

City of Hesperia

STAFF REPORT



DATE: August 1, 2017

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Michael Blay, Director of Development Services
Tina Souza, Management Analyst

SUBJECT: Amend Professional Services Agreement with Highball Signal, Inc.

RECOMMENDED ACTION

It is recommended that the City Council approve an amendment in the amount of \$10,420 and authorize a six month extension to Professional Services Agreement (PSA) 2013-14-010 with Highball Signal, Inc. for a total contract amount of \$60,240, and authorize the City Manager to execute said amendment.

BACKGROUND

In June of 2012, the City Council accepted construction of G Avenue Rail Lead Track & Channel Project which included the signal crossing on Mojave Street. In accordance with the Federal Rail Administration (FRA) regulations and the California Public Utilities Commission (CPUC), signal crossings must be inspected, tested, and maintained monthly, quarterly, and annually. In order to comply with said regulations, the City enters into a PSA with companies having the technical expertise, skills and certification to perform these required services.

Staff was able to locate four companies in California that provided the needed services and solicited bids via the informal bidding process. An Invitation to Bid was sent to all four companies with only two responding. Highball Signal, Inc. was the lowest respondent. Subsequently, in July of 2013, the City entered into a three-year agreement with Highball Signal, Inc. to provide the required inspection, testing, maintenance, and on-call services for the Lead-Track railroad signal crossing on Mojave Street in the amount of \$45,440.

The consultant agreed to continue providing signal maintenance services at the existing price structure resulting in an amendment to the PSA in the amount of \$4,380 in June 2016 to increase the contract to \$49,820 and extend the contract for an additional year.

ISSUES/ANALYSIS

The amended contract amount was enough to provide services for a portion of Fiscal Year 2016-17 because staff was researching an option to deem the signal crossing inactive until such time a rail user has executed an agreement with the City. If the City enters into an agreement with a rail user, re-activating the signal crossing requires filing the respective documentation with CPUC, certain work be performed in the area of the crossing such as installation of signage, and an inspection by CPUC. All of which can be performed timely so as to not delay user connection to the rail.

This option will save the City \$12,720 per year based on the current contract rate for monthly service and inspections. Due to various potential user inquiries, staff delayed the filing of the appropriate documentation with CPUC as well as performance of certain work in the area of the crossing such as signage and street marking removal required by the CPUC to deactivate the crossing. Accordingly, monthly maintenance and inspection continued as required by the FRA.

Until such time that deactivation is processed, maintenance and inspection must continue. This amendment covers the remaining services in Fiscal Year 2016-17, and a portion of Fiscal Year 2017-18, including deactivation services. Staff recommends increasing the contract to \$60,240 and extending the contract six months to allow for the deactivation process.

FISCAL IMPACT

Funding for the program is available in account 263-29-310-3150-7800 under the Fiscal Year 2017-18 Budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff

ATTACHMENT(S)

None