



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/02/2026

ITEM NO: 6

DATE: November, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute a Second Amendment to the Agreement for Services with Bear Electrical Solutions, LLC for Total Compensation Not to Exceed \$1,160,306 and Approve FY 2026-27 Budget Adjustments**

RECOMMENDATION: Authorize the Town Manager to execute a Second Amendment to the Agreement for Services with Bear Electrical Solutions, LLC to add Holiday Plaza Tree and Downtown Tree-Wrap Lighting Upgrades to the scope of work; revise the FY 2025-26 through FY 2029-30 compensation schedule; increase the agreement amount by \$177,399, for a new total not-to-exceed of \$1,160,306; and approve FY 2026-27 budget adjustments totaling \$230,500.

FISCAL IMPACT:

The proposed Second Amendment would increase the total agreement not-to-exceed amount by \$177,399, from \$982,907 to \$1,160,306. The amendment would revise the annual contract compensation limits as follows:

Fiscal Year	First Amendment	Proposed Second Amendment	Change
FY 2025-26	\$235,324	\$114,984	(\$120,340)
FY 2026-27	\$225,203	\$455,703	\$230,500
FY 2027-28	\$169,006	\$190,760	\$21,754
FY 2028-29	\$174,076	\$196,482	\$22,406
FY 2029-30	\$179,298	\$202,377	\$23,079
Total Agreement	\$982,907	\$1,160,306	\$177,399

PREPARED BY: Tyler Thomas
Superintendent

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

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The revised compensation schedule reduces FY 2025-26 contract authority by \$120,340, from \$235,324 to \$114,984 based on actual expenditures. The unused contract authority from FY 2025-26 will offset a portion of the increases for the remaining contract years.

The proposed \$230,500 increase in FY 2026-27 contract authority includes replacement of decorative lighting at the Plaza Park holiday tree for \$78,000, maintenance and repair of existing decorative tree lighting for \$120,000, and reallocated tasks related to Blossom Hill Park tennis court lighting improvements for \$20,000 and the Advanced Traffic Management System (ATMS) for \$12,500. The Parks and Public Works FY 2026-27 operating budget currently includes \$225,203 for the existing agreement. Approval of the Second Amendment would require an additional expenditure budget adjustment of \$230,500 from the General Fund to have sufficient budget for the proposed \$455,703 contract authority.

The revised compensation schedule increases FY 2027-28 through FY 2029-30 contract authority as shown in the table to reflect the addition of ATMS management tasks in the remaining contract years. Funding for future fiscal years remains subject to Town Council approval through the annual budget process.

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 does not have electricians on staff. As such, all electrical services are contracted. In 2025, staff sought proposals from qualified electricians to provide routine inspection and maintenance of Town owned traffic signals, streetlights, and parking lot and park lights. Services also include underground utility locating services on Town property. Underground utility locating services involve responding to Underground Service Alert (USA) requests to identify and mark the Town's underground electrical infrastructure at construction sites prior to any digging operations.

As a result of the request for proposals, on June 17, 2025, the Town Council authorized the execution of a five-year Agreement for Services with Bear Electrical Solutions, LLC (BES) for a total amount not to exceed of \$865,767 for the work described above.

On April 7, 2026, Council authorized the First Amendment to the Agreement for Services with BES. This amendment increased the funding available for unforeseen repairs for FY2025-26 and future years; added funding in FY 2025-26 to conduct an assessment of the Town's Advanced

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Traffic Management System (ATMS) which operates the traffic lights; and added funding in FY 2025-26 and future years to allow BES to provide ongoing support for ATMS operations. These changes increased the total agreement amount to \$982,907.

DISCUSSION:

The Second Amendment adds two new services and associated funding to the BES contract. This staff report also reallocates certain tasks and associated contract authority in FY 2025-26 in the First Amendment to be used for work in FY 2026-27.

New Tasks Proposed in the Second Amendment

- New lights for the Town's Holiday Tree: The holiday tree in Plaza Park has been a staple in the Town for many years. The existing holiday lighting has exceeded its useful life and is no longer functional. The Second Amendment adds funding and modifies the scope to replace the existing lighting with energy efficient LED lighting while maintain the traditional soft white appearance.
- Maintenance and Management of the Downtown Tree Wrap Lights: During the FY 2025-26 budget process, maintenance funding for the Downtown tree-wrap lights along East Main Street and North Santa Cruz Avenue was eliminated as a cost-saving measure. However, staff recognizes that these lights are an important part of the Downtown area, and a modest amount of available funding has been identified to allow for some maintenance on these lights in advance of the holiday season. The Second Amendment adds funding and modifies the scope to allow BES to repair non-functional lighting and/or repairing lights that have stopped working. To the extent funding allows BES will restring the lights on the trees where wiring has become too tight around the trunks.

The combined cost of these new tasks is \$198,000.

Reallocation of Funding from Previously Authorized Tasks

As noted above, the First Amendment added two tasks and funding related to ATMS management and also added funding for unforeseen work. The two ATMS tasks were one-time costs to perform a system assessment and ongoing costs for management of the system. This additional funding was added to the FY 2025-26 operating budget. The ATMS one-time costs are no longer required and not included in the Second Amendment, but the ATMS management costs of \$12,500 are proposed to be added. In addition, the Blossom Hill Park Tennis Court Lights (which were included in the original agreement) were not completed in FY 2025-26 as planned due to scheduling conflicts. This Council action requests restoration of \$20,000 for this item to be completed in FY 2026-27. This staff report requests the reallocation of funding from FY 2025-2026 to FY 2026-27 and new funding as needed to provide the new services added in the Second Amendment. This is described in the Fiscal Impact Section of this staff report.

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As a result of reallocating these tasks from FY 2025-26 to FY 2026-27, \$53,101 in contract authority is proposed to be reallocated from FY 2025-26 to FY 2026-27 to restore funding for the Blossom Hill Tennis Court Lights, ATMS system management and increase the amount for unforeseen items.

CONCLUSION:

Staff recommends that the Town Council authorize the Town Manager to execute a second amendment to the agreement for services with BES and approve the associated budget adjustments.

COORDINATION:

This report was coordinated with the Finance Department.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Second Amendment to Agreement for Services with Bear Electrical Solutions, LLC
2. First Amendment to Agreement for Services and Original Agreement for Services