

# SUMMER STUDIES 2017

## Landscaping Maintenance Services – Outsourcing vs In-House Management

Summer Study 17-0001

Department of Public Works and Utilities

August 7, 2017

### **Executive Summary**

The services provided by the Department of Public Works/Grounds Maintenance Division include, but are not limited to, mowing, edging, hedge trimming, landscape bed maintenance, selective tree trimming, fertilizing, raking, sweeping, weeding, irrigation system repair and trash/debris removal on the medians and facilities within the City limits. Staff from this division is also available for storm prep activities and after storm clean-up when required.

Currently, the division, maintains all medians within the City, including not only the major medians on Hallandale Beach Boulevard, Federal Highway and State Road A1A, but also those medians located on Three Islands Boulevard, Parkview Drive, Layne Boulevard and Pembroke Road. The medians are maintained by various crews: A one-man crew pulls weeds and removes trash, debris, and palm fronds, and a two (2) four-man crews follow with trimming, mulching, replanting, and spraying for weeds, insects and fertilizing as needed. Furthermore, the Grounds Maintenance Division maintains the Municipal Complex, Public Works facilities, Cemetery, all Fire Stations to include mowing, shrub trimming, and tree pruning.

Medians and Facilities maintained by the Grounds Maintenance Division are as follows:

- Atlantic Shores Boulevard
- A1A
- Ansin Boulevard and Ansin Storage Lot
- Three Islands Boulevard
- Parkview and Leslie Drive
- Municipal Complex
- I95 Ramps (north & south) and North & South Retention Basins
- South bound exit ramp at Pembroke Road
- Hallandale Beach Boulevard
- Diana Drive
- Layne Boulevard
- Federal Highway
- Pembroke Road Medians
- Intercoastal Bridge
- Golden Isles Drive
- NE 14<sup>th</sup> Avenue (New)
- Municipal Complex

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- City Cemetery
- Public Works Compound
- Fire Station 7
- Fire Station 60
- Fire Station 90

The Division does not maintain of the Florida East Coast (FEC) Railway right-of-way (ROW) and the Foster Road ROW landscaping. These services are provided through an outside contract in the amount of \$40,000 per year. These services only include mowing and weeding.

In FY 17/18 the Division plans on taking over the maintenance of the FEC and Foster Road right-of-way maintenance, thus eliminating \$40,000.00 out of next year's budget. The total square footage that will be maintained is 1,070,585 (see table below) square feet at a cost of \$1.15<sup>Δ</sup> per square foot. This price includes plants replacement, tree replacements, and sod replacement. Staff received a quote from the contractor that will maintain NE 14<sup>th</sup> Avenue of \$1.31 per square foot. The Landscape Division's will perform the service at \$1.15 per square feet. That is quite competitive!

<sup>Δ</sup> This figure is derived by dividing the FY 2017-2018 budget for Grounds and Maintenance into the total square footage. The budget figure used includes some adjustments to factor in staff paid from the Transportation Fund and excluding some expenditures non-related to landscape maintenance (\$1,230,876).

Location	Area (SF)
Public Works	119,457
Cemetery	44,862
Retention Ponds City of Hallandale (Entrance to The City)	44,408
Foster Road	17,604
Dixie Highway (FEC ROW)	353,469
All Medians	363,080
NE 2 <sup>nd</sup> Avenue	39,480
NE 14 <sup>th</sup> Avenue	35,225
Municipal Complex & Cultural Center (approximate)	53,000
<b>Total Square Footage</b>	<b>1,070,585</b>

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### Challenge

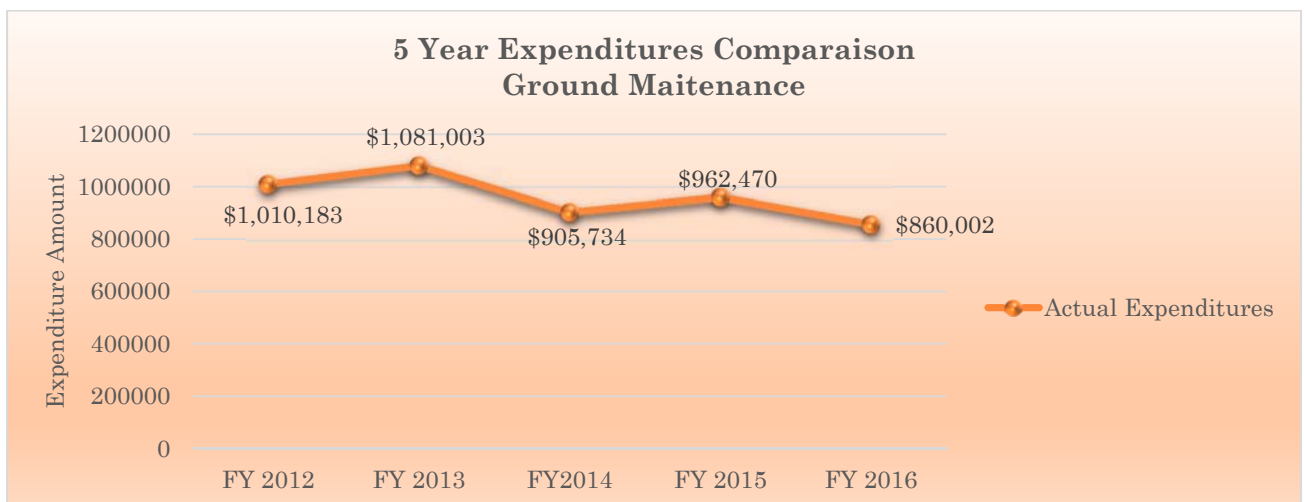
Over the last ten (10) years, the Public Works Landscape Maintenance Division has been the subject of multiple discussions from the City Commission regarding the pros and cons of outsourcing these services. The Division has made significant aesthetic improvements enhancing the appearance of the City's medians by installing various plants, landscape designs, and by overall sprucing the grounds' appearance at City facilities.

To maintain the appearance of improved medians on US 1 between NE 9<sup>th</sup> Street to Pembroke staff is addressing the issue of insufficient/lack of irrigation along these medians. An effective irrigations system is the lifeline allows various plants, trees, palms, and shrubs to thrive and beautify the city's medians.

### Solution

Staff's recommendation is to keep landscape maintenance services in house. Outsourcing grounds maintenance services would lead to the City ceding control of these services to a private contractor, therefore loose the control we currently have to effectively and efficiently manage residential complaints and emergency grounds maintenance issues. In-house staff has the flexibility to add or delete grounds maintenance areas without having to worry about going through the procurement process of amending a landscaping contract. In-house staff has special knowledge of the City's grounds maintenance needs.

Staff has been providing this improved level of service for the past five (5) years without significantly increasing the budget. See the chart below showing the expenditures for the past five (5) year.



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### Summer Study Responses (Survey)

Staff recently released a Request for Information (RFI) to sixty-six (66) Municipalities throughout Miami-Dade, Broward, and Palm Beach Counties to obtain feedback on best management practices and whether Grounds/Landscape Maintenance operations should be outsourced or kept in-house management. The request for information was solicited through the American Public Works Association South Florida network to help obtain these responses. Staff received a total of nine (9) responses throughout Miami-Dade, Broward, and Palm Beach areas. Below is a table showing how the City provide their landscaping services (In-house vs Outsourced) and their level of satisfaction.

<b>Municipalities</b>	<b>Grounds Maintenance Services managed internally (Y/N)</b>	<b>Grounds Maintenance Services Contracted (Y/N)</b>	<b>Hybrid - Entity Contracts Some components of Grounds Maintenance</b>	<b>Satisfaction with Management of Grounds Maintenance</b>
City of Aventura	Y		Y	Satisfied
City of Coconut Creek			Y	Satisfied
City of Hollywood			Y	Satisfied
City of Miami Gardens	Y			Satisfied
City of Miami Springs	Y			Satisfied
City of Sunrise			Y	Satisfied
City of West Park		Y		Satisfied
City of Wilton Manors			Y	Somewhat Satisfied
City of Miami Beach			Y	Fair
Town of Miami Lakes			Y	Satisfied

A series of questions were asked of Operation Managers from these municipalities to understand how neighboring cities were operating their landscaping services (See attached RFI form).

The responses from the various municipalities did not provide much information leaning definitely toward one method of managing landscape services. Many of the cities used some type of hybrid method by contracting certain aspect of the landscaping services.

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The response from the City of Hollywood revealed a unique way of managing the services. The City outsourced its landscape maintenance services to multiple firms. One of the firms failed to comply with the city's maintenance schedule. In response to this non-compliance issue, staff recommended to the City Council to terminate the vendor's agreement and redistribute the work to the remaining approved vendors under contract.

### Conclusion

The main justifications to maintain Grounds Maintenance under in-house are as follows:

- The Division currently has been providing quality service and the cost for the past year has increased by 2.18%.
- Specific training and job knowledge already present with current City staff.
- In-house management provides a better sense of control and accountability.
- In-house management is very proactive and builds a sense of ownership with the job.
- Outsourcing still requires close supervision.
- In-house management allows for quick response to City commission directives.
- In-house management allows better flexibility to quickly shift priorities as directed by the City commission.
- Cost efficient on preventative maintenance and program support maintenance.
- Separation costs (i.e. severance packages for existing employees) would exceed savings in its first year.
- The potential savings to do not justify a priority for transition in FY 17/18. However, senior staff is focused on many other high dollar programs which need attention.
- The NE 14<sup>th</sup> street Contractor charges the city approximately \$46,000 or \$1.31 per square foot for comparable comprehensive landscape maintenance services versus the City's costs (\$1.12) for comprehensive maintenance services (i.e. tree, plant, and sod replacements).

“Staff received a quote from the contractor that will maintain NE 14th Avenue of \$1.31 per square foot. The Landscape Division's will perform the service at \$1.15 per square feet. That is quite competitive!”



**PUBLIC WORKS DEPARTMENT**  
**REQUEST FOR INFORMATION (RFI)**  
**GROUNDS/LANDSCAPE MAINTENANCE SERVICES**

**INTRODUCTION**

The City of Hallandale Beach (COHB) is requesting information from your municipality regarding Ground/Landscape Maintenance services whether managed in-house or outsourced in an effort to help assess the COHB Department of Public Works existing management of Grounds/Landscape Maintenance services. The primary focus of this RFI is to obtain feedback on best management practices of Grounds/Landscape Maintenance Divisions from randomly selected municipalities in the surrounding tri-county areas (Miami-Dade, Broward, and Palm Beach Counties).

Your feedback is extremely important to COHB and would greatly appreciate your participation through providing feedback to a few questions below. Please provide a written response via email to Randy Stovall, Contract & Asset Manager at [rstovall@cohb.org](mailto:rstovall@cohb.org) no later than **Friday, June 30, 2017, at 5:00 pm.** **If you need additional time to complete the short questionnaire, please let me know.**

**QUESTIONS:**

Please see questions identified below and provide written responses to each question. Please be as detailed and specific as possible. If you have any questions, please feel free to contact me directly. I can be reached at 954-457-1615 or [rstovall@cohb.org](mailto:rstovall@cohb.org).

1. Who manages grounds/landscape maintenance services on behalf of the city? In-house or contracted?
2. If contracted, who is the contractor? How satisfied is the city with the contracted services?
3. Approximately, how many employees (Full-time & Part-time) fall under the Grounds/Landscape Maintenance division for your municipality?

4. How much does your municipality pay per square feet for Grounds/Landscape Maintenance services?
5. Approximately, what is the total square feet currently managed under Grounds/Landscape Maintenance services?
6. How satisfied are you with the management and quality of Grounds/Landscape Maintenance services within your city?
7. Please provide an approximate budget dedicated towards Grounds/Landscape Maintenance services for your municipality (The budget amount can be an estimated amount)?
8. Do you believe there are costs savings dedicated to management of Grounds/Landscape Maintenance services for your municipal facilities performed in-house versus outsourced?
9. If yes or no, please provide a brief justification as to why these services would generate costs savings either in-house versus outsourced.
10. In your experience with management of Grounds/Landscape Maintenance services, what would be the comparisons between outsource and in-house? Please explain.