



DEPARTMENT OF TRANSPORTATION

Fresno Area Express ♦ Fleet ♦ Handy Ride

DATE: November 7, 2018

TO: FILE, Bus Stop Solar Lighting Prop 1B

FROM: Kristopher Grey, Capital Development Specialist
Fresno Area Express

SUBJECT: COST ANALYSIS FOR AWARD OF REQUIREMENTS CONTRACT TO
URBAN SOLAR

Summary

Fresno Area Express (FAX) put out a notice inviting bids for bus stop solar lighting on October 1, 2018. FAX is seeking to procure solar lighting in order to increase customer safety and security at bus stops around the City of Fresno. This will be achieved by deploying solar lighting to locations that are not currently served with any form of lighting. FAX also intends to improve customer service by reducing the number of driver pass-byes that occur by having adequate lighting present for drivers to be able to see passengers waiting to board.

This solicitation did not include installation of the lighting. A previous bid was unsuccessful because potential bidders were unable to find local area partners to perform the installation in Fresno. Prices discussed below do not include tax and shipping. The pole mounted options do include the cost of a new pole to mount the lights to.

Cost Analysis

A cost analysis is used because there was inadequate competition in this bid to perform a price analysis. FAX used pricing obtained from the City of Clovis, California to determine the expected prices for the various lighting options. Clovis' data is from 2013 and so pricing had to be projected forward to 2018 dollars for this analysis.

Pole Mounted Bus Stop Solar Lighting

In 2013, Clovis paid \$990.00 for pole mounted lighting. Using an inflation rate of 3.2% per year gave FAX an estimated price of \$1,158.87. The actual price from the proposal is \$1,350. The overage appears to be due to FAX requesting more demanding warranty

terms, particularly in regards to battery replacements. Clovis lists the extended warranty that covers this battery replacement at a value of approximately \$120 per unit. FAX also included a new pole with each light purchased and it is not clear whether or not Clovis had a similar requirement. Therefore, the final price paid (see Figure 1 below) by FAX appears to be in line with our expectations based upon adjusting for inflation and the price is deemed fair and reasonable.

Figure 1 – Using 3.2% Inflation	
Price Paid by Clovis	\$ 990.00
Price Paid for Additional Warranty by Clovis	\$ 120.00
Total Price Paid per Light by Clovis in 2013	\$ 1,110.00
Expected Price in 2018 from ICE	\$1,158.87
Proposal Price to FAX 2018	\$1,350.00

Bus Stop Shelter Lighting

Urban Solar's proposal has a unit price of \$2,300.00 for the 10-14 foot shelter line item and a unit price of \$2,750.00 for the 17 foot shelters. Clovis paid \$1,495 for the units they selected in 2013 through Sol, Inc. The ICE assumed a price of \$1,750 and \$2,450 respectively for these lighting options. FAX has required additional certifications and warranties that were not in the proposals to Clovis. One example is requiring listing with a nationally registered testing laboratory (i.e. Underwriters Laboratory). This certification helps FAX to guarantee quality and functionality from the devices that are purchased. Unfortunately, this certification has not yet become an industry standard when it comes to solar powered lighting and so fewer manufacturers provide it and it does influence the final cost of the devices. These additional requirements appear to make up the bulk of the difference between what the ICE expected and what the proposal shows. It is also possible that some of the difference is attributed to the variance expected between the shelter types seen in the 10-14 foot category. Urban Solar has hedged their price towards meeting the specs on more 14 foot shelters than the smaller type which means more light output, larger batteries, and a larger solar array are required. This is acceptable for FAX because FAX has more 14 foot shelters out in the field than any of the other sizes.

If the price that Urban Solar proposed to Clovis in 2013 is instead used as the basis for the ICE, the final outcomes are actually much closer (See Figure 2 below). The variance in final proposal price and ICE in 2018 can be entirely attributed to the difference in specifications required in the two proposals. Therefore, the final price paid by FAX is in line with our expectations and the price is deemed fair and reasonable.

Figure 2 – Using 3.2% Inflation	
Sol Inc. Price for Clovis 2013	\$ 1,495.00
Urban Solar Price for Clovis 2013	\$ 1,730.00
Projected Urban Solar Price 2018 (10 - 14')	\$ 2,025.09
Projected Urban Solar Price 2018 (17')	\$ 2,835.13
Expected 2018 Price based on Sol Inc. data (10 - 14')	\$ 1,750.01
Expected 2018 Price based on Sol Inc. data (17')	\$ 2,450.01
Proposal Price for FAX (10 – 14')	\$ 2,300.00
Proposal Price for FAX (17')	\$ 2,750.00

Technical Expertise

Kristopher Grey has performed the above cost analysis. He has ten years of construction project management experience and has been with FAX for one year. Kristopher has a B.A., Economics from the University of California, San Diego and a Masters of Business Administration with an Accounting emphasis from Brandman University.

Signature: Kristopher Grey Date: 11/17/2018

Single Source Analysis

(Complete this form when receiving only one bid in response to an IFB or RFP).

Solicitation: <u>Solar Bus Stop Lighting</u> Product/Service to be Procured: • Pole mounted solar lights • Bus shelter solar lights Bid or Proposal Due Date: <u>10/16/2018</u> Number of Solicitations Requested: <u>13</u> Number of Bids Received: <u>1</u> Reasons for Lack of Competition (based on Supplier Contracts) ☐ Lack competency ☐ Lack available resources ☐ Poor timing ☐ Short response due date ☒ Other: <u>Buy America requirements + lack of NRTL certifications</u>	Action to Plan: ☒ Award Contract Basis: <u>Urban Solar meets the required specs. Cost Analysis confirms pricing is fair and reasonable. A price analysis was not performed as competition was inadequate.</u> ☐ Extend Deadline (modify solicitation): New Due Date: _____ ☐ Reprocure: New Solicitation Due to be Completed: _____ Projected Due Date: _____ Signed: <u>Kristopher Dg</u> Title: <u>Capital Development Specialist</u> Date: <u>11/7/2018</u>
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