



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Amend an Existing Agreement for Traffic Signal Maintenance Services and Approve Budget Modification No. 34 in the Amount of \$204,906 (F17-089)

#### **REPORT IN BRIEF**

Approval is requested to amend an existing contract with Aegis ITS, the City's traffic signal maintenance provider, increasing the not-to-exceed value from \$1,382,978 to \$1,587,884. Approval is also requested for Budget Modification No. 34 in the amount of \$204,906 to provide additional funding.

#### **EXISTING POLICY**

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

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

#### **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 nonroutine 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 current contract with Aegis was approved by Council on June 23, 2015 as the result of a Request for Proposals (RFP) process (RTC No. 15-0589). Council approval included a one-year agreement and delegation of authority to extend the contract for up to four additional years, subject to available budgeted funding and acceptable pricing and service. Under the City Manager's delegated authority, the agreement was extended by one year in July 2016 and Council approved additional funding in the amount of \$108,739 for Fiscal Year 2015/2016 in August 2016 due to collision-related

damages and various emergency repairs (RTC No. 16-0747). The total value of the two-year agreement is \$1,382,978.

Since the beginning of the current fiscal year, infrastructure repairs have increased in comparison to prior years due to the age of the traffic signal infrastructure and deferral of maintenance during the last economic downturn and subsequent slow recovery; staff has received an increased amount of customer service requests to address signal issues; and unanticipated increased requests for Underground Service Alert (USA) marking services. Given the current spend rate, staff recommends the approval of a budget modification in the amount of \$204,906 and related amendment of the contract to fund these additional expected services.

**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 and has provided a much higher level of utility locator services than anticipated. As part of the Fiscal Year 2017/18 budget process, staff will be evaluating the ongoing funding need for traffic signal maintenance.

Staff does pursue reimbursement from the offending driver's insurance company or from the driver when the driver is uninsured. These collection efforts do not recover 100% of the cost to repair the traffic signal, but do help offset the fiscal impact of these accidents. Year to date, the City has recovered approximately \$70,000 in revenue from traffic signal damage.

Budget Modification No. 34 has been prepared to appropriate additional funding for Transportation and Traffic Services.

**Budget Modification No. 34  
FY 2016/17**

	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b>General Fund</b>			
<u>Reserves</u>			
Budget Stabilization Fund	\$50,258,300	(\$204,906)	\$50,053,394
<u>Expenditures</u>			
Program 119 - Transportation and Traffic Services	\$2,321,585	\$204,906	\$2,526,491

**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 existing contract with Aegis ITS adding \$204,906 and increasing the not-to-exceed value from \$1,382,978 to \$1,587,884 in substantially the same form as Attachment 1 to the report; and 2) approve Budget Modification No. 34 in the amount of \$204,906.

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 Services Agreement