



MEMO

To: Chris McCartt, City Manager
CC: John Morris, Budget Director
From: Michael T. Borders, Assistant City Manager
Date: February 2nd, 2023
Regarding: Ford F-150s/Mowing Contract Analysis

Purchase of 2 F-150 Trucks for the Leisure Services Maintenance

The purchase of one F-150 trucks for Leisure Services Maintenance is for performing mowing for various leisure services facilities that were previously contracted. The other F-150 truck is to purchase an additional vehicle for LSM so that employees are not reliant on sharing vehicles. Currently, some employees are doubled up in vehicles and perform tasks that would otherwise be a one-person job. An additional vehicle will increase the labor utilization of LSM.

Currently, through the State contract there are 3 F-150 or similar trucks available in the entire state. This includes various models of Fords, Chevys, and Dodges including mid-sized trucks.

At the February 21st BMA meeting the board will be considering on first reading an ordinance to authorize two additional positions to perform the mowing at these facilities.

We are requesting the approval of the vehicle purchases before the ordinance to ensure that vehicles are available, received, and outfitted prior to the mowing season.

The following is an analysis of the Mowing Contract:

Background

Historically, the City has bid out some of the mowing that is the responsibility of the Grounds and Leisure Services Maintenance (LSM) crews. Due to contractor performance issues we terminated the agreement with Phillips Landscaping in August 2022. The remainder of that contract was awarded to Thomas Quality Landscaping for the remainder of the 2022 mowing season. The price per mow to more than double from an annual contract, 36-week, price of **\$110,412 vs. \$253,440** between Ground and LSM.

With the quality issues the Purchasing Department issued a mowing RFP in December with proposals being opened in January. There was a total of three proposals received with only one bidder giving a price for all the requested mowing sites. Thomas Quality Landscaping was the only bidder and increased their contract price to **\$292,230 annually (\$162,180 for LSM)**. The only additional mowing area from the 2023 contract was the Scott Adams Memorial Skatepark at \$300/mow.

Recommendation

LSM is recommending that we hire 2 full-time personnel, purchase 1 truck with trailer, and 2 mowers.

Cost Analysis – Yearly LSM

2 Employees base Salary: \$63,954

FICA: \$4,892

TCRS: \$5,755

Health Ins. (all family) = \$31,986

Other @ 2% = \$1,279

Personnel Costs: \$107,866

Depreciation: ~\$12,000 (5-year straight line schedule)



R&M: \$3,600
Ins: \$450
Materials: \$2,000
Other: \$4,000
Total Other: \$22,050

Total Est. Cost Annually: \$129,916

Note: Salary, health insurance, depreciation, R&R are estimates.

Cost Analysis – Upfront Est.

1 Trucks & Trailers = \$48,000
2 Mowers = \$32,000
Total Upfront Cost: \$80,000

Benefits

1. **Labor Hours:** After accounting for holidays, vacation, and estimated sick time we estimate we will receive an additional 10 weeks of non-mowing labor hours per employee. This will allow us to:
 - a. LSM – Dedicate an additional 20 weeks of labor hours to dedicate towards parks projects, greenbelt cleanups, vegetation removal, and Christmas projects.
2. **Mowing Quality:** Performing these services in house will allow greater control of the quality.
3. **Timing:** We have had issues with the timing of mowing in both the time of day when parks are in use as well as frequency of mowing.

Effect on Budget

LSM is currently budgeted \$156k for contracts. We are on track for the current year to spend \$178k for a *deficit* of **\$22k**. For the FY24 budget the budget will need to increase approximately **\$86k** for mowing contracts or approximately **\$54k*** for the operations budget of hiring 2 full-time personnel.

**Based on annualized cost, would be less dependent upon when employees/equipment was purchased.*

LSM is currently budgeted \$100,000 in equipment purchases that would cover the majority of the costs associated with purchasing the mowing equipment. The remainder of the equipment is purchased through an equipment fund in the Leisure Services Administration Department.