



Office of the City Manager

CONSENT CALENDAR

April 1, 2014

To: Honorable Mayor and Members of the City Council

From:  Christine Daniel, City Manager

Submitted by: Andrew Clough, Director, Public Works

Subject: Contract: Tanko Lighting for Street Lighting Conversion to Light Emitting Diodes

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract and any amendments, extensions or other change orders until completion of the project with Tanko Lighting for the City’s Street Lighting Conversion to Light Emitting Diodes (LED) in an amount not to exceed \$3,213,170.

FISCAL IMPACTS OF RECOMMENDATION

Funding for this project is available through a loan agreement with the California Energy Commission (CEC) for \$3 million at a 1% interest rate over a projected 10 year payback term. Funding will be recommended for appropriation in the California Energy Commission Fund (Fund 186).

Funding of \$1 million will be recommended for appropriation through the second amendment (AAO2) to the FY 2014 budget appropriations ordinance and funding of \$2,213,170 is subject to appropriation in FY 2015. The loan process is: Tanko Lighting will bill the City as the project progresses, and the City will pay Tanko for work performed. The City will then invoice CEC for the portion of the project completed, and CEC will generate reimbursement to the City from the loan, which is expected to be within 30 days.

Proposal from Tanko Lighting	\$2,921,064
10% Contingency	\$292,106
<u>Total Project Cost</u>	<u>\$3,213,170</u>

Savings generated from the installation and use of the LED streetlights will be enough to pay for the debt service of the loan. The savings will be realized in Street Light Assessment District Fund (Fund 470), and the debt service will be paid from Fund 470.

The Contract Management System number for this contract is CMS No. BWV4I.

CURRENT SITUATION AND ITS EFFECTS

The City’s existing street lights consist of high pressure sodium and metal halide lamps. LED technologies are now available that provide better and more efficient illumination.

As noted above, costs for the LED conversion project are projected at \$3,213,170 including a contingency. The CEC notified the City in January 2014 that we have been approved for a loan of up to \$3 million. Annual electrical energy savings are calculated at \$387,000 from the citywide conversion to LED streetlights. In addition, the City is eligible to receive PG&E rebates calculated at \$647,000. These rebates will be utilized to offset some of the costs of the LED conversion that exceed the California Energy Commission loan.

BACKGROUND

On January 23, 2014 the City released a Request for Proposals (RFP) Specification No. 14-10815-C for the Street Lighting Conversion to LED Project. The RFP included the removal and disposal of existing high pressure sodium and metal halide luminaire heads, and installation of new LED energy efficient luminaire heads. In addition, the consultant will be tasked with developing and delivery of a public outreach program, performing a comprehensive street light audit, updating the City's Geographic Information System, data reconciliation between City and PG&E billing records and mapping systems, confirming rebate eligibility and lower cost tariffs, conduct photometric analysis in pre-designated areas, and compare energy consumption and fixture longevity analyses between existing and proposed luminaires.

On February 13, 2014, the City received 4 proposals, and a review panel evaluated the submissions; 3 firms were selected to make presentations to a presentation panel. The panel concluded that Tanko Lighting met the City's requirements and goals, and recommended that a contract be awarded to them for the specified scope of services.

ENVIRONMENTAL SUSTAINABILITY

This project directly supports the City's Climate Action Plan goal of reducing greenhouse gas emissions by 33% between 2000 and 2020. Energy from street lights accounts for over 1,000 metric tons of carbon dioxide emissions annually, or approximately 13% of municipal emissions from all sources: utility energy, transportation fuels and land filled waste. An LED conversion could reduce emissions from street light energy by 50%, accounting for an estimated 6.5% reduction in overall municipal emissions.

RATIONALE FOR RECOMMENDATION

The street lighting conversion project will reduce City operating expenses, improve lighting quality, and reduce greenhouse gas emissions.

ALTERNATIVE ACTIONS CONSIDERED

No alternative actions were considered at this time.

CONTACT PERSON

Phillip Harrington, Deputy Public Works Director, Public Works, 981-6661
Lorin Jensen, Supervising Civil Engineer, Public Works, 981-6411
Neal De Snoo, Energy Program Officer, Planning Department, 981-7439

Attachments:
1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: TANKO LIGHTING FOR STREET LIGHTING CONVERSION TO LIGHT
EMITTING DIODES (LED)

WHEREAS, the City of Berkeley sought qualified Firms/Contractors to undertake a turnkey (design/build) process for the conversion of approximately 8,000 citywide street lights to Light Emitting Diode (LED); and

WHEREAS, on January 23, 2014, the City released a Request for Proposals seeking firms or consultants to achieve a citywide Street Light Conversion to LED Project; and

WHEREAS, on February 13, 2014, the City received 4 submissions, which were reviewed and ranked, and 3 submissions were selected to make presentations to a panel on February 27, 2014; and

WHEREAS, the submission and presentation from Tanko Lighting has been found to be fully qualified and responsive to the City's request both in project delivery and total project costs; and

WHEREAS, funding for this project is available through a California Energy Commission loan and PG&E rebate incentives and the contract has been entered into the City contract database and assigned CMS No. BWV4I.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to enter into a contract with Tanko Lighting for the purpose of undertaking a turnkey process to convert existing City street lights to Light Emitting Diode (LED) for an amount not to exceed \$3,213,170 for the period from May 1, 2014 through February 1, 2015. A record signature copy of said contract and any amendments to be on file in the Office of the City Clerk.

