

MARIN GENERAL SERVICES AUTHORITY

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MEMORANDUM

DATE: September 8, 2011

TO: MGSA Board of Directors

FROM: Paul Berlant, Executive Officer

SUBJECT: AGENDA ITEM: D: Streetlight Repair Program Contract with Republic ITS and Updated Rate Schedule

Recommendation: Authorize execution of contract with Republic ITS for the second phase of the Streetlight Repair Program and receive the proposed rate adjustment for consideration at the November MGSA Board meeting.

Repair Program: As the Board recalls, \$40,000 has been allocated in the 2011 -12 MGSA operating budget to complete repairs to streetlight poles and fixtures identified in Republic ITS's visual inspections conducted in 2009-10. MGSA and Republic staffs prepared a plan to address the most pressing items, which was commenced in 2010-11 at a cost of \$62,740. The second and last portion of work is the subject of the proposed contract.

At the July 14, 2011 meeting, the Board approved a program which includes the following:

- 1) Replace Damaged Lenses: Standard glassware replacement is included in Republic's routine maintenance. Republic will replace the 89 damaged lenses found during the 2009-10 at \$60 per light, for a total cost of \$5,340.
- 2) Re-numbering Poles: There are 248 "Pole Number Missing" and 333 "Digit Missing" items remaining on the 2009 repair list. Affixing the missing numbers will cost \$9955.
- 3) Painting: The 2009-10 list includes 26 poles which are noted to have "peeling/cracked" paint and "pole rust." Republic will remove flaking and loose paint, clean the pole, apply a prime coat, and paint a final coat. Painting these poles will cost \$24,700.

A contract and Scope of Work is attached as Attachment 1.

Republic staff has agreed to inform the respective city/town staffs of the specific items to be repaired or painted prior to beginning work, so those staffs are aware of the specific work to be done.

Rate Schedule: The streetlight maintenance Rate Schedule was last amended in November 2009, at which time a set of rates for inspection and treatment was approved. The regular maintenance rates were last amended in May 2009. The contract between MGSA and Republic ITS allows for consideration of an annual CPI increase. Paragraph 15 of the agreement, relating to the rate schedule, is shown at the end of this memo. There are a number of issues raised in consideration of a rate adjustment.

With the installation of LED and Induction light fixtures, I asked Republic to propose a maintenance rate for the new lights, reflecting the expected decrease in maintenance costs associated with the new light fixtures. In response, Republic prepared the materials contained in Attachment 4. Paraphrasing from their memorandum, Republic identified the following issues:

- The technologies as applied to public agency streetlights are still relatively new and unproven.
- A national maintenance standard for the fixtures does not yet exist.
- There are not enough agencies that have had these types of fixtures installed and operating for more than two years to determine maintenance and failure histories. There are many US and international manufacturers producing the fixtures, and it is unknown how each product and manufacturer will stand up to exterior seasonal and environmental conditions.
- The large majority of maintenance tasks such as photocell failures, ballast failures due to voltage spikes, dig-ins, knockdowns, etc. are still required.

In order to simplify the current rate schedule, Republic has also proposed creating a “blended” rate for the streetlights not being converted to LED/Induction. Current streetlight maintenance rates were based on the type of ballast technology (High Pressure Sodium, Mercury Vapor, Metal Halide, or Incandescent), lamp wattage and the voltage (120V or 240V). The rate schedule includes over 50 line items. The introduction of LED and Induction type fixtures would add a minimum of another 60 line items depending on the same parameters. The complexity could be increased further if different manufacturers are considered and found significant. Under a blended rate, maintenance fees would either go up or down slightly, based on the current inventory of each MGSA member. The total revenue to Republic would not change.

In addition, given that the last maintenance rate adjustment was done more than two years ago and due to increases in equipment and labor costs, Republic has requested a rate increase. The CPI based on the Bureau of Labor Statistics for the Bay Area since April 2009 amounts to a 4.37% increase.

Republic has prepared a table showing assumed savings from LED/Induction conversions using data that the MEMT staff has collected from cities and the County, the effect of the blended rate, and the increase due to the CPI adjustment.

Attachments:

Draft Contract with Republic ITS

Draft Resolution authorizing execution of the contract

Resolution 2009-09 and 2009 Rate Schedule

Background materials for a proposed amended rate schedule

Paragraph 15 from August 2007 agreement with Republic ITS

15. The Rate Schedules will stay in effect for the duration of this contract. REPUBLIC ITS reserves the right to increase the Rate Schedules at a percentage no greater than the percent increase in the February to February San Francisco-Oakland-San Jose Consumer Price Index as released by the United States Department of Labor on a yearly basis with a maximum inflation increase of 5% per year. In the event the San Francisco-Oakland-San Jose Inflation Index exceeds 5% for a particular year and if REPUBLIC ITS chooses to incorporate the higher inflation rate into the Rate Schedules, the MGSA will have the option to reopen this Agreement and negotiate with REPUBLIC ITS for the remainder of the Agreement. If REPUBLIC ITS chooses to incorporate an inflation increase of 5% or equal to that of the San Francisco-Oakland-San Jose Inflation Index when under 5%, MGSA has no option to reopen this Agreement for negotiations. Any increase will be effective the following July 1. REPUBLIC ITS shall send a notice to each MEMBER by March 15th indicating the increase amount.