



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

---

File #: 16-0747, Version: 1

---

### **REPORT TO COUNCIL**

#### **SUBJECT**

Amendment to a FY 2015/16 Agreement for Traffic Signal Maintenance Services and Approve Budget Modification No. 38 (F17-003)

#### **REPORT IN BRIEF**

Approval is requested to amend a contract with Aegis ITS, the City's traffic signal maintenance provider. The Agreement in the amount of \$548,772, which expired June 30, 2016, has been exceeded by \$108,739 due to multiple traffic collisions resulting in significant damage to traffic signal equipment. Council approval is required in order to pay the outstanding invoices.

#### **EXISTING POLICY**

Pursuant to Section 2.08.040(d), transactions greater than \$100,000 must be approved by the City Council.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

#### **BACKGROUND AND DISCUSSION**

The City contracts annually with Aegis ITS for traffic signal preventive maintenance and emergency non-routine repairs. Preventive maintenance is performed both quarterly and annually to ensure that the traffic and pedestrian signals equipment are in good working order, whereas emergency non-routine repairs cover replacements and repairs of equipment due to mechanical failures and vehicular hits. To ensure the safety of both vehicular and non-vehicular traffic, the non-routine repairs are performed immediately upon occurrence.

The City's FY 2015/16 Agreement with Aegis ITS was established at \$584,772, as approved by Council on June 23, 2015. Of this amount, \$115,809 was utilized for scheduled maintenance and \$468,963 was programmed for non-routine collision and emergency repair based on past average experience. During the fiscal year, a total of 10 locations had collision-related damages and various emergency repairs such as traffic signals not functioning amounting to \$577,702 or \$108,739 more than what was budgeted and programmed into the Agreement. Because of the timing of the incidents during the year, and the need to make repairs quickly to maintain safety, and the time between work and final invoicing, the contract amount was exceeded before staff could bring it back to Council. On June 13<sup>th</sup>, staff notified Council that the Department of Public Works budget was going to be exceeded for these reasons, and indicated a cleanup item would be brought back to Council once all costs were known. Staff is bringing forward the recommendation to amend the

contract and the budget modification at this time as the full cost for all repairs completed in FY 2015/16 is now known.

It should be noted 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. Often, due to timing, the recovery of revenues can take time, sometimes spanning fiscal years. These collection efforts do not recover a significant amount of the cost, but do help offset the fiscal impact of these accidents. For FY 2015/16, staff estimates that approximately \$40,000 was recovered related to pole knockdowns.

### **FISCAL IMPACT**

Traffic signal maintenance and repairs are funded by the General Fund in the Department of Public Works Transportation and Traffic Services operating program. While routine maintenance costs have been within budget, the City has experienced an elevated level of non-routine and emergency repairs in FY 2015/16. In addition to the cost of the ten collision-related damage repairs, emergency calls have also increased over 55% from the prior year. Actual expenditures for the program exceed the original budget. A budget modification is required to address the higher than anticipated level of non-routine repair work and to enable the program to pay outstanding Aegis ITS invoices.

Budget Modification No. 38 has been prepared to appropriate an additional \$108,739 from the General Fund Budget Stabilization Fund reserve to the Transportation and Traffic Services operating budget.

### **Budget Modification No. 38**

#### **FY 2015/16**

	Current	Increase/ (Decrease)	Revised
<b><u>General Fund</u></b>			
<b><u>Expenditures</u></b>			
Program 119 - Transportation and Traffic Services	\$2,323,854	\$108,739	\$2,432,593
<b><u>Reserves</u></b>			
Budget Stabilization Fund Reserve	\$49,913,357	(\$108,739)	\$49,804,618

### **Funding Source**

The funding source is the General Fund.

### **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**

Authorize the City Manager to execute an amendment to the FY 2015/16 Agreement with Aegis ITS adding \$108,739 and increasing the not-to-exceed value from \$584,772 to \$693,511, in substantially the same form as Attachment 1 to the report and approve Budget Modification No. 38 for Fiscal Year 2015/16.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

## **ATTACHMENT**

1. Draft Amendment to Service Agreement