



CITY COUNCIL AGENDA REPORT

MEETING DATE: 6/6/2023

DEPARTMENT: Public Works

SUBJECT:

AWARD AGREEMENT FOR TRAFFIC SIGNAL MAINTENANCE SERVICES

RECOMMENDED ACTION(S):

1. Award an Agreement for Traffic Signal Maintenance Services in the amount of \$1,837,017 to Bear Electrical Solutions, Inc.; and
 2. Authorize the Mayor to sign, and the City Clerk to attest, the award of Agreement to Bear Electrical Solutions, Inc., substantially in the form attached.
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EXECUTIVE SUMMARY:

The City's current traffic signal maintenance contract with Bear Electrical Solutions, Inc. ("Bear Electrical") will expire on June 30, 2023. As a result, staff prepared a Request for Proposal ("RFP") for traffic signal maintenance services and received four proposals from qualified firms. The procurement process is a qualifications-based selection process based on a contractor's experience, understanding of the scope of services, proposed personnel, completion of similar projects in a timely manner, and their ability to provide optimal services at an acceptable cost. After a competitive process outlined in the City's Purchasing and Contracting Guidelines, staff identified the most qualified contractor to provide traffic signal maintenance services. Staff determined Bear Electrical to be the best qualified and most cost-effective contractor. Staff recommends the City Council award the attached Agreement for Maintenance Services to Bear Electrical ("Agreement") (Attachment 1). The proposed Agreement includes, but is not limited to, responsibility for maintaining 93 traffic signals, 9 flashing beacons, 370 luminaires, 337 traffic signal street name signs, 3 radar feedback signs, and various City-owned streetlights. The Agreement also includes emergency response services to repair or replace damaged signal equipment due to traffic accidents, vandalism, natural disasters, and street construction.

Based upon the cost proposal from Bear Electrical and the historical costs for traffic signal maintenance services, staff is recommending that the compensation amount in the Agreement be set to \$1,837,017 over the three-year term commencing July 1, 2023. The term of the Agreement includes two optional one-year extensions based on performance at the discretion of the City Council. The

proposed 2023-2025 Operating Budget includes sufficient funding to cover the costs of the recommended action.

BACKGROUND:

Since June 2018, Bear Electrical has provided contract traffic signal maintenance services to the City. On May 14, 2022, the City Council approved the last one-year term extension described in the current agreement with Bear Electrical. As a result, this current agreement is set to expire on June 30, 2023.

The RFP for traffic signal maintenance services on January 11, 2023. The scope of work includes maintaining and repairing 93 traffic signals, 9 flashing beacons, 370 luminaires, 337 traffic signal street name signs, 3 radar feedback signs, and various City-owned streetlights. The scope of work also includes emergency response services to repair or replace damaged signal equipment due to traffic accidents, vandalism, natural disasters, and street construction.

DISCUSSION:

After issuing the RFP, the City received four proposals from firms that specialize in traffic signal maintenance. The firms were:

- Bear Electrical
- Crosstown Data
- Econolite
- Yunex

Pursuant to the Purchasing and Contracting Guidelines, a City Manager approved Selection Committee comprised of staff from the Public Works Department and City Manager's Office reviewed the proposals and conducted interviews to ensure the City selects the most qualified firm to perform the requested services. The Selection Committee consisted of the Traffic Engineering Manager, Street Maintenance Administrator, and Assistant City Manager.

As with other proposals, the Selection Committee utilized a point system during the RFP review process to score the proposals. When staff received the four firms' proposals, one of the firms, Econolite, was deemed to be unresponsive to the RFP because their proposal was not submitted properly and the proposal addendums were not acknowledged, which is a requirement described in the RFP document. Staff notified Econolite of the oversight and they acknowledged that they did not submit their proposal as required per the RFP. This left the

Selection Committee with three technical proposals to review. Of those three firms, each scored over the required minimum average passing score of 70 points on their technical proposals, which qualified them for the interview process.

During the interview phase, two of the firms (Bear Electrical and Yunex) demonstrated to the Selection Committee that their firms were better equipped to address and respond to the City’s traffic signal maintenance service needs. These two firms successfully communicated their capabilities by highlighting the experience of their staff, providing historical work samples, describing their internal workflow management system, and providing thorough responses to interview questions. Based on the score for the technical proposals and interviews, the Selection Committee determined that Bear Electrical was the most qualified firm with the highest point total of 416 as summarized in Table 1.

Table 1: Proposal Review Summary

Firm	Technical Review			Technical Review Subtotal	Qualifications Interview			Interview Subtotal	Pricing	
	Rater:				Rater:				Points x 3	Total
	1	2	3		1	2	3			
Bear Electrical Solutions	96	87	83	266	155	144	117	416	120	536
Crosstown	76	80	68	224	112	107	96	315	102	417
Econolite	-	-	-	N/A	-	-	-	N/A	-	N/A
Yunex	87	83	76	246	144	144	117	405	99	504

Cost Proposals

After concluding the interview process, staff reviewed the cost proposals received from each of the proposing firms. All three firms were given the opportunity to provide their “best and final” cost proposal to the City, and that cost proposal was used to score each firm. Compensation scoring is based on a monthly routine maintenance schedule which consists of defined preventative maintenance activities performed on a monthly or otherwise regular basis. In addition, unit costs for extraordinary maintenance, labor, and equipment hourly rates were provided. These unit costs for extraordinary maintenance, labor, and equipment hourly rates are not predictable, as these activities would address matters that are discovered during routine maintenance and maintenance for repair/replacement of equipment damaged by vehicle collisions, vandalism,

natural disasters, street construction or excavation. This also includes repainting of equipment, replacements due to failure or obsolescence, required industry updates/upgrades, or other unusual factors when labor and materials necessary to ensure safe and efficient operation of the City’s traffic signal system extends beyond the routine maintenance. The RFP included estimated quantities of typical extraordinary maintenance (labor, equipment, and materials) to be provided to the City at a unit cost for any extra work that may be required to maintain the systems. This allows for a fair comparison of costs, but it should be noted that the City only pays for extraordinary maintenance services on an as-needed basis. Table 2 below describes the final proposal amounts received by each firm.

Table 2: Traffic Signal Maintenance Services Cost Proposals

Firm	3-Year Cost Proposal
Bear Electrical	\$1,837,017.00
Crosstown Data	\$2,180,894.20
Yunex	\$2,244,295.70

Therefore, after the analysis of the proposals and costs, staff determined that Bear Electrical is the most qualified proposer for Traffic Signal Maintenance Services. The annual compensation amount for the proposed Agreement with Bear Electrical is \$612,339. This annual compensation amount represents a contract cost that is \$129,339 higher than the current agreement. This represents an approximate 21% increase from the current agreement which was entered in 2018. During the five-year term of Bear Electrical’s current agreement with the City, they received no rate increases. The key factors associated with the increases are related to inflation, labor costs, fuel costs, and new traffic signal infrastructure to be maintained. The costs for the proposed three-year Agreement remain unchanged for the first three years of the agreement and will not be subject to annual increases.

Bear Electrical is currently providing services for 10 Southern California agencies, which includes nearby agencies like Aliso Viejo, County of Orange, Mission Viejo, San Juan Capistrano, and Tustin. In addition, Bear Electrical is the City’s current traffic signal maintenance services contractor and the primary personnel proposed are currently the City’s main point of contact. Based upon staff’s experience with Bear Electrical, staff is confident in their ability to maintain the City’s traffic signal system. Additionally, staff received favorable reference checks from other cities (Attachment 2).

Therefore, staff recommends the City Council award the attached Agreement for Maintenance Services with Bear Electrical for the three-year term commencing on July 1, 2023. The Agreement includes two one-year term extensions and a

compensation amount of \$1,837,017. Per the City's Purchasing and Contracting Guidelines, the City Manager may approve additional work not-to-exceed 10% of the original contract amount.

FISCAL IMPACT:

The proposed Agreement with Bear Electrical includes \$1,837,017 in total compensation. The Agreement includes a three-year term ending on June 30, 2026, with two optional one-year extensions. The proposed 2023-2025 Operating Budget includes sufficient funding to cover the costs of the recommended action.

ATTACHMENTS:

1. Agreement for Maintenance Services with Bear Electrical Solutions, Inc.
2. Reference Check

Initiated By: Tran Tran, Traffic Engineering Manager

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

Approved By: Debra Rose, City Manager