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Title: Approve Cree LED Streetlight Fixtures for the Installation of Light Emitting Diode (LED) Streetlights throughout the City of Fresno (Citywide)

Sponsors: Public Works Department

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REPORT TO THE CITY COUNCIL

October 18, 2018

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SUBJECT

Approve Cree LED Streetlight Fixtures for the Installation of Light Emitting Diode (LED) Streetlights throughout the City of Fresno (Citywide)

RECOMMENDATION

Staff recommends the Council accept staff recommendation to install Cree Lighting LED fixtures throughout the City of Fresno.

EXECUTIVE SUMMARY

On August 16, 2018, Council approved a zero interest loan agreement with PG&E in the amount of \$10,237,062 for the replacement of all remaining HPS streetlights throughout the City with energy efficient LED fixtures and the Master Services Agreement and accompanying Work Order which allows for the installation of the new LED fixtures. Council requested staff to return for Council to have final authority on the lighting manufacturer contract, possibly using a local manufacturer that

meets or exceeds the City of Fresno Standards. After extensive analysis, staff recommends proceeding with the project utilizing fixtures manufactured by Cree, Inc., the company who was selected by PG&E through a competitive bid process as the best value for turnkey projects throughout the service territory.

BACKGROUND

On August 16, 2018, Council approved a zero interest loan agreement with PG&E in the amount of \$10,237,062 for the replacement of all remaining HPS streetlights throughout the City with energy efficient LED fixtures.

Council approved the Loan Agreement and Master Services Agreement, however Council wanted the flexibility to choose a local manufacturer of LED fixtures that meets or exceeds City Standards. Staff has not located a local manufacturer of LED Streetlight Fixtures that meets or exceeds City Standards. Staff recommends using the original choice of Cree Lighting to supply the LED streetlight fixtures for the Council approved turnkey installation project (Turnkey Project).

The Cree fixtures through the PG&E Turnkey Project are superior for a number of reasons outlined below:

1. PG&E has a procurement process similar to the City of Fresno. In the last procurement process, PG&E received 18 Intents to Bid, 10 actual bids and ended up with 2 bidders from the Technical Review Committee. Cree was selected as best choice out of 10 bidders. PG&E's evaluation included thorough product analysis and a visit to inspect the production facilities of the final short list of bidders.
2. Though PG&E has already received a bulk price from Cree, the City of Fresno was offered an additional \$1.5 million reduction off the already low price from Cree.
3. Cree Lighting is able to meet the City of Fresno timeline for supplying the LED light fixtures.
4. Cree is a "Buy America" manufacturer with the fixtures assembled in Wisconsin.
5. Staff has first-hand experience with the Cree product, both here in Fresno and in the City of Clovis.
6. The lighting pattern does an excellent job in replicating existing patterns, avoiding any dark spots in between existing lights and delivering the energy efficiency needed for the City's short and long-term financial outlook.

PG&E contractors on the turnkey contract have every confidence in the Cree fixtures. If another fixture were chosen by the City of Fresno, PG&E has informed staff that the City would not be able to utilize the Turnkey Project for installation.

Staff recommends that Council approve the fixtures being recommended by staff and as previously competitively bid by PG&E, which will enable the Citywide LED Streetlight Retrofit Project to move forward in construction.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378 the award of this contract does not qualify as a project as defined by CEQA.

LOCAL PREFERENCE

Local Preference does not apply to this item.

FISCAL IMPACT

There will be no impact to the General Fund from this action. Funding for the project is included in the FY2019 adopted budget with zero percent On-Bill Financing through PG&E.