



CITY OF

NEWPORT BEACH

City Council Staff Report

September 23, 2025
Agenda Item No. 17

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Approval of Amendment No. One to Maintenance and Repair
Services Agreement for Landscape Services for Parks and Facilities
with Merchants Landscape Services, Inc. (Contract No. 8772-1)

ABSTRACT:

The City of Newport Beach utilizes contract services to perform landscape maintenance at City parks and facilities. As part of the agreement, Merchants Landscape Services, Inc. (Merchants) performs an extensive number of on-call services, such as emergency storm response, athletic field work, irrigation part replacement, plant replacement, landscape enhancement and City street tree planting. Due to the high level of on-call work to date, as well as anticipated work for the remainder of the agreement term, staff requests a \$1,300,000 increase to the on-call portion of the agreement for the remaining term.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve Amendment No. One to the Maintenance and Repair Services Agreement with Merchants Landscape Services, Inc. for Landscape Services for Parks and Facilities to increase the on-call portion of the contract by \$1,300,000 for a new on-call NTE amount of \$4,300,000 and a total NTE amount of \$14,450,000 and authorize the Mayor and City Clerk to sign the amendment.

DISCUSSION:

The Agreement encompasses 257 acres of landscape with approximately 43 acres of sports fields spread out over 72 sites throughout the city. The sites maintained range from large active sports parks, such as Sunset Ridge Park with a newly added parking lot and pedestrian bridge, to smaller pocket parks, such as Galaxy View Park. The agreement covers facilities, such as the Police Department and City fire station landscaping, and maintenance of certain natural mitigation sites, such as Big Canyon.

The current five-year agreement with Merchants was entered into on January 1, 2022, at a total NTE of \$13,150,000. The on-call portion of the contract was initially set at an NTE of \$3,000,000, or approximately \$600,000 per year. Typical on-call services include emergency storm response, traffic accident repairs, irrigation part replacements, unforeseen plant replacements, athletic field renovations (such as new sod), landscape enhancements, City street-tree plantings, clean-ups, repairs and plantings due to vandalism. Merchants' on-call services have been utilized throughout the initial years of the agreement more than anticipated. For example, unprecedented storms over the early years of the contract resulted in Merchants assisting with emergency storm response services including beach sand clean-ups at Newport Pier Plaza and Peninsula Park. Replacement of plant material and the cost of irrigation parts for repairs has increased due to inflation and supply chain issues. Merchants assisted with several large re-sodding jobs, including sizeable athletic field renovations at Bonita Canyon Sports Park, Mariners Park, Irvine Terrace Park and Lincoln Athletic Center. They also provided athletic fieldwork requested by the City's youth sports groups, which is funded by user fees but affects the NTE.

Several landscape projects on the horizon will require Merchants' assistance (e.g. Police Station parking lot irrigation retrofit and landscape). These improvement and rehabilitation needs are expected to stay consistent throughout the remainder of the contract term.

The table below shows some of the typical expenditures over Merchants' initial term and the approximate annual cost associated with each. The table is not inclusive of all types of on-call work performed.

Typical Expenditures	Average Cost	Annual
Irrigation Repair Parts	\$230,000	
Plant Replacements and Hydroseeding	\$130,000	
Sod Work	\$160,000	
Tree Replacements (Accidents and Street Trees)	\$40,000	
Landscape Enhancements (smaller non-CIP type work)	\$245,000	

Staff is satisfied with the level of service and value Merchants provides and receives many compliments from the public and other departments regarding the contractor's maintenance and customer service. Merchants' supervisors and field staff have developed detailed working knowledge regarding the intricate landscaped areas that make up the contract. Finally, Merchants management has not requested an increase in the contractor's billing rates, thus there is a value-added benefit with the amendment for additional on-call work.

Consequently, to maintain high quality and attractive parks and facilities, staff is requesting an increase to the on-call portion of the agreement by \$1,300,000 for a new on-call NTE amount of \$4,300,000 and total overall NTE of \$14,450,000 for the five-year term of the contract.

FISCAL IMPACT:

The adopted and future planned operating budgets include sufficient funding for this amendment. It will be expensed to the following Public Works Department accounts:

Account Name	Org Number	Account Number
Contract Services - Parks	0108031	811017
Public Landscape Enhancements	0108031	911008
Contract Services - Trees	0108032	811017
Maintenance and Repair Damage	0108031	851014
Maintenance Irrigation Repair	0108031	851038
Turf Renovation	0108031	851030

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Amendment No. One to the Maintenance and Repair Services Agreement