



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 14-0516, Version: 1

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Authorization to Modify an Existing Contract for Traffic Signal Preventative Maintenance and Repair Services (F14-82)

#### **REPORT IN BRIEF**

Approval is requested to modify an existing multi-year traffic signal maintenance agreement with Aegis ITS, Inc. (formerly known as Team Econolite Traffic Engineering and Maintenance, Inc. prior to merging with their parent company) to increase the contract by \$150,000, from \$1,632,444 to \$1,782,444. Approval is also requested to delegate authority to the City Manager to modify the final year of the contract within budget appropriation control limits if necessary, as more fully explained below.

#### **ENVIRONMENTAL REVIEW**

N/A

#### **BACKGROUND AND DISCUSSION**

Following a competitive Request for Proposals (RFP) process, Council awarded a multi-year contract to Team Econolite in August 2010) RTC No. 10-228, now Aegis ITS, to provide routine scheduled maintenance and non-routine traffic signal repair services for the Transportation and Traffic Division of the Department of Public Works. Routine preventative maintenance is conducted quarterly based on a fixed amount, while non-routine repair services occur on an as-needed basis. Some examples of non-routine repairs include malfunctioning traffic signals, vehicular collision knock downs, and damage due to weather events or vandalism.

The 2010 Council award delegated authority to the City Manager to annually extend the contract through June 30, 2015. These contract extensions were/are based on budgeted amounts for both routine and non-routine services, the latter however being difficult to predict due to collisions and other damage. In FY 2013/14, a total of \$464,661 is budgeted for traffic signal repairs (\$82,161 for scheduled maintenance and \$382,500 for non-routine repairs). The amount budgeted for non-routine repairs is insufficient to cover the cost of three larger signal pole knockdowns which occurred over the past several months that required immediate repairs. An additional \$150,000 will be needed to cover these unanticipated expenses through June 30, 2014.

#### **FISCAL IMPACT**

The current contract not-to-exceed value is \$1,632,444, which consists of \$302,944 for routine maintenance and \$1,329,500 for non-routine maintenance (these are cumulative totals since contract inception in 2010). If amended, the total value of the contract will increase to \$1,782,444 through June 30, 2014. The additional expenses can be absorbed in Operating Program 119 (Transportation and Traffic Services). The contract will be renewed for the final year in accordance with budgeted

amounts. Should there be extraordinary collision damage that requires expenditures higher than budgeted/included in the agreement, staff recommends that authority be delegated to the City Manager to increase the contract so long as the added expense can be absorbed within Operating Program 119 or re-appropriated within the Department of Public Works, consistent with current Council policies regarding budget appropriation control. It is important to note that, when a traffic signal is knocked down, staff does pursue reimbursement from the driver's insurance company or from the driver when no insurance is present. These collection efforts do not recover 100% of the cost, but do help to offset the fiscal impact of these accidents.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

1) Approve modification of an existing contract with Aegis ITS Inc. to increase the not-to-exceed value by \$150,000 for a total contract amount of \$1,782,444 and 2) delegate authority to the City Manager to amend the final year of the contract to increase the not-to-exceed value if necessary and within existing Council policies for budget appropriation control.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace Leung, Director, Finance

Reviewed by: Kent Steffens, Director, Public Works

Approved by: Robert A. Walker, Interim City Manager

### **ATTACHMENTS**

1. Draft Fourth Amendment to Service Agreement