



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING

Meeting Date: March 21, 2017

Agenda Item CoE

Approvals: \_\_\_\_\_

City Manager [Signature]

Dept. Head [Signature]

Attorney \_\_\_\_\_

Finance [Signature]

**Department:** Public Works / Engineering  
**Prepared By:** Tom Bonigut, Deputy Public Works Director TB

**Subject:** **APPROVE PURCHASE AND AWARD INSTALLATION AGREEMENT FOR LED STREET LIGHT CONVERSION CITY PROJECT No. 16505.**

**Fiscal Impact:** Yes. The requested supplemental appropriation of \$15,000 will reduce the Facilities Maintenance Reserve Fund Fiscal Year 2017 balance to about \$2.6 million. Installation of the new street light fixtures will reduce ongoing General Fund electricity costs by about \$50,000 per year based on current electricity rates. The project may also be eligible for a one-time rebate of about \$30,000 depending on details in SDG&E's forthcoming rebate program guidelines.

**Summary:** This action is to request City Council approval to place a purchase order for Light Emitting Diode (LED) street light fixtures and award a contract for light fixture installation as further discussed below.

**Background:** The approved budget includes a project to convert existing high pressure sodium (HPS) street lights on selected arterial streets to LED technology. The project will convert about 763 existing HPS street lights on most of the City's arterial streets as shown in map provided in Attachment 1, including Camino De Los Mares, Camino Vera Cruz, Camino Del Rio, Avenida Vista Hermosa (east of the I-5 freeway), Avenida La Pata, and Avenida Pico (except by Marblehead Coastal and a portion of Talega where SDG&E owns the street lights). The project will also convert all of the City street lights in the Rancho San Clemente Business Park.

Per City Council direction, the new LED street lights will be "Dark Skies compliant" to minimize light in unwanted directions and will be "warm white" 3,000 Kelvin LED lights. Thus the new LED street lights will meet recommendations by the International Dark-Sky Association for "Dark Sky Friendly Lighting." In addition to minimizing light pollution, the new LED street lights will:

- *Reduce energy consumption:* This project will significantly reduce electricity consumption, saving about \$50,000 annually in electricity costs. Reduced electricity use also results in reduced greenhouse gas emissions to support the City's General Plan goals.
- *Lower maintenance costs:* The LED street lights will last 20 years compared to about 5 years for HPS lights, resulting in much fewer lamp replacements.
- *Improve light quality:* LEDs provide more uniform light distribution and better color rendering (i.e. how realistic an object's colors appear under a given light source).

**Discussion:** Two bid invitations were publicly advertised to purchase the light fixtures and related hardware and for a contractor to replace existing HPS fixtures with new LED fixtures. The lowest responsible and responsive bidder for the purchase of the light fixtures was Leotek Electronics USA, LLC of San Jose, California with a bid of \$213,306.21. Note that the bid from Excellence Opto, Inc. was deemed non-responsive because the submitted bid specified light fixtures that were not approved by the City as required by the bid instructions. The lowest responsible and responsive bidder for the installation of the light fixtures was Macadee Electrical Construction of Chino, California with a bid of \$46,543. The bidder's summaries are provided in Attachment 2. Based on the low bids, the total project cost is estimated at \$265,000 as follows:

Item	Amount
LED fixture purchase (rounded up)	\$213,400
LED fixture installation (rounded up)	\$46,600
Subtotal	\$260,000
Contingency and Admin.	\$5,000
<b>Project Total</b>	<b>\$265,000</b>

The approved project budget is \$250,000, therefore a supplemental appropriation of \$15,000 is needed to proceed with the project. There are available funds in the Facilities Maintenance Reserve undesignated fund balance for this expense. As discussed above, the project will result in annual General Fund electricity cost savings of about \$50,000. Also, SDG&E will issue new energy efficiency rebate guidelines by the end of March. Based on coordination with SDG&E, staff anticipates receiving a rebate of about \$30,000 for this conversion to energy efficient street lighting. However, actual rebate eligibility and amount will depend on the final rebate program guidelines. Based on the estimated project cost, SDG&E rebate and anticipated electricity savings, the cost of this project will be recouped in just under five years as summarized below:

Item	Amount
Total Project Cost (est.)	\$265,000
SDG&E Rebate (est.)	\$30,000
Annual Energy Cost Savings (est.)	\$50,000
Simple Payback Period (in years)	4.7

If the City Council approves the supplemental appropriation and fixture purchase and installation, staff would set up a purchase order for the light fixtures and agreement for the light fixture installation. However, to maintain eligibility for a potential rebate, staff will wait to place the light fixture order until SDG&E opens its rebate application process in late March and provides the approval to proceed. Both the light fixture purchase and installation bids specify how long the successful bidders must honor their bid prices, thus the City has some flexibility to wait until the terms of SDG&E's updated rebate program are published. In the event that SDG&E's rebate program is delayed, staff would wait as long as possible but then move forward with purchase and installation of the light fixtures before the bid price guarantees expire. This could impact the City's rebate eligibility. Without the estimated rebate the project payback period would increase slightly by six months to 5.3 years.

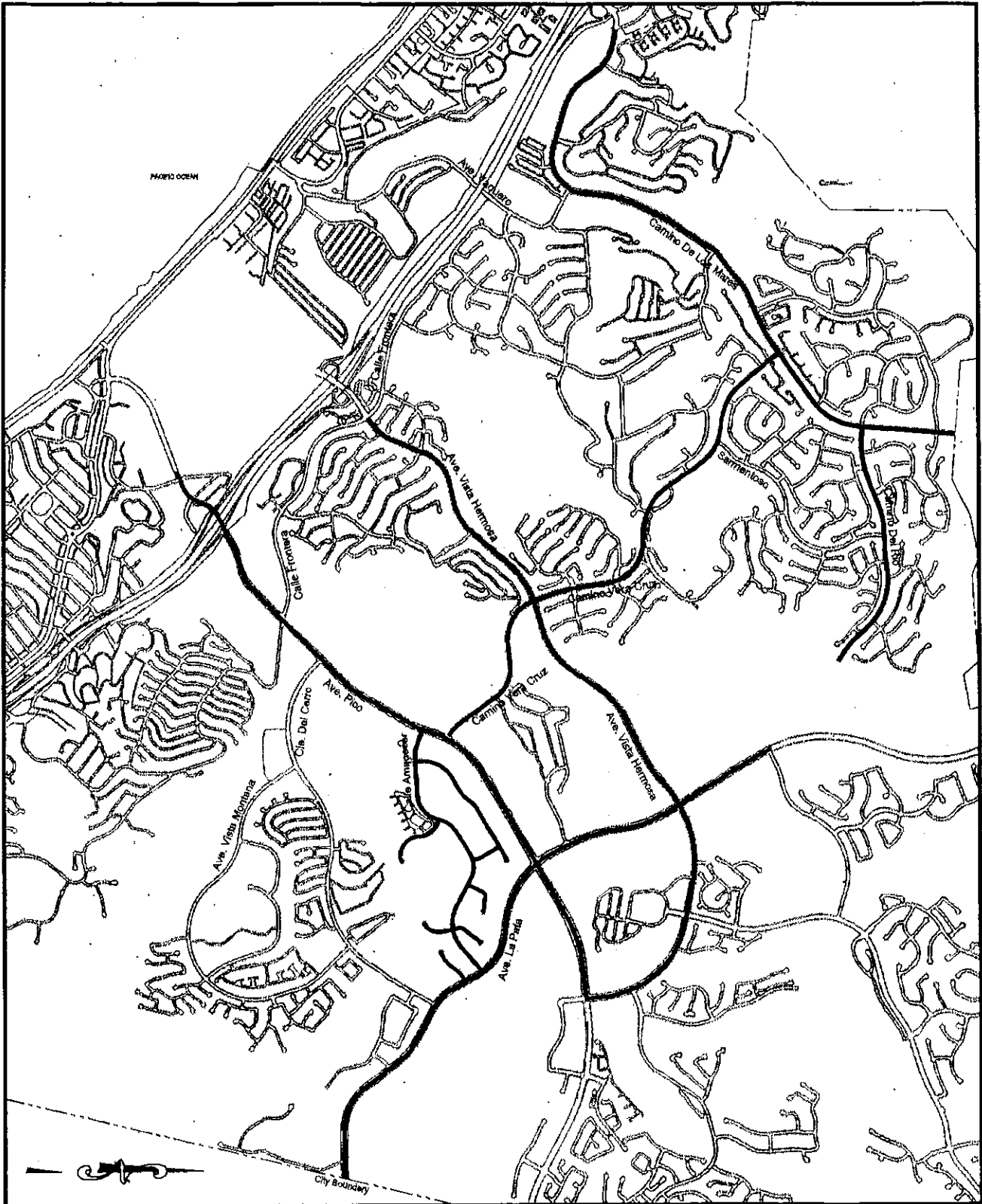
**Recommended**

**Action:** STAFF RECOMMENDS THAT the City Council:

1. Approve the Specifications for the LED Street Light Conversion Project No. 16505;
2. Approve a supplemental appropriation of \$15,000 from the Facilities Maintenance Reserve undesignated fund balance to Account No. 014-811-45300-000-16505;
3. Approve a purchase order with Leotek Electronics USA, LLC, not to exceed \$213,400 for LED Street Light Conversion Project No. 16505;
4. Authorize the Mayor to execute a construction contract with Macadee Electrical Construction in the amount of \$46,543 for LED Street Light Conversion Project No. 16505; and
5. Authorize the Public Works Director to submit and sign a SDG&E energy efficiency rebate application and related documents as may be required by SDG&E.

**Attachments:** 1. Location Map.  
2. Bidder's Listings.

**Notification:** None.



*City of San Clemente*

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**LOCATION MAP**

**LED Streetlight  
Retrofit**



**BIDDER'S LISTING**  
**LED STREET LIGHT FIXTURES PURCHASE**  
 Project No. 16505-01

Bid Due Date and Time: January 19, 2017, 5:00 p.m.

**General Note:** *Sales tax rate for San Clemente changed on January 1, 2017. All bids were updated and compared based on 7.75% tax rate, not 8.0% as indicated on the bid form.*

Bidder	Bidder City	Local Bidder	Responsive Bidder	Bid Amount
Leotek Electronics USA, LLC	San Jose, CA	No	Yes	\$213,306.21
All Phase Electric	Burbank, CA	No	Yes	\$218,270.25
Omega Pacific Electrical Supply Inc.	Carson, CA	No	Yes	\$218,596.02
CED	San Clemente, CA	Yes	Yes	\$226,366.99
General Supply & Services	Anaheim, CA	No	Yes	\$234,442.45
Western Pacific Signal, LLC	San Leandro, CA	No	Yes	\$235,359.35
FTS Lighting Services, Inc.	Orange, CA	No	Yes	\$235,754.85
VaOpto	Las Vegas, NV	No	Yes	\$243,371.69
LED Lighting Wholesale, Inc.	Kalamazoo, MI	No	Yes	\$249,900.48
Excellence Opto, Inc.	Pomona, CA	No	No	\$129,507.69

# BIDDER'S LISTING

BID OPEN TIME: 2:00 PM

BID OPEN DATE: February 7, 2017

PRESENT: *[Signature]*

**Subject:**

Bid Opening: LED Street Light Fixtures Installation, Project no. 16505-02

No. of Bids: 17

Company Information	Bid Bond, Etc.	City Bidder Is From	# Addendums No. 1	Addendum No. 2	Amount
SASCO Electric	✓	Fullerton	✓	✓	\$49,595.00
Excel Electric		San Juan Capistrano			\$95,375.00
PTM General Engineering Services, Inc.	✓	Riverside	✓	✓	\$82,968.62
Aegle ITS	✓	Anaheim	✓	✓	\$57,286.04
Traffic Development Services, Inc.	✓	Moorpark	✓	✓	\$56,347.55
Baker Electric	✓	Escondido	✓	✓	\$166,990.18
Macadee Electrical Construction	✓	Chino	✓	✓	\$46,543.00
Inter-Pacific Inc.	✓	Tustin	✓	✓	\$85,870.66
ACM Lighting Services	✓	Corona	✓	✓	\$102,792.00
Asplundh Construction Corp	✓	Anaheim	✓	✓	\$115,976.00

	<i>Bid Band</i>		<i>Add #1</i>	<i>Add #2</i>	<i>Amount</i>
HMS Construction, Inc.	✓	Vista	✓	✓	\$61,040.00
Siemens Industry, Inc.	✓	Orange	✓	✓	\$64,855.00
Dynatectric	✓	Los Alamitos	✓	✓	\$81,641.00
CTE, Inc.	✓	El Cajon	✓	✓	\$74,774.00
Shimmick Construction	✓	Irvine	✓	✓	\$259,420.00
Foddrill Construction	✓	Chino	✓	✓	\$55,912.64
International Line Builders Inc.	✓	Riverside			\$71,989.05