

Background

1. Circle C Common Areas include the landscaped and irrigated areas on all landscaped streets and boulevards, natural and developed parks, amenity centers, and other areas assigned to the Circle C Homeowners Association (CCHOA) by the City of Austin for compensated maintenance. Approximately 300 acres of both irrigated and non-irrigated land is maintained.
2. The landscape costs have historically been about 1/3 of the overall budget, and the CCHOA Board has worked to continue to keep the costs in that range.
3. The CCHOA has a license agreement with the City of Austin to maintain all landscape and irrigation on street rights of way owned by the City of Austin. The City does not reimburse CCHOA, but CCHOA has taken on the responsibility in order to maintain a uniform and attractive appearance.
4. The contractor for the irrigation and landscape maintenance has been Circle C Landscape since 2001.
5. The subdivision has expanded over the past 30 years, with new common areas being added as new subdivisions were built out. Age of the infrastructure is also beginning to play a larger factor in landscape costs, as the need for replacements and repairs is increasing.

Status of the Common Areas

1. The landscape irrigation infrastructure on the original properties was installed in the late 1980s. These 35-year-old systems need to be replaced in many large areas, including Escarpment and Slaughter Lane. This is a large capital expense, which was a consideration in deciding to renew the landscape contract with Circle C Landscape, which already has a thorough knowledge of the existing system.
2. A considerable amount of our vegetation is near the end of its life span and needs replacement and updating to a more water wise option.
3. Recent construction has changed the landscape significantly, and the Board of Directors is faced with the task of how to design for this challenge.
4. The wiring on the irrigation systems has become brittle and failed. Therefore, the irrigation system has become unwieldy and decentralized in some locations. Inefficient solutions such as hand watering and relying on single valve battery operated clocks have been employed. This needs to be remedied, which is a significant capital expense which the board is preparing for by securing and negotiating landscape pricing.
5. New land is still being added to the common areas. Since Circle C is almost built out, these newly added common areas need to be added into the landscape contract.
6. A major long term plan is underway to address these issues in a cost feasible way.

Landscape and Irrigation Maintenance Contract Considerations

1. The landscape and irrigation maintenance agreement is a basic set of specifications to take care of the common areas.
2. Formal bidding proposals were conducted in 2004 and 2008. Circle C Landscape won both proposals.
3. In the 2008 proposal, the bids ranged from \$600,000 to \$1,500,000. At that time, the property did not include the Circle C Community Center, the major maintained acreage of Avana and Greyrock, and the Avana and Greyrock Amenity Centers.
4. Circle C Landscape held their pricing level from 2008 to 2013, adjusting only for added land.
5. In 2013, a new three-year contract was agreed upon, using comparable information, and including Avana and Greyrock. The cost at that time was approximately \$900,000.
6. In 2016, a new proposal and contract was brought to the Board. It included adjusting pricing to accommodate the new market reality in Austin. Skilled labor costs had doubled over the past three years with Austin's high growth rate. We expect this trend to continue.
7. The Board obtained an updated bid from one of the 2008 bidders for \$1,569,456. The Board obtained comparable data from large communities such as Steiner Ranch, Sun City and master planned communities in Dallas. We learned that these communities were paying significantly more than CCHOA, for fewer services and expressed a general dissatisfaction with their vendors.
8. To put the contract out for competitive bid, the consultant's fee was \$25,000 to research the existing system, determine our future needs, and write a Request for Proposal. Given the feedback we had received from other large communities about their landscape contract experience, the Board did not think this would be a worthwhile expenditure.
9. Earlier this year, the Board voted to enter into a revised contract with Circle C Landscape.:

The existing contract covered the four years from January 1, 2017 to December 31, 2020 and had a two year extension option for the period from January 1, 2021 to December 31, 2022. The prices set forth in the existing contract did not include any extra areas added by the CCHOA after the contract was signed (Greyrock Amenity, Barstow Park, Greyrock Park, Antigo Cul de). These areas were added later. The contract price, without the added areas was:

2017:	\$1,149,754
2018:	\$1,207,242
2019:	\$1,267,604
2020:	\$1,330,984
2021:	\$1,397,533
2022:	\$1,467,409

This year, the Board extended the contract for five years (2023-2027), added the new areas mentioned above, kept the prices for 2020-2022 the same, and locked in a price for the next five years at \$1,485,000 per year

At year five of the extension (2027), the contract price was still less than the recent estimate from the 2008 bidder and pricing reported to us by other large communities. In addition, extending the contract

through 2027 allows us to freeze costs and insulate CCHOA from expected rising labor costs, as Austin continues to experience significant growth.

10. The Board had to make a decision relatively quickly, because if it wished to exercise the two-year extension on the existing contract (2020 and 2021), the option had to be exercised on or before October, 2019.
11. The Board discussed the landscape contract extension in public and posted on the Agenda in April, May, and June 2019. During this time we considered the following:
The current six-year (4-year base, 2 year extension) contract was evaluated in 2016. The Board was in favor of executing the two-year extension. We also asked for a further proposal from Circle C Landscape to see if we could secure pricing beyond the two year extension in order to have time to address the following issues:
 - a) Renovating and documenting the failing irrigation systems.
 - b) Dealing with the underground multi-use pathway to be installed by the City of Austin Mobility Project which will greatly affect the irrigation system on Slaughter Lane.
 - c) Documenting all added common and right of way areas and developing standard and consistent specifications for irrigated and non-irrigated areas.
 - d) Implementing the mature vegetation replacement plan.
 - e) Obtaining from our manager a consistent set of specifications that would allow competitive bidding in the future, should the Board choose to do so.
 - f) Getting to a more stable period for landscape and irrigation by eliminating risks to the maintained areas.
12. Circle C Landscape proposed to extend the contract for an additional 5 years at virtually no cost increase . This means stability and sustainability for our common areas without escalating pricing. Locking in a price allowed the board the time needed to plan for significant capital expenditures, i.e. updating the irrigation infrastructure along the Escarpment Loop, which include costs expected to exceed \$1,000,000.
13. Our financial analysis showed that the 5-year extension was advantageous as well as feasible. The CCHOA outside attorney worked on the extension agreement to ensure that all agreed terms were incorporated.
14. The Board is obligated to maintain these areas and provide the best value to the residents. Circle C Landscape not only has given excellent pricing: it also has done an outstanding job, provided professional expertise and has a documented water conservation record. In addition to performing the work set forth in the contract, Circle C Landscape has a track record of providing extensive experience, professional advice, landscape models, and conscientious caretaking of subdivision property.

Additional Considerations

1. Circle C Landscape has employees who have been with the company more than 20 years. Competitors typically hire temporary workers with no institutional knowledge of the property they are working on.
2. Circle C has experienced continued home price appreciation, with continued high quality landscaping service provided by our contractor.
3. Locking in pricing protects Circle C from additional increases in labor costs, which are inevitable as Austin continues to grow.

What the Board is also doing regarding Landscape on the Commons Areas

1. The Board adopted the Landscape and Irrigation Model proposed by Circle C Landscape which provides a consistent landscape look and a coordinated way to approach improvements. These emphasize evaluation of each area, comprehensive planning for each area, a conservation approach to vegetation and irrigation, and a way to phase projects to spread costs.
2. The Board contracted a reserve study that showed approximately \$7 million (in addition to annual maintenance and repairs) should be spent on our aging infrastructure over the next 30 years.
3. The Board contracted with Trent Rush, landscape architect, for a new irrigation and landscape design for Escarpment from the north at the dam to Aden Lane.
4. The Board worked with the City of Austin on eliminating roadway to be taken out of the median on Escarpment, giving us an idea of where to re-locate irrigation infrastructure so it is not damaged in the future. Circle C Landscape attended these meetings as well.
5. The Board is meeting regularly with the Mobility Corridor representatives to monitor the plans for the multi-use pathway. Circle C Landscape attends these meetings as well.
6. The manager of the CCHOA is in contact with all external contractors to recoup funds for damages caused by construction.
7. The Board is continuing a vigorous tree care program to protect the over 4,500 shade trees on the common areas.

What do I do if I am concerned about something in my area regarding landscaping?

1. If you have a suggestion or concern, please contact Karen Hibpshman, CCHOA Manager at info@circlecranch.info or 512-288-8663.