b>
Int. Natl. Golf Maintenance, Inc.	\$217,595.04
<b>Engineer's Estimate</b>	<b>\$185,000.00</b>
Jensen Landscape Services	\$183,696.00
Environmental Golf	\$177,999.00
Spot Water Management	\$175,599.96

On March 18, 2002, the City Council awarded a three-year contract to Spot Water Management<sup>2</sup> in an annual amount of \$175,599.96 (Attachment D).

#### *The Second Contract*

In anticipation of the end of the three-year 2002 contract to Spot Water Management, in or about 2004-05, the City undertook another competitive process for a golf course maintenance contractor (Attachment E). The City received the following bids:

<b>Bidder</b>	<b>Base Bid</b>
Professional Turf Maintenance	\$186,000.00
<b>Engineer's Estimate</b>	<b>\$180,000.00</b>
Jensen Landscape Service Inc	\$161,496.00

Upon review of the bids, the City determined that both bids were non-responsive: Jensen Landscape Service Inc. did not have experience maintaining golf courses and Professional Turf Management ("PTM") did not have three contracts valued in excess of \$150,000 each during the last 5 years. On March 15, 2005, the City Council rejected all bids and authorized the City to rebid the project (Attachment F).

After the project was rebid, the City received a sole bid from PTM in the amount of \$186,720. On May 3, 2005, the City Council awarded a 4-year contract to PTM (two-year base term with two one-year extension options) (Attachment G).

#### *The Third Contract*

In anticipation of the end of the four-year 2005 contract, in or about 2009-10, the City undertook another competitive process for golf course maintenance services (Attachment H).

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<sup>2</sup> Based on the Council Report dated March 15, 2005, it appears that Professional Turf Management was previously known as Spot Water Management. However, it is unknown whether the change of name was due to a sale, merger, or reorganization.

The City received the following bids:

<b>Bidder</b>	<b>Base Bid</b>
<b>Engineer's Estimate</b>	<b>\$180,000.00</b>
Professional Turf Management	\$174,420.00
Sycamore Landscaping Corp	\$165,240.00

The apparent low bid from Sycamore Landscaping was deemed non-responsive and thus the lowest apparent responsive and responsible bidder was PTM. On March 16, 2010, the City Council awarded a five-year contract to PTM consisting of a base term of 2 years and options to renew for up to 3 one-year extensions (Attachment I).

### **CURRENT STATUS**

In November 2015, the City underwent another competitive process to select a contractor to provide maintenance services (Attachment J). Although the process uses verbiage that could be used in a formal bid process, the defining element of a competitive process is how the vendor selection is made. In this case, the selection process was clearly outlined and conducted as an RFP. In an RFP, price is not the sole determining factor for selection, rather vendor qualifications are prioritized. This typically takes the form of a rating scale where contract price is given a score that may influence the outcome, but does not solely determine the outcome. This is especially crucial in situations where specific qualifications are required, such as where maintenance experience along riparian areas or waterways is desired.

Notice of the RFP was mailed to local plan rooms and bidder exchanges and posted on the City's website. Additionally, the bid was advertised in the San Jose Mercury News. Despite these efforts, the City received a sole proposal from PTM. Pursuant to the bid process, the City Council awarded a contract with an initial term from January to June 2016 to PTM to align with the City's fiscal year in the amount of \$99,600 (Attachment K). Thereafter, the contract provided for five additional option years, with the first two option years in the amount of \$205,200 annually and the remaining three option years adjusted by the San Francisco/Oakland Consumer Price Index.

In awarding the contract to PTM in 2015, the City Council authorized the City Manager to extend the contract subject to annual appropriation by the Council (Attachment L). Pursuant to that authorization, the City Manager extended the contract annually for five years, with the final year ending on June 30, 2021.

In 2020-2021, while staff was preparing to undertake another competitive process for a new agreement, the City Council placed the golf course feasibility study ("Study") on the Fiscal Year 2020-2021 City Work Program. The Study was projected to conclude in fall 2021. Because consideration and direction from Council based on the findings from the Study could impact the overall maintenance needs of the golf course and thus impact the scope of a new agreement, the City Manager recommended that the PTM golf

maintenance contract be extended in order to incorporate, if necessary, findings from the Study. Since this extension was not previously authorized by the contract, on April 6, 2021 an amendment to extend the contract to June 30, 2022 was authorized by the Council (Attachments M and N). The Study is now expected to be concluded in Q2 for Fiscal Year 2022-2023.

The Parks and Recreation Department intended to complete a new competitive process to select a contractor to provide maintenance services before the expiration of the April 2021 contract extension. However, several factors that arose during Fiscal Year 2022 contributed to a delay in issuing a Request for Proposal. First, by January 2022, about a third of the positions in Parks and Recreation were either vacant or on leave. Second, Department staff were assigned to other Council priorities, including four City work program projects and support for several park-related Capital Improvement Projects. Third, the Department devoted significant resources to reopening facilities safely following COVID-related closures and bringing back programs and events to community members.

As a result of these delays, staff recommended extending the current agreement by six months to provide adequate time to undergo a competitive process for a new agreement. On May 19, 2022, the City Council authorized extension of the current agreement to December 31, 2022.

#### Discussion

Since 2002, the City has retained a contractor to maintain the Blackberry Farm Golf Course. In these past 20 years, the City has undertaken four rounds of competitive processes, two of which were re-bid situations (for a total of 6 competitive processes). During each competitive process, the contract award was made to the lowest responsive bidder. The record reviewed by staff for the procurements that occurred prior to 2013 indicated that they were evaluated under applicable regulations, including those set forth in the Cupertino Municipal Code. Additionally, the RFP in 2015 was done in conformance with the Purchasing Policy adopted in 2013 (Attachment O).

A Request for Proposal for a new contractor is being prepared for issuance. Assuming a best-case scenario, a new contractor could be ready to proceed by October. If this occurs, the City can terminate the PTM contract early with 7 days' notice. However, among the things that can delay a start date are:

1. Questions from interested proposers during the allotted period that may necessitate a delay in opening proposals to allow a reasonable time for proposers to prepare their document package;
2. The need to repost the project due to not receiving any proposals, receiving proposals that exceed the budget, irregularities in proposals, or receipt of a protest of award;

3. The need by the City Council to postpone a contract discussion and award due to other pressing matters;
4. Delay in finalizing a contract, e.g. questions regarding the contractor's insurance or negotiations over contract terms; and
5. Insufficient staff capacity to manage the process.

For the reasons set forth above, staff has recommended a minimum of six months to successfully complete a procurement process, from bid issuance to contractor start date.

Sustainability Impact

No sustainability impact.

Fiscal Impact

None.

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Matt Morley, Director of Public Works

Approved for Submission by: Jim Throop, City Manager

Attachments:

A – CC Staff Report 01-25-02

B – Letter of Protest from Environmental Golf

C – CC Minutes 01-25-02

D – CC Minutes 03-18-02 and Agreement 02-28 Blackberry Farm Golf Course Maintenance, Proj. 2001-08 (includes substitute agreement)

E – CC Staff Report 03-15-05

F – CC Minutes 03-15-05

G – CC Minutes 05-03-05 and Agreement 05-061, Professional Turf Management

H – BBF Golf Maintenance 2010 Project Manual and Bid Documents

I – CC Minutes 03-16-10 and Agreement 10-044 Blackberry Farm Golf Course Maintenance, Professional Turf Management

J - BBF Golf Maintenance 2016 Project Manual and Bid Documents

K – 15-206 Professional Turf Management; Blackberry Farm Golf Course Maintenance (Original Contract and Amendments 1-5)

L – CC Minutes 12-01-15

M – 15-206 Professional Turf Management; Blackberry Farm Golf Course Maintenance (Amendment 6)

N – CC Minutes 04-06-21

O – Purchasing Policy