



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Award of a Contract for Traffic Signal Maintenance and Repair Services (RFP F15-83)

REPORT IN BRIEF

Approval is requested to award a one-year contract in an amount not-to-exceed \$584,772 to Aegis ITS, Inc., of Anaheim to provide preventive traffic signal maintenance and non-routine repairs as required by the Public Works Traffic and Transportation Division. Approval is also requested to delegate authority to the City Manager to extend the agreement up to four additional years depending upon acceptable pricing and service, and to increase the contract within budget appropriation control limits if necessary, as more fully explained below.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review because it is not a project within the meaning of the California Environmental Quality Act (CEQA) as it involves an administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guideline 15378(b)(5).)

BACKGROUND AND DISCUSSION

The City of Sunnyvale currently operates and maintains 130 traffic signals, ten in-road warning lights (IRWL), and four flashing beacon systems. Traffic signal maintenance and repair involves ongoing and regular field preventive maintenance and the repair of traffic signals and other associated equipment. Current service levels require quarterly preventive maintenance on all signals and more comprehensive maintenance on an annual basis. In addition to scheduled maintenance, as-needed services are required to repair malfunctioning or damaged traffic signals due to equipment failure, vehicular collisions, vandalism, or weather events.

Historically, these services have been provided by traffic signal maintenance companies through contracts awarded as the result of competitive Request for Proposals (RFP) processes. The previous RFP was conducted in 2010, with a multi-year contract awarded by Council to Aegis ITS, formerly known as Team Econolite (RTC No. 10-228). With the current contract scheduled to expire June 30, 2015, a new RFP was issued at the end of March. The RFP process was selected because, unlike an Invitation for Bids, it allows for consideration of factors in addition to cost to ensure that the best overall value is provided to the City.

RFP No. F15-83 was broadcast to potential contractors through the DemandStar by Onvia public procurement network. Three traffic signal maintenance firms requested the RFP. One responsive proposal was received from Aegis ITS. Representatives from the Department of Public Works rated the Aegis proposal on qualifications, experience, maintenance management systems, references and overall proposal cost/value. Given Aegis' qualifications, experience, and acceptable service over a long tenure with the City (at least ten years as the result of two competitive RFP processes), staff

recommends awarding the contract for another term.

Although only one proposal was received, there are a limited number of firms in the area that provide this service, including Aegis, Bear Electrical Solutions and Republic ITS (recently acquired by Siemens). Both Bear and Siemens declined to submit proposals.

Impact of Prevailing Wages on Contract Cost

Historically, the City has not required the payment of prevailing wages for maintenance work such as traffic signal repair. With last year's passage of Senate Bill 7, which requires Charter cities to pay prevailing wages in order to continue to be eligible for State funding for construction projects, the City opted to amend Chapter 2.09 of the municipal code to comply with the new law (RTC No. 14-1007). This requirement became effective January 1, 2015.

At the time the ordinance was adopted, staff indicated that cost increases would occur for contracts that previously did not require prevailing wages. In this instance, the cost for scheduled preventive maintenance will increase by 35%, from \$85,850 to \$115,809 (the increase would have been higher but Aegis provided a 21% reduction in annual scheduled maintenance for 130 traffic signal locations based upon scope clarifications requested by staff). The unit costs for as-needed repair services (equipment and/or labor), such as controller cabinet testing, loop installation and signal pole knockdowns, include considerable variability: Price increases range from 7% to 34%, along with decreases of 20% to 37% for signal loop installation. Annual cost increases the *lesser* of 2% or CPI are planned over the five-year contract period.

The current Aegis contract which expires on June 30 was increased by \$150,000 for the final contract year due to extraordinary collision damage repair (RTC No. 14-0516). The 2014 Council approval included delegated authority to the City Manager to increase the contract within existing Council policies for budget appropriation control if additional funds were needed for collision repairs. Similar delegated authority is requested for the new contract period.

FISCAL IMPACT

The annual contract amounts for traffic signal maintenance are based on known costs for preventive maintenance (which consist of quarterly and annual schedules for a defined number of locations) and estimated costs for as-needed repairs, the latter being very difficult to predict due to collisions or other damages. These amounts are budgeted in Operating Program 119 (Transportation and Traffic Services) in the General Fund.

For FY 2015/16, a total of \$555,619 is budgeted for these services, which consists of \$86,656 for planned maintenance and \$468,963 for as-needed repairs. The budgeted amount for planned maintenance is insufficient to cover the proposed fixed cost of \$115,809. The additional amount can likely be absorbed in Program 119, but if extraordinary collision damage occurs, additional funding may be needed.

Staff therefore 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. If additional costs cannot be absorbed or re-appropriated within the department, a Budget Modification may become necessary later in the year or during the subsequent

renewal period(s).

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 offset the fiscal impact of these accidents. Year to date, the City has recovered approximately \$86,700 in revenue from traffic signal damage.

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 a one-year contract in an amount not to exceed \$584,772, in substantially the same form as the attached draft to AegisITS, Inc., to provide routine traffic signal maintenance and non-routine repair services; 2) delegate authority to the City Manager to extend the contract for up to four additional years depending upon acceptable pricing and service; and 3) delegate authority to the City Manager to increase the contract value if necessary and within existing Council policies for budget appropriation control.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director, Finance

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Yvette Blackford, Senior Management Analyst

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Draft Agreement for Services