



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 6.p

Title:

Recommendation to Authorize Contract Extension for Lawn Mowing Services

Presenter:

AJ Reineking

Meeting: Government Services Committee

Date: April 22, 2019

Proposed Cost: \$134,144

Budgeted Amount: \$155,000

Not Budgeted:

Executive Summary (*if not budgeted please explain*):

The City owns and maintains 140 facilities, parks, and parcels throughout the community that require routine lawn mowing services. Cornerstone Partners' (St. Charles, IL) contract for mowing services will end in FY19. They were awarded a five-year contract in 2014 through a competitive bidding process and have performed well for the City for the duration of their contract.

Because they have performed well and have been responsive to the City's needs, the Public Works Department, in conjunction with the Finance Department, invited Cornerstone to extend their contract for up to three years, through FY22. Cornerstone, in turn, offered to reduce their rate by 3% in the first year and by 1% in each of the subsequent years. These reductions will result in a net rate reduction of 4% over three years.

Attachments (*please list*):

* Contract Renewal Offer Letter * Contract Renewal Offer Approval

Recommendation/Suggested Action (*briefly explain*):

Recommendation to authorize a three-year contract extension for lawn mowing services to Cornerstone Partners, LLC in the amount of \$134,143.24 in FY20, \$132,801.80 in FY21, and \$131,473.81 in FY22.



RAYMOND P. ROGINA *Mayor*
MARK KOENEN, P.E. *City Administrator*

February 14, 2019

Jim "Turk" Turcan
CORNERSTONE PARTNERS HORTICULTURAL SERVICES CO
PO Box 745
St. Charles, IL 60174

Re: LAWN MOWING SERVICES
Request to Renew or Extend Services

Dear Jim:

The City of St. Charles has been satisfied with the **LAWN MOWING** services your company has provided for the last five years. During this time our requirements have grown and you have responded accordingly. Thank you.

The City is currently reviewing our needs for the future. Because we have been satisfied with your service, we are extending you the offer to renew or extend these services. Please advise if you are interested in continuing a relationship with the city via either of the below options.

1. RENEW SERVICES for **three** years for a five % (**5%**) decrease in price.
From: May 2019 – April 2022 (3 seasons)
From: \$138,292/year TO: $-5\%(\$6,914) = \$131,377^*/\text{year}$ for 3 years = \$394,131* total
2. EXTEND SERVICES for **one** year by holding your price firm.
From: May 2019 – April 2019 (1 season)
For: \$138,292*/year for 1 year

**figures represent a projected annual dollar amount based on defined numbers of call-outs.*

Please let us know by **Thursday, February 21, 2019 noon** if either of these options are agreeable. If you are agreeable, please provide an updated form similar to the attached. A contract can then be drawn up and presented to our city council in early March. If neither of these scenarios are acceptable the city will issue a public solicitation and extend you the opportunity to publicly bid for these services.

The city thanks you for your past service and hopes to continue this relationship in the future.

Joan Schouten | Purchasing Division Manager
2 E. Main Street, St. Charles, IL 60174-1984
phone: 630.762.6936 | fax: 630.377.4487 | www.stcharlesil.gov
jschouten@stcharlesil.gov

CITY OF ST CHARLES, ILLINOIS

Attachment: Pricing from prior agreement

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TWO EAST MAIN STREET

ST. CHARLES, IL 60174

PHONE: 630-377-4400

www.stcharlesil.gov

RFP to Provide Mowing Service
 Awarded: April 4, 2014

ADDENDUM TO EXTEND CONTRACT PERIOD {RFP pg. 8}

Pg. 63: IV. BID/CONTRACT FORM {Summary}
A. Unit Prices and Extensions

May 1, 2014 to April 30, 2015

<i>Type</i>	<i>Estimated Cycles</i>	<i>Unit Price</i>	<i>Extension</i>	<i>P.O. #</i>	<i>Note</i>
Fine Mowing	28	\$3,340.00	\$93,520.00	79606	Approved
Rough Mowing	9	\$898.00	\$8,082.00	79606	Approved
Very Rough Mowing	6	\$792.00	\$4,752.00	79606	Approved
Sub-Total - May 1, 2014 to April 30, 2015			\$106,354.00	79606	Approved

May 1, 2015 to April 30, 2016 Proposed: \$106,354.00

<i>Type</i>	<i>Estimated Cycles</i>	<i>Unit Price</i>	<i>Extension</i>	<i>P.O. #</i>	<i>Note</i>
Fine Mowing	28	\$3,340.00	\$93,520.00	83931	Approved
Area 59	+14	\$66.00	\$924.00	83931	Approved (T.B.)
Rough Mowing	14	\$898.00	\$12,572.00	83931	Approved
Very Rough Mowing	14	\$792.00	\$11,088.00	83931	Approved
Lynn, Beatrice, 7th St., IL & 8th, Dean, Area 69-72	28	\$244.00	\$6,832.00	83931	Approved
IL Rt. 64 to Oak	28	\$52.00	\$1,456.00	84558	Approved
Riverside Park	28	\$112.00	\$3,136.00	83931	Approved (J.C.)
Moody Park	28	\$75.00	\$2,100.00	83931	Approved (J.C.)
Sub-Total - May 1, 2015 to April 30, 2016			\$131,628.00	83931, 84558	Approved

(2) Year Extension Offer Valid until 4/1/17

May 1, 2016 to April 30, 2017 Proposed: \$106,354.00

Type	Estimated Cycles	Unit Price	Extension	P.O. #	Note
Fine Mowing	28	\$3,340.00	\$93,520.00	83931	Approved
Area 59	+14	\$66.00	\$924.00	83931	Approved (T.B.)
Rough Mowing	14	\$898.00	\$12,572.00	83931	Approved
Very Rough Mowing	14	\$792.00	\$11,088.00	83931	Approved
Lynn, Beatrice, 7th St., IL & 8th, Dean, Area 69-72	28	\$244.00	\$6,832.00	83931	Approved
IL Rt. 64 to Oak	28	\$52.00	\$1,456.00	84558	Approved
Riverside Park	28	\$112.00	\$3,136.00	83931	Approved (J.C.)
Moody Park	28	\$75.00	\$2,100.00	83931	Approved (J.C.)
Sub-Total - May 1, 2016 to April 30, 2017			\$131,628.00	83931, 84558	Approved

Extension (Yr. 1) May 1, 2017 to April 30, 2018

Type	Estimated Cycles	Unit Price	Extension	P.O. #	Note
Fine Mowing	28	\$3,340.00	\$93,520.00		
Area 59	+14	\$66.00	\$924.00		
Rough Mowing	14	\$898.00	\$12,572.00		
Very Rough Mowing	14	\$792.00	\$11,088.00		
Lynn, Beatrice, 7th St., IL & 8th, Dean, Area 69-72	28	\$244.00	\$6,832.00		
IL Rt. 64 to Oak	28	\$52.00	\$1,456.00		
Riverside Park	28	\$112.00	\$3,136.00		
Moody Park	28	\$75.00	\$2,100.00		
115 9th Ave, 807 IL Ave, 811 IL Ave, 904 S. Ave.	28	\$238.00	\$6,664.00		
Sub-Total - May 1, 2017 to April 30, 2018			\$138,292.00		

(2) Year Extension Offer Valid until 4/1/17

Extension (Yr. 2) May 1, 2018 to April 30, 2019

Type	Estimated Cycles	Unit Price	Extension	P.O. #	Note
Fine Mowing	28	\$3,340.00	\$93,520.00		
Area 59	+14	\$66.00	\$924.00		
Rough Mowing	14	\$898.00	\$12,572.00		
Very Rough Mowing	14	\$792.00	\$11,088.00		
Lynn, Beatrice, 7th St., IL & 8th, Dean, Area 69-72	28	\$244.00	\$6,832.00		
IL Rt. 64 to Oak	28	\$52.00	\$1,456.00		
Riverside Park	28	\$112.00	\$3,136.00		
Moody Park	28	\$75.00	\$2,100.00		
115 9th Ave, 807 IL Ave, 811 IL Ave, 904 S. Ave.	28	\$238.00	\$6,664.00		
Sub-Total - May 1, 2018 to April 30, 2019			\$138,292.00		

From: [Schouten, Joan](#)
To: "Turk"
Cc: [Reineking, AJ](#)
Subject: RE: STC Bids
Date: Wednesday, February 27, 2019 12:50:00 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)

Thank you for your clarification, and your patience, with this renewal.
We will proceed with our recommendation to council.

From: Turk [mailto:JimT@cphort.com]
Sent: Tuesday, February 26, 2019 5:01 PM
To: Schouten, Joan
Cc: Reineking, AJ
Subject: Re: STC Bids

Joan,

Regarding your questions:

I interpret your below and attached proposal for years 1-3 as a response to the first option. **CORRECT** i.e.

From: May 2019 – April 2020

From: \$138,292/year TO: $-3\%(\$4,148.76) = \$134,143.24/\text{year}$ **CORRECT**

From: May 2020 – April 2021

From: \$134,143.24/year TO: $- \text{an additional } 1\%(\$1,341.43) = \$132,801.80/\text{year}$ **CORRECT**

From: May 2021 – April 2022

From: \$132,801.80/year TO: $- \text{an additional } 1\%(\$1,328.02) = \$131,473.81/\text{year}$ **CORRECT**

*Note: There were 2 different proposals in your attachment for this fiscal year. **Sorry if that caused confusion***

3 year total = \$398,418.85 = 4% reduced price **CORRECT**

➤ Please advise if you agree with the above. **YES.**

Also enclosed within your response was pricing for year 4 (May 2022 – April 2023) with a 3% increase. The city is not seeking pricing for year 4 (May 2022 – April 2023).

➤ Does this impact the above offer? **An option to extend for a 4th year was presented, as such we provided an anticipated 3% increase for the 4th year. The above 3 year extension rates are not contingent upon the 4th year.**

Also, it is still unclear if the above offer for 3 years of service at a total of 4% price reduction is contingent on the Bed Maintenance. If it is contingent, the city will not accept your offer and will proceed to publicly bid mowing services.

➤ Please advise if the above offer is or is not contingent on bid mowing. **The above 3 year discounted mowing extensions are not contingent upon the Bed Maintenance RFP.**

Thank you,

Jim 'Turk' Turcan

Cornerstone Partners

P.O. Box 745
St. Charles, IL 60174
P. (630) 482-9950 x 701

www.CPHort.com

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On Tue, Feb 26, 2019 at 4:54 PM Schouten, Joan <jschouten@stcharlesil.gov> wrote:

Hello Jim,

My apologies for, again, requesting clarification.

The Request to Renew or Extend Services letter of Feb. 14th offered two (2) options:
either

1. The first option was 3 years May 2019 – April 2022 of service for a five % decrease in price.
or
2. The second option was a 1 year May 2019 – April 2019 of service for price to be held firm.

I interpret your below and attached proposal for years 1-3 as a response to the first option. i.e.

From: May 2019 – April 2020

From: \$138,292/year TO: - 3%(\$4,148.76) = \$134,143.24/year

From: May 2020 – April 2021

From: \$134,143.24/year TO: - an additional 1%(\$1,341.43) = \$132,801.80/year

From: May 2021 – April 2022

From: \$132,801.80/year TO: - an additional 1%(\$1,328.02) = \$131,473.81/year

Note: There were 2 different proposals in your attachment for this fiscal year.

3 year total = \$398,418.85 = 4% reduced price

➤ Please advise if you agree with the above.

Also enclosed within your response was pricing for year 4 (May 2022 – April 2023) with a 3% increase. The city is not seeking pricing for year 4 (May 2022 – April 2023).

➤ Does this impact the above offer?

Also, it is still unclear if the above offer for 3 years of service at a total of 4% price reduction is contingent on the Bed Maintenance. If it is contingent, the city will not accept your offer and will proceed to publicly bid mowing services.

➤ Please advise if the above offer is or is not contingent on bid mowing.

Thank you for your clarification.

We ask for a response **by 8:00am Friday March 1st, 2019.**

From: Turk [mailto:JimT@cphort.com]
Sent: Thursday, February 21, 2019 6:28 PM
To: Schouten, Joan
Cc: Reineking, AJ
Subject: Re: STC Bids

Joan,

Please find attached the proposed reductions in the Mowing Services over the next (4) seasons. While we can provide your requested 5% decrease in price, doing so over the spread of (3) years with the (4th) year rebound by 3% {which still provides -2% in overall savings from the 2018 season} would be possible.

Regarding the Bed Maintenance RFP, we would rely on this contract to be part of our maintenance program with the City in order to improve efficiencies on both contracts. While I understand it is a RFP with new specifications included in it, we would hope that our reduction in the Mowing Services along with our history working with the City would be taken into great consideration when awarding the Bed Maintenance contract.

Please let me know if you need anything additional. I look forward to meeting you and continuing to serve our hometown!

Sincerely,
Turk

Jim 'Turk' Turcan

Cornerstone Partners

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On Tue, Feb 19, 2019 at 1:41 PM Schouten, Joan <jschouten@stcharlesil.gov> wrote:

Hello Jim,

Thank you for your timely response.

Can you please clarify your offer?

1. Please define the dollar amounts you are proposing. Specify dates, year, "from", "reduction in both % and \$s", and total for the year.

Please use the illustration from the Request to Renew.

Ex: From: May 20XX – April 20XX

From: \$138,292/year TO: - 5%(\$6,914) = \$131,377*/year

- 2019: -3%
- 2020: -1%
- 2021: -1%
- 2022: + 3%

2. Please clarify if this offer is contingent on the awarding of the bed maintenance.

We are appreciative of your review and your efforts to meet our needs.



**CITY OF
ST. CHARLES**
— ILLINOIS — SINCE 1834 —

Joan Schouten Purchasing Division Manager
P: 630.762.6936 | E: jschouten@stcharlesil.gov
2 E. Main Street, St. Charles, IL 60174-1984
stcharlesil.gov

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From: Reineking, AJ
Sent: Tuesday, February 19, 2019 1:03 PM
To: Schouten, Joan
Subject: FW: STC Bids

From: Turk [mailto:JimT@cphort.com]
Sent: Tuesday, February 19, 2019 11:05 AM
To: Reineking, AJ
Cc: Craft, Jeremy
Subject: Re: STC Bids

AJ & Jeremy,

Good morning. Sorry for the delay in responding; been a bit preoccupied with Snow as I know you can relate!

I do appreciate the letter from Joan offering a 3 year extension on the mowing with a 4th year option. The -5% discount is tough to work into our estimate, as I'm sure you're aware IL labor costs are skyrocketing over this time period. My initial looks at our estimates could allow for the following:

- 2019: -3%
- 2020: -1%
- 2021: -1%
- 2022: + 3%

While this still could be a gamble on labor wages for us, I'm willing to take that to remain your contractor of choice. We've already made internal changes with Nick Topf becoming Jeremy's main point of weekly contact to expedite response time and I remaining on Monthly Quality Control inspections. Our team, who knows all of the properties, will remain the same as well.

I hope that the above proposal is acceptable to you. We do rely on/view the Bed Maintenance contract as well to supplement both contracts as one. I'm in the process of updating the Bed Maintenance contract per the revised specifications which will help with the 5% reduction on the mowing contract. I realize this contract is out for open bidding, but if we can be viewed as the preferred contractor given our history and knowledge of the sites to get awarded that contract as well as the mowing, I will be very confident in obliging the reduction for the mowing.

Please let me know your thoughts on the above and I'll prepare accordingly.

Thank you both!

Jim 'Turk' Turcan  


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On Fri, Feb 15, 2019 at 4:36 PM Reineking, AJ <areineking@stcharlesil.gov> wrote:

Turk,

I believe Joan sent you a letter for consideration to renew the mowing contract. Based on our conversations last year, Jeremy put together a whole new scope for the landscape bed maintenance contract which means we're re-bidding that. You may also be interested in the leaf and brush collection bid that was posted today as well. Please follow the link below to find both of these solicitations.

Thanks.
AJ

[https://www.stcharlesil.gov/bids-proposals?
field_ref_department_target_id=4&bid_status%5B%5D=Bid&field_bid_date_due_value%5Bvalue%5D%5Bdate%5D=&=Apply](https://www.stcharlesil.gov/bids-proposals?field_ref_department_target_id=4&bid_status%5B%5D=Bid&field_bid_date_due_value%5Bvalue%5D%5Bdate%5D=&=Apply)



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