

# MARIN GENERAL SERVICES AUTHORITY

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## MEMORANDUM

**DATE:** November 10, 2011

**TO:** MGSA Board of Directors

**FROM:** Paul Berlant, Executive Officer

**SUBJECT:** AGENDA ITEM: C: Streetlight Maintenance Program Rate Schedules

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### Recommendation

This report is to update the Board on what has transpired on this subject since the September meeting. No action is recommended at this time.

### Contract extension and amended Rate Schedule

At the September 8<sup>th</sup> MGSA Board meeting I reported on a proposal to amend the approved Rate Schedule used by Republic ITS in providing streetlight maintenance services to our members. The Rate Schedule was last amended in November 2009, at which time a new set of rates for inspection and repair/treatment was approved. The monthly maintenance rates were last increased 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.

With the installation of LED and Induction light fixtures in several cities/County, I asked Republic to propose a maintenance rate for these new fixtures, recognizing the expected decrease in maintenance costs. In response, Republic prepared a proposal reflecting expected reductions in maintenance work. Republic also proposed an overall new rate structure in an attempt to simplify the current rate schedules and requested a rate increase based on the increase in CPI since the last change. Paraphrasing from their memorandum, Republic identified the following issues associated with LED/Induction fixtures:

- The LED/Induction technologies as applied to public agency streetlights are still relatively new and unproven.
- A national maintenance standard for LED/Induction fixtures does not yet exist.
- There are not enough agencies that have had LED/Induction fixtures installed and operating for more than two years to determine maintenance and failure histories.
- There are many US and international manufacturers producing the LED/Induction 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 with LED/Induction fixtures.

To further complicate the issue, the current MGSA/Republic contract expires on June 30, 2012. Republic has requested a four-year extension of the contract as contemplated in paragraph 16 of the contract.

Since the last MGSA Board meeting, I have twice attended the monthly Marin Public Works Association meeting, and met once with a committee of its members to review the proposed rate schedules and contract extension. Andy Poster of Republic ITS also participated in these meetings. Although a recommendation from MPWA has not yet been made, the direction the discussion has taken includes two alternatives: (1) renegotiate the current contract based on current information, practices, and equipment or (2) develop a process to seek new proposals from the streetlight maintenance industry, including Republic. MPWA members generally feel that Republic has been doing a good job. However they are still discussing a RFP process to identify possible competitors for the work as well as ensure the lowest cost to MGSA members. As of the preparation of this memorandum, a second meeting of the smaller committee needs to be scheduled to move the discussion along.

Should the MPWA agree to recommend a RFP process, Public Works staff from the City of Novato and a committee of the MPWA has volunteered to assist in the preparation and review of proposals. I plan to utilize that assistance if we go that route.

Independent of my discussions with MPWA, I conducted a survey of area cities to see what methods they use to maintain streetlights. Attached is a summary of the results. Most cities use their own staffs to do most of the routine streetlight maintenance. Two cities fully contract out the work and both use Republic ITS. One city (Windsor) issued a RFP in late 2010 for streetlight and traffic signal maintenance and received only one proposal (Republic). Costs charged by Republic are similar to those contained in their August proposal to MGSA.

Attachment  
Survey Results

**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 15<sup>th</sup> indicating the increase amount.