

Agenda Report

July 28, 2014

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (7/28/14)

FROM: Department of Public Works

SUBJECT: **AMENDMENT TO PURCHASE ORDER CONTRACT NO. 55315 WITH TANKO STREETLIGHTING SERVICES, TO INCREASE NOT TO EXCEED AMOUNT BY \$20,000 FROM \$550,000 TO \$570,000 FOR PURCHASE OF ENERGY EFFICIENT RETROFIT STREET LIGHT LUMINAIRES**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that on December 17, 2012 the City Council acknowledged the contract to be exempt from the California Environmental Quality Act ("CEQA") review in accordance with Article 5, Section 15061, subsection (b), part 3 of the Resources Agency of California as it will not have a potentially significant effect on the environment, and therefore falls under the "general rule" exemption, and there are no changed circumstances or new information which would require further environmental review; and
2. Authorize the City Manager to amend Purchase Order Contract No. 55315 with Tanko Streetlighting Services to increase the contract amount by \$20,000 for a new total not-to-exceed amount of \$570,000 for the purchase of energy efficient retrofit street light luminaires.

BACKGROUND:

In September 2009, the City was awarded a \$1,507,800 Energy Efficiency and Conservation Block Grant (EECBG) to be used for the reduction of energy consumption and greenhouse gases by City operations. This Federal Stimulus Funding from the Department of Energy (DOE) was made available to the City as part of the American Recovery and Reinvestment Act of 2009 (ARRA). Half of these funds were used to replace existing high wattage light bulbs with energy efficient bulbs in City-owned

facilities. The other half of the funds are being used to replace high intensity discharge (HID) horizontal burning luminaires, such as high pressure sodium (HPS) luminaires, with energy efficient luminaires on City street lights.

In November 2010, through a competitive bidding process, the City of Pomona awarded a purchase order contract to Tanko Streetlighting Services for the purchase of energy efficient retrofit streetlight luminaires. Prior to the competitive bidding process and subsequent bid award, the City of Pomona conducted an Energy Efficient Streetlighting Pilot Project to pre-qualify vendors/contractors to determine which type of energy efficient street lighting would best suit its City's needs. Pomona received 30 proposals for the pilot project. Twelve proposals representing seven manufacturers were qualified for the study. All seven manufacturers were determined to meet required energy savings and Standard Roadway Lighting requirements as established by the approved American National Standard Institute (ANSI).

On February 7, 2011, Pasadena City Council approved the issuance of a purchase order contract to Tanko Streetlighting Services in the amount of \$550,000 to provide luminaires for the EECBG project. This approval was based on the existing three-year term purchase order contract between Tanko Streetlighting Services and the City of Pomona. With this purchase order, the Department of Public Works retrofitted approximately 2,500 luminaires resulting in a reduction of approximately 1,228,000 kilowatt hours per year and approximately \$175,000 in total annual energy savings.

An additional \$1,100,000 was appropriated to the Repair and Replacement of Existing Street Lighting Systems project in FY 2013 to continue with the installation of energy efficient lighting. On December 17, 2012, City Council approved the issuance of a second purchase order contract with Tanko Streetlighting Services for \$550,000 to provide luminaires. Under this purchase order, approximately 2,500 luminaires will be retrofitted resulting in a reduction of approximately 760,000 kilowatt hours per year and approximately \$107,000 in total annual energy savings.

In anticipation of completing this phase of the retrofit program, an order for luminaires was placed that exceeds the remaining available balance on the purchase order contract. To complete this phase of the retrofit program, the Department of Public Works recommends that the purchase order contract with Tanko Streetlighting Services be increased to a not-to-exceed amount of \$570,000, an increase of \$20,000. Work is scheduled to be completed in summer 2014. This represents conversion of approximately 65 percent of the existing HID's citywide. Other phases of the retrofit program will continue as our annual capital funding allows.

COUNCIL POLICY CONSIDERATION:

This project supports the City Council's strategic goal to improve, maintain and enhance public facilities and infrastructure and to improve mobility and accessibility throughout the City of Pasadena. In addition, this project is in compliance with the City's Environmental Goals and Green City Action Plan of achieving energy efficiency by helping reduce the City's electric load.

ENVIRONMENTAL ANALYSIS:

The project is exempt from CEQA review pursuant to Guidelines Section 15061 (b)(3) where CEQA applies only to projects which have the potential for causing a significant effect on the environment. The project proposed herein will not have a potentially significant effect on the environment, and therefore falls under this "general rule" exemption to CEQA.


FISCAL IMPACT:

The cost of this action is \$20,000. Funding for this action will be addressed by the utilization of existing budgeted Power Funds appropriated in the Repair and/or Replacement of Existing Street Lighting Systems project, Budget Account 74346.

It is anticipated that all of the cost will be spent during the current fiscal year. The following table represents a contract summary.

Base Bid	\$508,281
Contingency	\$ 41,719
Additional Contract Amount	\$ 20,000
New Contract Total	\$570,000

Respectfully submitted,



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Approved by:



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