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**Title:** Actions pertaining to the Phase I Citywide Streetlight light emitting diode (LED) Retrofit Project Bid File No 3484

1. Adopt a finding of Categorical Exemption pursuant to Class 1 Section 15301(c) (existing facilities) of the California Environmental Quality Act (CEQA) Guidelines for the Citywide Streetlight LED Retrofit
2. Award a construction contract to Siemens Industry, Inc. of Austin, Texas for \$273,310 for the Phase I Citywide Streetlight LED Retrofit Project

**Sponsors:** Public Works Department

**Indexes:**

**Code sections:**

**Attachments:** 1. 3484BidEval.pdf, 2. 3484Bid\_Fiscal Impact.pdf, 3. Map of LED Retrofits.pdf, 4. Contract.pdf

Date	Ver.	Action By	Action	Result
12/8/2016	1	City Council	approved	Pass

**REPORT TO THE CITY COUNCIL**

**December 8, 2016**

**FROM:** SCOTT L. MOZIER, PE, Director  
Public Works Department

**BY:** SCOTT KRAUTER, PE, Special Projects Engineer  
Public Works Department, Capital Management Division

**SUBJECT**

Actions pertaining to the Phase I Citywide Streetlight light emitting diode (LED) Retrofit Project Bid File No 3484

1. Adopt a finding of Categorical Exemption pursuant to Class 1 Section 15301(c) (existing facilities) of the California Environmental Quality Act (CEQA) Guidelines for the Citywide Streetlight LED Retrofit
2. Award a construction contract to Siemens Industry, Inc. of Austin, Texas for \$273,310 for the Phase I Citywide Streetlight LED Retrofit Project

**RECOMMENDATION**

Staff recommends that the City Council adopt a finding of Class 1 Categorical Exemption, pursuant to

Section 15301(c) of the CEQA Guidelines, award a construction contract for \$273,310 to Siemens Industry, Inc. of Austin, Texas as the lowest responsive and responsible bidder for the Phase I Citywide Streetlight LED Retrofit Project and authorize the Public Works Director or designee to sign the contract on the City's behalf.

## **EXECUTIVE SUMMARY**

The proposed Phase I Citywide Streetlight LED Retrofit Project will replace 887 of the City's existing highest wattage high pressure sodium (HPS) luminaires with more energy efficient LED light sources. A majority of these lights are at major intersections across the City and on Blackstone Avenue from Nees to Shields. A map showing locations of the streetlights is included with this report as an attachment.

## **BACKGROUND**

The Department of Public Works seeks to install new energy efficient LED Fixtures to replace existing high wattage HPS fixtures on existing City streetlights. This project is the first of many phases anticipated to replace the existing luminaires on all 42,000 street lights citywide with LED light sources. This first phase is utilizing a California Public Utilities Commission On-Bill Financing program to provide a zero percent loan for local agencies to replace existing street lights with more energy efficient fixtures. The loan, with PG&E as the electrical utility, was approved by City Council on June 16, 2016. After this project is completed, the terms of the agreement will be finalized and the loan will be paid back by the City on the monthly utility bills from the energy savings achieved by the more energy efficient fixtures. Based on the 887 streetlights and the energy savings over the existing HPS luminaires, an annual savings of \$69,229 is estimated. This estimated savings should pay off the \$250,000 loan in about 3.6 years.

Public Works Department staff prepared project plans and specifications and a Notice Inviting Bids was published in the Business Journal on October 3, 2016, posted on the City's website and faxed to ten building exchanges. The specifications were distributed to twelve prospective bidders. Three sealed bid proposals were received and opened in public on October 25, 2016, with award amounts ranging from of \$291,780 to \$404,058 received for the base bid and three add alternates. Siemens Industry, Inc. of Austin, Texas was the lowest responsive and responsible bidder (note: Siemens does have a local office). Bids will expire within sixty-four days as of the bid opening date, i.e., as of December 27, 2016.

The project bid considered both the costs to furnish and install the LED luminaires and the City's energy costs for the selected fixtures for ten years of operation to determine lowest responsive and responsible bidder as shown on the attached Evaluation of Bid Proposals. However, the contract award is only based on the installation costs only for the lowest bidder.

Staff recommends awarding the Base Bid and Add Alternates 1 & 2 for \$273,310 to Siemens Industry, Inc. of Austin, Texas to replace 887 luminaires and authorize the Public Works Director or designee to sign and execute the standardized contract on behalf of the City of Fresno. The Add Alternate scopes of work included various street light locations across the City with slightly lower projected energy savings than the Base Bid luminaires. The intent of the add alternates was to award as many lights as possible to utilize the entire On-Bill loan amount of \$250,000. The add alternates are shown on the enclosed location map.

## **ENVIRONMENTAL FINDINGS**

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in CEQA Guidelines Section 15301(c) (existing facilities), which exempts the repair, maintenance or minor alteration of existing structures or facilities, which includes existing streets, sidewalk and gutters, and no further expansion of existing use, because the project includes replacement of existing lighting sources. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

## **LOCAL PREFERENCE**

The local preference was not implemented because all bidders who submitted proposals have a local service office as defined in section 4-108 of the Fresno Municipal Code.

## **FISCAL IMPACT**

This \$330,600 Phase I Citywide Streetlight LED Retrofit Project is funded by the On-Bill Financing loan and Measure C Flexible Funding. The loan will be paid in future years using Measure C Flexible Funding in future budgets. The award amount is \$23,310 above the \$250,000 loan amount. The Public Works Department will use additional FY 2017 funding to complete the contract payments beyond the loan amount if project administrative savings do not yield sufficient funds for this additional work. The project will not have any direct impact to the General Fund; however the estimated annual savings of \$69,229 in street light energy costs will continue long after the \$250,000 loan is repaid.

Attachments:  
Bid Evaluation  
Fiscal Impact Statement  
Vicinity Map  
Contract