



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 3/15/2022

ITEM NO: 8

DATE: March 10, 2022

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Authorize the Town Manager to Execute a Second Contract Amendment to the Traffic Signal and Streetlight Maintenance and Underground Service Alert Locating Services Contract with St. Francis Electric, Inc. to Include:

- a. An Increase to the Contract Amount for Fiscal Year 2021/22 in the Amount of \$67,000;
- b. An Expenditure Budget Adjustment in the Amount of \$67,000 from Available Fiscal Year 2021/22 Parks and Public Works Department – Engineering Development Services Program Revenues; and
- c. An Increase to the Remaining Ongoing Annual Contract Amount by a Total of \$50,000 per Year from Fiscal Year 2022/23 to Fiscal Year 2024/25, Subject to the Appropriation of Funds, for a Total Revised Five-Year Contract Amount Not to Exceed \$900,567.

RECOMMENDATION:

Authorize the Town Manager to execute a Second Contract Amendment (Attachment 1) to the Traffic Signal and Streetlight Maintenance and Underground Service Alert (USA) Locating Services Contract with St. Francis Electric, Inc. to include:

- a. An increase to the contract amount for Fiscal Year (FY) 2021/22 in the amount of \$67,000;
- b. An expenditure budget adjustment in the amount of \$67,000 from available FY 2021/22 Parks and Public Works Department – Engineering Development Services Program revenues; and
- c. An increase to the remaining ongoing annual contract amount by a total of \$50,000 per year from FY 2022/23 to FY 2024/25, subject to the appropriation of funds, for a total revised five-year contract amount not to exceed \$900,567.
- d.

PREPARED BY: WooJae Kim
Town Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Director of Parks and Public Works

PAGE 2 OF 4

SUBJECT: Authorize the Town Manager to Execute a Second Contract Amendment to the Traffic Signal and Streetlight Maintenance and Underground Service Alert Locating Services Contract with St. Francis Electric, Inc.

DATE: March 10, 2022

BACKGROUND:

The Town of Los Gatos utilizes contractual services for the traffic signal and streetlight repair and maintenance and underground utility locating services within the Town jurisdiction. Traffic signal and streetlight contractual services include repairs 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. Staff has determined that contractual services would be the most cost-effective delivery method due to technical expertise and specialty equipment required.

On September 15, 2020, the Town Council authorized the execution of a five-year agreement with St. Francis Electric, Inc. to provide traffic signal and streetlight repair and maintenance and USA locating services for a total agreement amount not to exceed \$675,000. The agreement term is from FY 2020/21 through FY 2024/25. Current contract terms stipulate that compensation for each fiscal year would not exceed \$135,000. A new purchase order in the amount of \$135,000 is issued at the beginning of each fiscal year for the service for that year.

On August 3, 2021, the Town Council approved the first amendment to the Operations Contract with St. Francis Electric, Inc. in the amount of \$8,567 for FY 2020/21 to cover the cost overage from a high number of USA requests received for various development and Town capital improvement projects. Council approved the additional amount to be funded from FY 2020/21 Parks and Public Works Department – Engineering Development Services Program (5202), for a total revised contract amount not to exceed \$683,567.

DISCUSSION:

The services needed and resulting costs each fiscal year depend on the number of traffic signal and streetlight repair and maintenance calls and USA requests. The repair and maintenance response services budget is close to full expenditure for this fiscal year. The Town encountered numerous traffic signal repair issues, and staff anticipates more funds are needed to replace and maintain traffic signal cabinets, conduits, wiring, and poles for the remainder of the fiscal year.

The annual appropriation for the underground utility locating services is \$17,000, which accounts for approximately 120 USA requests per year (\$140/USA request). Through January 2022 of this fiscal year, St. Francis Electric responded to 206 USA requests, and staff anticipates that there could be as many as 200 more USA requests for the remainder of the fiscal year due to upcoming utility improvements, private developments, and Town capital projects.

SUBJECT: Authorize the Town Manager to Execute a Second Contract Amendment to the Traffic Signal and Streetlight Maintenance and Underground Service Alert Locating Services Contract with St. Francis Electric, Inc.

DATE: March 10, 2022

DISCUSSION (continued):

An additional \$67,000 is needed for the remainder of FY 2021/22 to continue the contract services by St. Francis Electric without disruptions as summarized below:

Contracted Services	Annual Appropriated Amounts per Services	FY 2021/22 Service Charges to January 2022	Anticipated Needs for Remainder of FY 2021/22	Total Anticipated Needs for FY 2021/22
Response Maintenance (Repairs)	\$ 50,669	\$ 40,780	\$ 37,000	\$ 77,780
Routine Maintenance	\$ 67,331	\$ 38,437	\$ 28,894	\$ 67,331
Utility Locating	\$ 17,000	\$ 28,840	\$ 28,000	\$ 56,840
Total	\$135,000	\$124,056	\$ 77,444	\$201,951
Additional Amount Needed for FY 2021/22				\$ 66,951
Rounded Up to				\$ 67,000

Staff has identified a source of funds for this increase from FY 2021/22 Parks and Public Works Department – Engineering Development Services Program (5202) revenues, where revenues are tracking higher than anticipated.

For the remaining three fiscal years (FY 2022/23 to FY 2024/25) of the five-year agreement with St. Francis Electric, staff is requesting that the Town Council authorize an annual contract amount capacity increase of \$50,000 per fiscal year, increasing the total five-year contract amount not to exceed \$900,567.

Original Contract	\$ 675,000
First Amendment	\$ 8,567 for FY 2020/21
Second Amendment	\$ 67,000 for FY 2021/22 \$ 150,000 for FY 2022/23 to FY 2024/25
Total	\$900,567

This would allow the annual contract amount to increase from \$135,000 to \$185,000 for the next three fiscal years to cover future service level increases. Funding for the FY 2022/23 to FY 2024/25 services would be established during each annual budget process.

PAGE 4 OF 4

SUBJECT: Authorize the Town Manager to Execute a Second Contract Amendment to the Traffic Signal and Streetlight Maintenance and Underground Service Alert Locating Services Contract with St. Francis Electric, Inc.

DATE: March 10, 2022

CONCLUSION:

The Town Council's authorization of the second contract amendment for the traffic signal and streetlight repair and maintenance and USA locating services would allow St. Francis Electric to continue providing the contract services in FY 2021/22 and increase the contract capacity by \$50,000 each fiscal year for the remaining three years of the contract term.

COORDINATION:

This report is coordinated with the Finance Department.

FISCAL IMPACT:

There are sufficient funds available in the FY 2021/22 Parks and Public Works Department - Engineering Development Services Program (5202) revenues for the \$67,000 contract increase of the second contract amendment. The \$150,000 increase for the remaining three fiscal years would be subject to future appropriation of funds during the corresponding annual budget processes.

ENVIRONMENTAL ASSESSMENT:

The actions associated with this item are not a project defined under CEQA, and no further action is required.

Attachment:

1. Second Amendment to Agreement for Services Including Original Agreement and First Amendment