



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 04/07/2026

ITEM NO: 9

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DATE: April 7, 2026  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: **Authorize the Town Manager to Execute a First Amendment to the Agreement for Services with Bear Electrical Solutions LLC to Increase the Scope of Work and Compensation for Fiscal Year 2025-26 and Fiscal Year 2026-27 for a Total Agreement Amount Not to Exceed \$982,907**

**RECOMMENDATION:** Staff recommends that the Town Council authorize the Town Manager to execute a first amendment to the agreement for services with Bear Electrical Solutions LLC to:

- a. Increase the scope of work and compensation for Fiscal Year 2025-26 to include additional funds for unforeseen repair services in the amount of \$40,000, assessment services for the Advanced Traffic Management System (ATMS) in the amount of \$12,500, and ATMS management services in the amount of \$3,520;
- b. Increase the scope of work and compensation for FY 2026-27 to include additional funds for unforeseen repair services in the amount of \$40,000 and ATMS management services in the amount of \$21,120, for a total agreement amount not to exceed \$982,907; and
- c. Exercise the first-year option to extend the contract for FY 2026-27 services in the amount of \$225,203.

**FISCAL IMPACT:**

There are sufficient funds in the Parks and Public Works Streets and Signals Program FY2025-26 operating budget (1115401-63364) to support the recommended action. Future fiscal year funding is subject to operating budget appropriations made during the Town's annual budget

**PREPARED BY:** Mike Vroman  
Senior Traffic Engineer

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

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process. The FY 2026-27 proposed agreement amount has been included in the Department's proposed FY 2026-27 operating budget.

STRATEGIC PRIORITY:

This item does not directly address a Strategic Priority; however, it aligns with the Core Goal of Quality Public Infrastructure and Public Safety. The proposed work ensures safety for all users through the maintenance of the Town's streetlights, traffic signals, and various traffic safety equipment.

BACKGROUND:

The Town of Los Gatos contracts services for the routine maintenance and repair of traffic signals, streetlights, parking lot and park lights, and underground utility locating services relating to the electric services within the Town's jurisdiction. On June 17, 2025, the Town Council authorized the execution of a five-year Agreement for Services (FY2025/26 through FY2029/30) with Bear Electrical Solutions LLC for a total amount not to exceed \$865,767. Contract services include repairs and upgrades on an as-needed basis, periodic inspections, testing of the equipment, and lamp replacements. Underground utility locating services involve responding to Underground Service Alert (USA) requests to identify and mark the Town's underground infrastructure at construction sites prior to any digging operations. The original agreement established an initial term through June 30, 2026, with up to four additional one-year extensions, subject to appropriation of funds and Town exercise of the option.

DISCUSSION:

The requested amendment reflects higher-than-anticipated repair demand associated with aging infrastructure and increased service needs, as well as the opportunity to consolidate ATMS system management under a single qualified contractor to improve system reliability, response time, and operational efficiency.

Staff monitors the amount of unforeseen costs that occur on a year-to-year basis. Unforeseen costs include repair services for inoperable traffic signals, streetlight repairs, as well as parking lot and park light repairs, maintenance and repair of radar speed feedback signs and crosswalk warning lights, signal equipment knockdowns, and other unforeseen repairs of the Town's aging infrastructure. The Town has experienced higher-than-average unforeseen repair costs this fiscal year, and staff is returning to the Town Council to request additional funding to address these needs.

The Town's signal system is managed through an automated Advanced Traffic Management System (ATMS). Staff recommends that the management of this system be provided by Bear Electrical Solutions LLC, in addition to their other services, per Exhibit A of Attachment 1. This

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work will be funded out of the Parks and Public Works Streets and Signals Program FY2025-26 operating budget (1115401-63364) for the remainder of FY2025-26 and is proposed for funding from that same program in FY2026-27. Consolidating ATMS management with the Town's signal maintenance contractor reduces operational risk, improves system integration, and ensures timely response to system issues that directly affect traffic safety and mobility.

Through this amendment, the contractor will provide comprehensive preventive and corrective maintenance, monitoring, and technical support for the Town of Los Gatos ATMS. The intent is to ensure the continuous, reliable, and safe operation of all central software, communication networks, and field hardware associated with the Town's traffic management infrastructure, which improves multimodal safety and traffic operations; improves travel time for vehicles, bicycles and pedestrians; improves the ability to plan for and respond to variable traffic volumes and patterns; and helps traffic congestion issues on Los Gatos Boulevard, Blossom Hill Road and Winchester Boulevard. The proposed amendment will ensure continuity of operations.

Attachment 1 contains the first amendment, which includes the ATMS management as described above, and Attachment 2 is the original agreement. The table below depicts the original contract and amendment amounts, increasing the total five-year contract amount not to exceed amount to \$982,907.

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<b>Bear Electric LLC Contract Details</b>			
<b>Contract Not to Exceed</b>			<b>Total \$ 982,907</b>
<b>Year 1 - FY2025-26</b>		<b>Year 1 Total \$ 235,324</b>	
Basic Services Covered Annually by the Agreement			
	Lighting and Traffic Signal Maintenance - Original	\$ 72,834	
	USA Markings - Original	\$ 31,680	
	ATMS Management - Amendment	\$ 3,520	
		Subtotal	\$ 108,034
Unforeseen Additional Repair Amounts			
	Unforeseen Additional Repairs plus CPI - Original	\$ 54,790	
	Unforeseen Additional Repairs - Amendment	\$ 40,000	
		Subtotal	\$ 94,790
One-time Service			
	Blossom Hill Park Tennis Court Lighting Replacement - Original	\$ 20,000	
	ATMS System Assessment - Amendment	\$ 12,500	
		Subtotal	\$ 32,500
<b>Year 2 - FY2026-27</b>		<b>Year 2 Total \$ 225,203</b>	
	Lighting and Traffic Signal Maintenance - Original	\$ 75,019.02	
	USA Markings - Original	\$ 32,630.40	
	ATMS Management - Amendment	\$ 21,120	
		Subtotal	\$ 128,769
	Unforeseen Additional Repairs plus CPI - Original	\$ 56,434	
	Unforeseen Additional Repairs - Amendment	\$ 40,000	
		Subtotal	\$ 96,434
<b>Year 3 - FY2027-28</b>		<b>Year 3 Total \$ 169,006</b>	
	Basic Services Covered Annually by the Agreement plus CPI	Subtotal	\$ 110,879
	Unforeseen Additional Repair Amounts plus CPI	Average	\$ 58,127
<b>Year 4 - FY2028-29</b>		<b>Year 4 Total \$ 174,076</b>	
	Basic Services Covered Annually by the Agreement plus CPI	Subtotal	\$ 114,204
	Unforeseen Additional Repair Amounts plus CPI	Average	\$ 59,871
<b>Year 5 - FY2029-30</b>		<b>Year 5 Total \$ 179,298</b>	
	Basic Services Covered Annually by the Agreement plus CPI	Subtotal	\$ 117,631
	Unforeseen Additional Repair Amounts plus CPI	Average	\$ 61,667

**CONCLUSION:**

Staff recommends that the Town Council authorize the Town Manager to execute a first amendment to the five-year agreement for services with Bear Electrical Solutions LLC, as recommended above.

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COORDINATION:

This report was coordinated with the Finance Department.

ENVIRONMENTAL ASSESSMENT:

This is a project under CEQA and is exempt under CEQA Guidelines Section 15301. A Notice of Exemption will not be filed.

Attachments:

1. First Amendment to Agreement for Services with Bear Electrical Solutions, LLC, including Exhibit A
2. Original Agreement for Services with Bear Electrical Solutions, LLC