

MARIN GENERAL SERVICES AUTHORITY

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MEMORANDUM

DATE: May 12, 2016

TO: MGSA Board of Directors

FROM: Michael S. Frank, Executive Officer

SUBJECT: Exercise of Option to Extend Streetlight Maintenance and Repair Services Agreement and Delegation of Authority to Executive Officer to Approve Rate Increase

Request

Approve resolution to extend Streetlight Agreement two years and delegate to the Executive Officer the authority to increase rates by CPI, if warranted and justified, as outlined in the *Streetlight Maintenance and Repair Services Agreement*.

Discussion

A Streetlight Maintenance and Repair Services Agreement between MGSA and DC Electric Group, Inc., 823 Gravenstein Highway South, Cotati, California was signed June 1, 2015. The Agreement states that “*the term shall be for a one-year period ending June 30, 2016 with an option to extend the contract up to two (2) additional two-year terms for a total possible life of five (5) years ending June 30, 2020*”.

Board member Sean Condry and myself have had discussions with the Chair of the Marin Public Works Director’s Association (MPWA) regarding this topic and the process to be used for evaluation and determination of extension of the Agreement. Given their sense of the satisfaction of jurisdictions with DC Electric Group Inc.’s performance, they did not believe a time consuming evaluation or development of criteria was necessary. At their last meeting with the Public Works Directors, they all communicated a high level of satisfaction with DC Electric Group Inc. and support for extension of the contract.

The contract provides for potential rate increases for jurisdictions on an annual basis. The contract reads, “*Rate Price Adjustments - Rates may be reviewed annually by the SERVICE*

PROVIDER and the MGSA and rate increases may be requested in writing with detailed justification. The maximum increase in labor and/or equipment costs in any calendar year shall be whichever is less: five percent (5%) or the most recent increase in the Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose Region as published by the United States Department of Labor, Bureau of Labor Statistics.”

Staff is requesting the authority for this year to make the determination in consultation with the Public Works Directors regarding approving a rate increase.

Staff Recommendation

1. Authorize the Executive Officer to exercise the option to extend the existing special services agreement two years as cited in the *Streetlight Maintenance and Repair Services Agreement* signed by both parties June 1, 2016.
2. Delegate to the Executive Officer the authority to increase rates by CPI, if warranted and justified, as outlined in the *Streetlight Maintenance and Repair Services Agreement*.

Attachments

Resolution

**MARIN GENERAL SERVICES AUTHORITY
STREETLIGHT MAINTENANCE AGREEMENT TWO YEAR
EXTENSION AND DELEGATION OF AUTHORITY**

RESOLUTION 2016 –

WHEREAS, the Marin General Services Authority (MGSA) maintains streetlights in members' jurisdictions under an agreement with DC Electric Group, Inc. dated June 1, 2016; and

WHEREAS, the current agreement expires June 30, 2016; and

WHEREAS, DC Electric Group, Inc. has shown quality expertise in the engineering area of the management and maintenance of street lights, which requires special expertise given the numerous types of fixtures and installations and the variety of services that are required by MGSA member agencies; and

WHEREAS, after consultation with the Marin Public Works Directors there was unanimous agreement regarding the superior performance under the Agreement; and

WHEREAS, DC Electric Group, Inc. and MGSA wish to exercise the option to extend the Special Services Agreement for two years; and

WHEREAS, the Agreement allows for annual rate increases based on justification from the service provider.

NOW THEREFORE, BE IT RESOLVED, that MGSA authorizes the Executive Officer to extend the Special Services Agreement date from June 30, 2016 to June 30, 2018.

BE IT FURTHER RESOLVED, that MGSA delegates the authority for this fiscal year to the Executive Officer, in consultation with the Marin Public Works Directors' Association, to increase streetlight rates as outlined in the Agreement.

Adopted this 12th day of May 2016.

Ayes:

Noes:

Absent:

Dan Schwarz, Chair

Attested By:

Michael S. Frank, Executive Officer