

CITY OF DANA POINT
AGENDA REPORT

Reviewed By:	
DH	X
CM	X
CA	X

DATE: JUNE 25, 2003

TO: CITY MANAGER/CITY COUNCIL

FROM: LAWRENCE D. PIERCE, INTERIM DIRECTOR OF PUBLIC WORKS AND ENGINEERING SERVICES
ROBERT W. GOEDHART, TRAFFIC ENGINEER

SUBJECT: APPROVAL OF AMENDMENT TO AGREEMENT EXERCISING THE REMAINING ONE-YEAR RENEWAL OPTION, FOR TRAFFIC SIGNAL MAINTENANCE SERVICES WITH TRAFFIC SIGNAL MAINTENANCE, INC.

RECOMMENDED ACTION:

That the City Council: (1) approve an amendment to the Traffic Signal Maintenance Agreement with Signal Maintenance, Inc., exercising the remaining one-year renewal option, for the period of July 1, 2003 to June 30, 2004; and (2) authorize the City Manager to execute the amendment document.

ISSUES:

The current Traffic Signal Maintenance agreement expires on June 30, 2003. It is appropriate to consider the one-year renewal option at this time.

BACKGROUND:

A Request for Proposal (RFP) process was initiated in 1999 to obtain the most responsible contractor for the City's traffic signal maintenance. The City Council awarded the contract to Signal Maintenance, Inc. on June 8, 1999 for the initial contract period of July 1, 1999 to June 30, 2000. The special provisions in the original contract with Signal Maintenance, Inc. allowed for the provision of two one-year extensions. The first one-year extension was approved by the City Council on May 23, 2000 for the period of July 1, 2000 to June 30, 2001. A second one-year extension was subsequently approved by City Council for the period of July 1, 2001 to June 30, 2002. On May 28, 2002, the City Council approved an amendment to the agreement which extended the contract to June 30, 2003, with the further provision that the City could exercise an option for an additional one-year extension to June 30, 2004.

DISCUSSION:

Signal Maintenance, Inc. provides traffic signal maintenance services by contract to the majority of cities in Orange County as well as many other public agencies throughout California. They have been providing these services to Dana Point since July 1, 1999 and have consistently met the performance measures required in their agreement with the City.

In the years that Signal Maintenance, Inc. has held the signal maintenance contract, they have consistently provided high-quality service and are responsive to staff's requests and needs. Signal Maintenance Inc. has agreed to the proposed one-year extension. The monthly maintenance costs for regular maintenance of the City's traffic signals and flashing beacons would remain unchanged. However, Signal Maintenance, Inc. is requesting a change in the hourly rate structure for labor for any extra work items under the contract. Such work items are historically a very small fraction (in the range of \$3,000 for 2002) of the total dollar cost of services Signal Maintenance, Inc. provides for the City. The reason for this requested change is that Signal Maintenance, Inc. has recently been advised by state labor regulators that its extra work services will be required to be paid at prevailing wage rates. Staff has discussed this at some length with Signal Maintenance, Inc. and, since City staff has a high degree of control over the amount of extra work that may be ordered in any one year and since the requested restructuring of the rates may actually save the City unanticipated administrative and reporting burdens in the future, staff believes the requested rate restructuring for extra work is justified.

Staff, therefore, recommends that the City Council approve the contract amendment extending the period of service for an additional one-year term commencing July 1, 2003, and adjusting the labor rates in the contract for extra work as spelled out in the amendment.

NOTIFICATION/FOLLOW-UP:

Signal Maintenance, Inc.

STRATEGIC PLAN IMPLEMENTATION

In compliance with the Strategic Plan Initiative to maintain, modernize, and beautify the City's infrastructure and neighborhoods.

FISCAL IMPACT:

The proposed fiscal year budget includes sufficient funding for the traffic signal maintenance services provided under this contract.

ALTERNATIVE ACTIONS:

1. Reject the proposal and authorize the extension of the current contract on a month-to-month basis and direct staff to advertise a new RFP.
2. Other alternatives as identified by the City Council.

ACTION DOCUMENTS:

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A. Contract [Amendment](#)..... 4

SUPPORTING DOCUMENTS:

B. [Letter](#) from Signal Maintenance..... 6

Action Document A – Contract Amendment

**AMENDMENT
TO AGREEMENT BETWEEN SIGNAL MAINTENANCE, INC.
AND THE CITY OF DANA POINT FOR
PROVIDING TRAFFIC SIGNAL MAINTENANCE SERVICES**

The **CITY OF DANA POINT**, hereinafter referred to as the "City" and **SIGNAL MAINTENANCE, INC.**, located at 2283 Via Burton Street, Anaheim, California 92806, hereinafter referred to as the "Contractor" mutually agree to amend the existing Agreement as follows:

1. The City and Contractor agree to extend the term of this Agreement for one (1) year, beginning July 1, 2003 and ending June 30, 2004.
2. Reimbursement for services beginning July 1, 2003 and ending June 30, 2004 shall be at the rates shown on the attached rate schedule.
3. Except as provided in items #1 and #2, all other terms and conditions of the existing Agreement between the City and Contractor remain in effect.

CITY OF DANA POINT

SIGNAL MAINTENANCE, INC.

By _____
Douglas C. Chotkevys
City Manager

By _____
Leroy J. Ogg, Jr.
President

Date _____

Date _____

Attest:

Susan Ramos, City Clerk

Approved As To Form:

Patrick A. Munoz, City Attorney

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SIGNAL MAINTENANCE

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Signal Maintenance Inc.
 2283 Via Burton St.
 Anaheim, California 92805, U.S.A.
 Telephone: (714) 563-4000
 Facsimile: (714) 563-3178



Lic.# 679111

**Signal Maintenance, Inc.
 Proposed Rate Schedule
 Dana Point 2003/2004**

Full intersection Maintenance each per month	\$71.72
Flashing Lights, each per month	\$30.44
Safety Lights per intersection per month	\$9.29
ISNS per intersection per month	\$9.29

Hourly labor rates:

<u>Description</u>	<u>Regular</u>	<u>Overtime</u>
Superintendent	\$75.00	\$75.00
Signal Maintenance Technician	\$58.27	\$87.41
Laborer	\$58.27	\$87.41
Painter	\$58.27	\$87.41
Engineer Technician	\$80.00	\$90.00

Hourly equipment rates:

<u>Description</u>	<u>Rate/hr.</u>
Flex Lift (Hydraulic)	\$18.58
Pickup Truck	\$10.32
Service Truck	\$10.32
Service Truck with Ladder	\$14.45
Boom Ladder Truck	\$25.80
Concrete Saw	\$25.80
Compressor	\$14.45
Water Truck	\$25.80

*Any equipment used, but not on the above list will be charged at local prevailing rental rates.

Supporting Document B – Letter from Signal Maintenance, Inc.

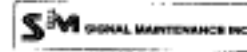
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SIGNAL MAINTENANCE

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2283 Via Burton St.
Anaheim, California 92806, U.S.A.
Telephone: (714) 563-4000
Facsimile: (714) 563-3178



Lic.# 679111

June 17, 2003

The City of Dana Point
Attn: Bob Goodhart
33282 Golden Latah
Dana Point, CA 92629

Dear Mr. Goodhart:

Pursuant to our conversation, Signal Maintenance Inc. is requesting that the City of Dana Point extend our current Agreement to provide the city with Traffic Maintenance Service for one (1) additional year, from the 1st day of July 2003, through the 30th of June 2004. Additionally SMI is requesting that the attached rate schedule be adopted to cover the increased cost of doing business in California. We do not feel that it is necessary to increase rates for the monthly maintenance or equipment at this time, but as the business climate in CA is changing we are paying higher wages than ever before and would like an increase to cover this cost.

We thank you for giving Signal Maintenance, Inc., this opportunity, and we look forward to the continuation of our cooperative working relationship.

If you have any comments, questions or concerns, please call me at 714-563-4000, extension 122.

Sincerely,
Signal Maintenance Inc.

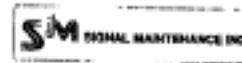
A handwritten signature in black ink, appearing to read "Dave Scott".

Dave Scott
Maintenance Operations Manager

Enclosure



Signal Maintenance Inc.
 2283 Via Burton St.
 Anaheim, California 92806, U.S.A.
 Telephone: (714) 563-4000
 Facsimile: (714) 563-3170



Lic.# 579111

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