

# MARIN GENERAL SERVICES AUTHORITY

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## MEMORANDUM

**DATE:** May 10, 2012

**TO:** MGSA Board of Directors

**FROM:** Paul Berlant, Executive Officer

**SUBJECT:** AGENDA ITEM: F: Streetlight Program Contract Extension with Republic ITS

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### Recommendation

Authorize the Executive Officer to execute a Special Services Agreement for streetlight maintenance services between MGSA and Republic ITS.

### Amended Rate Schedule and Contract Extension

Since September 8, 2011 I have been reporting on proposed changes to the Rate Schedule used by Republic 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 current agreement also expires on June 30, 2012, unless extended per provisions in the agreement.

Last summer I asked Republic to propose maintenance rates for new LED/Induction fixtures, reflecting the expected decrease in maintenance costs. Since then, Republic has prepared several iterations of proposed rate schedules showing reductions in maintenance costs for LED/Induction fixtures as well as revised rates for ongoing maintenance and unit pricing for specific extra services. In response to a request from me and MGSA member staffs, Republic also prepared a table comparing current rates and maintenance utilization to the rates reflected in their latest proposal (March 26<sup>th</sup>), anticipated LED/Induction conversions, and the new levels of service described below.

As noted, the current MGSA/Republic contract expires on June 30, 2012. However, it does allow for a four-year extension upon mutual agreement. One of the issues discussed among the city/town/County staff members was the option to re-bid the agreement as an alternative to extending the contract. After much discussion, and given the need for specialized services, the conclusion reached among the staff representatives was that a negotiated extension would be more beneficial than a bid process at this time.

During the negotiations between myself, members' staffs, and Republic, the level of services provided and other service related issues were considered and agreed to. Those

agreements are reflected in the revised rate schedule dated March 26, 2012 and the new service levels.

The proposed rates are to remain in effect for the term of the three-year agreement. They are based on the current rates (reflecting no change since May 2009) plus a front loaded 2% annual increase. I have also attached a table comparing the current (2009) rates by type of fixture to the proposed rates.

Among other proposed changes, there is a new mid-level of service, which includes all of the services provided in the former full service Schedule 2, except replacement of poles and fixtures due to third party “knockdowns.” This new level of service, Schedule B, provides the full menu of services at a set cost, with cost recovery for knockdowns left to the member to obtain from the responsible party.

Other issues addressed in the new agreement include better response and tracking from the Republic call center, timely communication regarding proposed response to knockdowns (whether under Schedule C or not), GPS tracked night checks and reporting, inventory maintenance, and coordination of inventory with MarinMap.

Since last summer I have attended several MPWA meetings to discuss the Republic contract and rates and have utilized the assistance of an ad-hoc committee of public works personnel to review and discuss Republic’s rates and service issues. The proposal in front of the board reflects the input from the town/city /County staff. My thanks to the MPWA for the guidance and help.

David Byers prepared a draft agreement which is based on the current one with a term running through June 30, 2015 and allowing for a four-year extension with mutual agreement. Republic’s rates are to remain constant through the life of the agreement. Members select one of the three levels of service and may change from one level to another with 30 days notice to Republic. Exhibits to the agreement include the existing pole contact agreement with PG&E, which allows us to maintain our lights on PG&E electricity poles, the new Schedules A, B, and C providing the choice of levels of service, the new Rate Schedule, and standard specifications. Obsolete language has been removed or updated. I would request that the board authorize me to execute the agreement as proposed, or amended by the board, with the allowance that I may make minor language changes that do not affect terms or substantive issues should that be found helpful.

#### Attachments

- 1 - Draft Agreement, including Exhibit B, Maintenance Schedules A, B, and C and Exhibit C, Rate Schedule
- 2 – Rate Comparison 2009 to 2012
- 3 – Comparison tables of current to proposed monthly costs by MGSA member agency