



## **CITY COUNCIL AGENDA REPORT**

**MEETING DATE:** 6/6/2023

**DEPARTMENT:** Public Works

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### **SUBJECT:**

THIRD AMENDMENT TO THE AGREEMENT WITH THOMAS J. O'CONNELL  
DBA LAKE FOREST ELECTRIC FOR ELECTRICAL MAINTENANCE  
SERVICES

### **RECOMMENDED ACTION(S):**

1. Approve the Third Amendment to the Agreement with Thomas J. O'Connell DBA Lake Forest Electric for Electrical Maintenance Services
  2. Authorize the Mayor to sign, and the City Clerk to attest, the Third Amendment substantially in the form attached
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### **EXECUTIVE SUMMARY:**

On June 18, 2019, the City Council approved a three-year Professional Consultant Services Agreement with Thomas J. O'Connell DBA Lake Forest Electric ("LFE") to perform electrical maintenance services at all City facilities on a time and materials basis ("Agreement") (Attachment 1). The Agreement includes a three-year term with two one-year extensions and a \$330,267.75 compensation amount. The City Manager amended the Agreement in March 2022 to extend the term by one year with no compensation increase to June 30, 2023 (Attachment 2). The City Manager approved a 10% increase to the compensation amount in October 2022, thereby increasing the compensation amount to \$363,294.52 (Attachment 3). The proposed Third Amendment would extend the term of the Agreement by an additional year, increase the compensation amount by \$120,756.70 for the additional year's work, and update the labor rates to reflect the State Department of Industrial Relations' new prevailing wage rates (Attachment 4). If the proposed Third Amendment is approved, the term of the Agreement would expire on June 30, 2024 and the total compensation amount would be \$484,051.22.

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### **BACKGROUND:**

On June 18, 2019, the City Council approved the Agreement with LFE for Electrical Maintenance Services (Attachment 1) with a \$330,267.75 compensation amount after the completion of a competitive Request for Bids

("RFB") process. The Agreement includes two optional one-year extensions. On March 8, 2022, the City Manager approved the First Amendment to the Agreement (Attachment 2), utilizing one of the two one-year extensions and extending the term of the Agreement with no additional costs to June 30, 2023. On October 11, 2022, the City Manager approved the Second Amendment to the Agreement (Attachment 3) to add an additional 10% to the compensation amount, which resulted in a \$363,294.52 compensation amount.

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## **DISCUSSION:**

The scope of work performed under the current Agreement consists of on-call electrical maintenance services for all parks, landscaped areas, and the Civic Center. The Agreement includes all labor, materials, equipment, tools, and incidentals to repair electrical facilities and equipment at these locations as required. Typical work includes lighting repairs and maintenance, park restroom repairs, and upgrades of electrical equipment. LFE responds to both planned and emergency electrical maintenance issues.

The proposed Third Amendment with LFE (Attachment 4) would extend the term for an additional year and add \$120,756.70 in compensation to cover the costs of an additional year of work. If approved, the Third Amendment would bring the total compensation amount in the Agreement to \$484,051.22. Additional compensation is needed to allow the City to respond to electrical maintenance issues for the next fiscal year.

The work items performed by LFE qualify as public works projects and the Third Amendment would increase the hourly labor rates for straight time, regular overtime, and Sunday and holiday overtime work to comply with the required State Department of Industrial Relations ("DIR") prevailing wage rates for the electrician "inside wireman" trade classification. All other unit prices remain the same as the original 2019 Agreement. Although the Agreement includes a clause to allow for increased rates in accordance with changes in the Consumer Price Index ("CPI"), a CPI increase would not be sufficient to accommodate the necessary DIR wage rate increase. Staff negotiated with the contractor to adjust only the hourly labor rates portion of the compensation section and to not apply a CPI increase to the other contract rates. It is within the City Council's authority to approve the recommended Third Amendment.

If the proposed Third Amendment to the Agreement is approved, the term of the Agreement would be extended to June 30, 2024. Staff believes that LFE's performance has met or exceeded the scope of work in the Agreement relative to the responsibilities associated with electrical maintenance services. Throughout the term of the Agreement, LFE demonstrated its willingness to respond quickly to requests for service and consistently completed all requested work in a

professional manner. LFE provides excellent customer service and has demonstrated a readiness to assist with emergency and urgent repairs.

The chart below provides an overall summary of LFE's performance since the most recent amendment. Consistent with the City's Purchasing and Contracting Guidelines, including vendor assessment, staff recommends approval of the Third Amendment to the Agreement to ensure that the City retains the ability to continue performing electrical maintenance and repair services.

<b>Lake Forest Electric Performance Assessment October 11, 2022, through March 21, 2023</b>	
Category	Rating
Performance of Scope of Services	<input type="checkbox"/> Unsatisfied <input type="checkbox"/> Satisfied <input checked="" type="checkbox"/> Very Satisfied <input type="checkbox"/> N/A
Timeliness	<input type="checkbox"/> Unsatisfied <input type="checkbox"/> Satisfied <input checked="" type="checkbox"/> Very Satisfied <input type="checkbox"/> N/A
Budget Performance	<input type="checkbox"/> Unsatisfied <input type="checkbox"/> Satisfied <input checked="" type="checkbox"/> Very Satisfied <input type="checkbox"/> N/A
Customer Service	<input type="checkbox"/> Unsatisfied <input type="checkbox"/> Satisfied <input checked="" type="checkbox"/> Very Satisfied <input type="checkbox"/> N/A

The proposed Third Amendment was approved as to form by the City Attorney's Office. If approved, sufficient funding to cover the costs of the Third Amendment will be requested in the future 2023-2025 Operating Budget for the cost of Electrical Maintenance Services.

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#### **FISCAL IMPACT:**

Approval of the Third Amendment to the Agreement with LFE would increase the compensation amount by \$120,756.70 for a new not-to-exceed amount of \$484,051.22. The proposed Third Amendment would increase contract labor rates to account for increases in the State-mandated prevailing wage rates. If approved, sufficient funding to cover the costs of the Third Amendment will be requested in the future 2023-2025 Operating Budget to cover the costs of the recommended action.

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#### **ATTACHMENTS:**

1. Agreement with Lake Forest Electric for Electrical Maintenance Services
2. First Amendment to the Agreement with Lake Forest Electric for Electrical Maintenance Services

3. Second Amendment to the Agreement with Lake Forest Electric for Electrical Maintenance Services
4. Third Amendment to the Agreement with Lake Forest Electric for Electrical Maintenance Services

Initiated By: Jonathan Poole, Senior Management Analyst

Submitted By: Thomas E. Wheeler, P.E., Director of Public Works/City Engineer

Approved By: Debra Rose, City Manager