

MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager *BW*
DATE: January 24, 2012
SUBJECT: Approve the Renewal of a Blanket Purchase Order with Gray Electric Company, Inc. for Traffic Signal Maintenance and Repair Services in the Maximum Amount of \$106,000.00

RECOMMENDATION

Approve the renewal of a blanket purchase order (BPO) with Gray Electric Company, Inc. of Grass Valley, CA for traffic signal maintenance and repair services in the maximum amount of \$106,000.00, and authorize the Purchasing Manager to sign the resulting BPO.

BACKGROUND

On February 1, 2011, a blanket purchase order was awarded to Gray Electric Company, Inc. for traffic signal maintenance and repair services resulting from competitive Invitation for Bid (IFB) No. 10032. These services are used by the Department of Public Works' Road Maintenance Division to maintain the County's traffic signals, pedestrian signals, and flashing beacons on a monthly basis and for repairs as needed. The City of Auburn has the option of using the County's resulting contract; therefore the original bid specifications included the City's traffic and pedestrian signals, flashing beacons, and underpass lighting.

Public Works submitted a request to renew their BPO for another year. Gray Electric Company agreed to renew with price and hourly rate increases. The proposed pricing and rates continue to be lower than the pricing offered by the IFB's second lowest bidder. An evaluation of the proposed price and rate increases is included as Attachment A. The BPO renewal will include an overall increase in pricing of 3.91%. Section 22 of the BPO's terms and conditions and Purchasing Policy Manual Section 1.3 (o) allows for the renewal of this contract based on the satisfactory service and reasonable pricing offered by the vendor.

FISCAL IMPACT

The new BPO with Gray Electric Company, Inc. for the Department of Public Works will be issued in the maximum amount of \$106,000.00 for the period of January 24, 2012 through December 31, 2012. Public Works' Fiscal Impact Statement is attached.

Attachments: A) Evaluation of Proposed Renewal Prices
B) Department of Public Works' Fiscal Impact Statement

cc: Kevin Taber, Public Works
Cynthia Taylor, Public Works

**Evaluation of Proposed Renewal Prices
Traffic Signal Maintenance & Repair Services
Renewal of BP018498
First Renewal**

Attachment A

<u>Bid Item</u>	<u>Contract</u>		<u>Proposed Renewal</u>		<u>For Comparison:</u>	
	<u>Monthly Rate</u>		<u>Monthly Rate</u>		<u>Bid Pricing from 2nd Lowest Bidder</u>	<u>Percentage Change</u>
Intersections w/ Traffic Signals	\$ 85.00		\$ 90.00		\$ 92.00	5.88% ¹
Pedestrian Signals	\$ 60.00		\$ 65.00		\$ 75.00	8.33% ²
Flashing Beacons	\$ 60.00		\$ 65.00		\$ 55.00	8.33% ²
Lighting in Underpasses	\$ 60.00		\$ 65.00		\$ 55.00	8.33% ²
<u>Bid Item</u>	<u>Contract</u>		<u>Proposed Renewal</u>		<u>Percentage Change</u>	
	<u>Unit Price</u>		<u>Unit Price</u>			
Single "A" Type Loop	\$ 600.00		\$ 700.00		\$ 675.00	16.67% ³
Single "C" Type Loop	\$ 800.00		\$ 1,000.00		\$ 1,200.00	25.00% ³
4-Loop System (2 "A" and 2 "C" Type)	\$ 2,000.00		\$ 2,000.00		\$ 2,000.00	0.00%
Back Plate - All Types	\$ 50.00		\$ 50.00		\$ 75.00	0.00%
Visor - All Sizes	\$ 20.00		\$ 20.00		\$ 40.00	0.00%
Cabinet Fan	\$ 50.00		\$ 50.00		\$ 80.00	0.00%
Pedestrian Push Button Assembly	\$ 125.00		\$ 125.00		\$ 200.00	0.00%
Pedestrian Signal Transformer	\$ 150.00		\$ 150.00		\$ 140.00	0.00%
Type 170 Controller	\$ 1,600.00		\$ 1,800.00		\$ 1,700.00	12.50% ⁴
Opticom Emergency Vehicle Phase Selector	\$ 1,800.00		\$ 1,800.00		\$ 2,200.00	0.00%
Opticom Emergency Vehicle Optical Detector	\$ 500.00		\$ 500.00		\$ 650.00	0.00%
Bulb Replacement on Luminaire	\$ 40.00		\$ 50.00		\$ 50.00	25.00% ⁵
<u>Bid Item</u>	<u>Contract</u>		<u>Proposed Renewal</u>		<u>Percentage Change</u>	
	<u>Hourly Rate</u>		<u>Hourly Rate</u>			
Signal Maintenance Supervisor, Straight Time per Hour	\$ 75.00		\$ 80.00		\$ 85.00	6.67% ⁶
Signal Maintenance Technician, Straight Time per Hour	\$ 75.00		\$ 80.00		\$ 80.00	6.67% ⁶
Laborer - Straight Time per Hour	\$ 50.00		\$ 55.00		\$ 50.00	10.00% ⁷
Signal Maintenance Supervisor, Overtime per Hour	\$ 75.00		\$ 120.00		\$ 122.00	60.00% ⁸
Signal Maintenance Technician, Overtime per Hour	\$ 100.00		\$ 110.00		\$ 118.00	10.00% ⁹
Laborer - Overtime per Hour	\$ 70.00		\$ 75.00		\$ 80.00	7.14% ⁷

Original bid pricing from second lowest bidder excludes cost increases for prevailing wage rates, materials, travel, equipment, overhead, etc. With the exception of the hourly rates, monthly rates and unit prices include materials, labor and all other costs. During the term of the previous agreement, prevailing wages for Inside Wireman increased twice. Increases include hourly wages and employer payments for benefits, pension, vacation, holiday and training.

Prevailing Wage Increases for Inside Wireman:

	Effective Date	12/1/2010	6/1/2011	12/1/2011
Total Hourly Rate	\$	55.74	\$ 56.84	\$ 57.94
Percentage Increase		N/A	1.97%	1.94%
Aggregate Increase				3.91%

Source: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>

Contractor's Explanation for Increases:

- ¹ This price increase represents the direct labor increases plus overhead, profit and equipment costs. It is slightly less than the other maintenance costs below because we are at each intersection longer and therefore spend a larger % of the time working rather than traveling between sites.
- ² This price increase represents the direct labor increases plus overhead, profit and equipment costs. It is slightly more than the traffic signal maintenance costs above because we are spending a larger percentage of the time traveling between sites.
- ³ This price increase represents the direct labor increases plus overhead, profit and equipment costs. But it is based on a 2-4 man crew depending on how many loops are done at a time to handle traffic control, saw cut, clean up, loop wrap, and loop sealant.
- ⁴ This price increase represents the increase in material costs for this equipment.
- ⁵ This price increase represents the increase in material costs for this equipment and the increase in labor costs.
- ⁶ This price increase represents the direct labor increases plus overhead, profit and equipment costs.
- ⁷ This price increase represents the direct labor increases plus overhead, profit and equipment costs for laborers rather than electricians.
- ⁸ This price increase represents the direct overtime labor increases plus overhead, profit and equipment costs. Plus it corrects an error we had on our original bid where we priced the supervisor's rate lower than the technician's.
- ⁹ This price increase represents the direct overtime labor increases plus overhead, profit and equipment costs. I would be willing to reduce this rate to \$110/hr which would represent a 10% increase.

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