

DATE: May 16, 2019

TO: WCA Governing Board

FROM: Deborah Enos, Project Manager

THROUGH: Mark Stanley, Executive Officer

SUBJECT: Item 13: Consideration of a resolution to award a contract grow agreement to El Nativo Nursery for the Duck Farm Park Phase 1A-Step 2 Project

RECOMMENDATION: That the Watershed Conservation Authority (WCA) Governing Board approve the award of a contract grow agreement to El Nativo Nursery for providing 4" potted plants in the species and quantity specified for the Duck Farm Phase 1A-Step 2 Project.

PROJECT DESCRIPTION: In late summer/early fall of 2018 the WCA solicited quotes from a number of Southern California based native plant nurseries that were qualified to be able to supply 4" potted native plants on a contract grow basis at the quantities specified in the Duck Farm Park Phase 1A-Step 2 Landscape Plan Sheets. These nurseries included the following: El Nativo, Tree of Life, Village Nurseries, AF Growers, and others. Only El Nativo and Tree of Life were able to provide quotes on enough of the plant species to be competitive. After evaluation of each of the quotation proposals, it was determined that El Nativo would be best equipped to be able to provide the full list of species in the quantities specified and the quality required at the most competitive prices. See Exhibit A: Proposal Comparison.

The WCA will enter into a contract grow contract with El Nativo Nursery for the 4" potted plants as specified by species and quantity to be installed by Local Conservation Corps at the Duck Farm River Park in accordance with approved Landscape Design for a not-to-exceed contract value of \$40,000.

BACKGROUND: In the Spring of 2018, the WCA determined that the Duck Farm Park Phase 1A-Step 2 Project would benefit from entering into arrangements with the Orange County Conservation Corps and Los Angeles Conservation Corps to provide the labor to plant the 4" potted plants specified for the project through the use of Active Transportation Program (ATP) funding that these Corps' would be able to obtain for use on the project from the California Transportation Commission (CTC). As part of that arrangement the WCA would purchase the required 4" potted plants directly from a qualified Southern California based native plant nursery.

FISCAL INFORMATION: The contract grow agreement with El Nativo Nursery will be funded from Duck Farm Park Phase 1A-Step 2 Project grant funds up to an amount Not-to-Exceed \$40,000. The deposit will also be higher if the material has low resale value, regardless of the container size. Deposit amounts range from 15% to 50% of the total contract value, with an average of 25%. Deposits are non-refundable. A monthly 4% maintenance fee may be incurred if plants are not delivered on time after a 30-day grace period has expired. See Exhibit B: Sample Contract Grow Agreement Terms.

Exhibit A: Proposal Comparison

CODE	QTY	BOTANICAL NAME	SIZE	Tree of Life			El Nativo			
				Total Cost	Unit Cost + tax + shipping	Total + tax + shipping	Unit Cost	Total Cost	Unit Cost + tax+ shipping	Total + tax + shipping
DS	652	ACHILLEA MILLEFOLIUM *	4" POT	\$ 912.80	\$ 1.51	\$ 981.26	\$ 1.25	\$ 815.00	\$ 1.37	\$ 892.43
BP2	2,401	BACCHARIS PILULARIS 'PIGEON POINT'	4" POT	\$ 3,001.25	\$ 1.34	\$ 3,226.34	\$ 1.25	\$ 3,001.25	\$ 1.37	\$ 3,286.37
DS	3,871	DISTICHLIS SPICATA *	4" POT	\$ 5,612.95	\$ 1.56	\$ 6,033.92	\$ 1.25	\$ 4,838.75	\$ 1.37	\$ 5,298.43
ERS	2,588	ERIOGONUM FASCICULATUM *	4" POT	\$ 3,752.60	\$ 1.56	\$ 4,034.05	\$ 1.40	\$ 3,623.20	\$ 1.53	\$ 3,967.40
FCA	17	FRAGARIA VESCA CALIFORNICA *	4" POT	\$ 34.00	\$ 2.15	\$ 36.55	\$ 2.25	\$ 38.25	\$ 2.46	\$ 41.88
KM	3,871	KOELERIA MACRANTHA *	4" POT	\$ 5,612.95	\$ 1.56	\$ 6,033.92	\$ 1.35	\$ 5,225.85	\$ 1.48	\$ 5,722.31
MI	516	MELICA IMPERFECTA *	4" POT	\$ 748.20	\$ 1.56	\$ 804.32	\$ 1.80	\$ 928.80	\$ 1.97	\$ 1,017.04
MUR	3,670	MUHLENBERGIA RIGENS *	4" POT	\$ 5,321.50	\$ 1.56	\$ 5,720.61	\$ 1.40	\$ 5,138.00	\$ 1.53	\$ 5,626.11
OEN	152	OENOTHERA ELATA (HOOKERI)	4" POT	\$ 304.00	\$ 2.15	\$ 326.80	\$ 1.80	\$ 273.60	\$ 1.97	\$ 299.59
PE	317	PLANTAGO ERECTA *	4" POT	\$ 459.65	\$ 1.56	\$ 494.12	\$ 2.25	\$ 713.25	\$ 2.46	\$ 781.01
SB	2,574	SISYRINCHIUM BELLUM *	4" POT	\$ 3,989.70	\$ 1.67	\$ 4,288.93	\$ 1.50	\$ 3,861.00	\$ 1.64	\$ 4,227.80
SP	516	STIPA PULCHRA *	4" POT	\$ 748.20	\$ 1.56	\$ 804.32	\$ 1.95	\$ 1,006.20	\$ 2.14	\$ 1,101.79
TL	5	TRICHOSTEMA LANATUM *	4" POT	\$ 13.75	\$ 2.96	\$ 14.78	\$ 3.50	\$ 17.50	\$ 3.83	\$ 19.16
SUBTOTALS FOR 4" POT PLANTS						\$ 32,799.92				\$ 32,281.31

NOTES:

Both nurseries have waived shipping fees if can deliver full truck loads of plant material to the project site on each delivery. Pricing shown reflects this.

Exhibit B: SAMPLE Contract Grow Agreement Conditions**EL NATIVO GROWERS, INC. TERMS AND CONDITIONS FOR CONTRACT GROWING ARRANGEMENTS**

At El Nativo Growers, Inc., we do not believe in making the contract growing arrangement difficult. In fact, we do whatever we can to work with the customer to determine terms and conditions that are fair for BOTH parties. Our contract terms and conditions almost always fit on a few pages and are clear and straightforward. We have provided explanations of some of the terms and conditions below. And please remember that the terms and conditions are written on a project by project basis.

Terms

Payment terms are most often the same as those established between the two companies prior to the agreement. If a company does not have Net Terms, a credit application can be issued and usually processed within the contract negotiation period. If the application for credit is not approved, payment for the contracted material will be required at the time of delivery.

Deposits

All contract growing arrangements require a deposit to begin the growing process. The amount of the deposit is dependent on the material that is being grown. If the material is being grown in odd container sizes that have little resale value, the deposit will be higher than if traditional containers are used. The deposit will also be higher if the material has low resale value, regardless of the container size. Generally, the deposit amounts range from 15% to 50% of the total contract value. The average deposit is 25%. In almost all cases, deposits are non-refundable. If a project is cancelled or significantly changed, the nursery uses the deposit money to cover the associated costs and loss. If the contract is completed as written, the deposit is always taken off the last invoice(s) for the project, not the first. Unfortunately, we have had several circumstances that have forced this stipulation.

Maintenance Fees

All contract growing arrangements also have maintenance fee allowances. Although we understand that projects are often delayed for a variety of reasons, we are unable to absorb the financial loss from material that is lost or damaged due to the delays. Our standard maintenance rate is 4% of the total contract amount per month. This fee usually starts on the first day of the second month after delivery was supposed to occur (we usually grant a 30-day grace period). There are contracts, however, where the maintenance fees start promptly, often due to the extreme growth rate of specific species, particularly riparian species (Salix, Populus, Platanus, etc.)

As part of the maintenance section, most contracts have payment stipulations if material does not ship after a certain period of time regardless of maintenance charges. In these cases, the client is responsible for payment whether the material has shipped and whether or not it will ship in the future.

Finally, maintenance periods are not indefinite. Each is given a final-end date after which El Nativo Growers, Inc. will not hold plant material and the contractor will not only forfeit the deposit but will likely be responsible for all or a portion of the material being held for the project. In this case, an invoice will be generated and submitted to the client on the final-end date of the contract growing agreement.

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RESOLUTION 2019-24

**RESOLUTION OF THE WATERSHED CONSERVATION AUTHORITY TO
AWARD A CONTRACT GROW AGREEMENT TO EL NATIVO NURSERY
FOR THE DUCK FARM PHASE 1A-STEP 2 PROJECT.**

WHEREAS, the Watershed Conservation Authority (WCA) has been established to facilitate joint projects between the Rivers and Mountains Conservancy and Los Angeles County Flood Control District; and

WHEREAS, The Watershed Conservation Authority has been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects in both the San Gabriel and Lower Los Angeles Rivers watershed; and

WHEREAS, this action awards a contract grow agreement to El Nativo Nursery for the Duck Farm Phase1A-Step 2 project; and

WHEREAS, this action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA).

Therefore be it resolved that the WCA hereby:

1. **FINDS** that this action is consistent with the purposes and objectives of the WCA.
2. **FINDS** that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
3. **ADOPTS** the staff report dated May 16, 2019.
4. **AWARDS** a contract grow agreement to El Nativo Nursery to provide 4" native plants for the Duck Farm Phase1A-Step 2 project up to a not to exceed value of \$40,000.

~ End of Resolution ~

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Motion: _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Resolution 2019-24

Passed and Adopted by the Board of the
WATERSHED CONSERVATION AUTHORITY
On May 16, 2019

Governing Board Chair

ATTEST: _____
David Edsall
Deputy Attorney General