

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

**SUBJECT: ENERGY SERVICES
COMPANY UPDATE**

DATE: December 9, 2014

Approved



Date

12/10/14

INFORMATION

This memorandum serves as an update to the staff presentation to the Transportation and Environment Committee on September 15, 2014, and to the Information Memorandum submitted to the Council on November 4, 2014. The City's Energy Services Company (ESCO), OpTerra Energy Services, has completed the procurement portion of the streetlight conversion project, which involves the replacement of 18,127 existing streetlight fixtures to LED lamps and adaptive controls. The streetlight design work was completed in September 2014, with OpTerra releasing two competitive procurement packages for the conversion work.

Streetlight Materials

OpTerra released a bid for the streetlight materials (lamps and controls) on September 24, 2014, with competitive bids received on October 9, 2014. After evaluating the bids with the City, OpTerra had determined the lowest responsive and responsible bid for these materials was submitted by Graybar in the amount of \$7,997,864.33.

Streetlight Installation Services

OpTerra also released a bid for streetlight installation services (contractual labor) on October 1, 2014, with a sole, non-responsive bid received by Tanko Lighting on October 20, 2014. These installation services were re-bid on November 11, 2014, with two competitive bids received on November 19, 2014. After review of the two proposals, ABM Electric and Lighting Solutions was deemed the lowest responsive and responsible bidder to complete the work for an amount of \$2,499,807.

Construction Schedule

A pre-construction meeting between the City, OpTerra, ABM, and the material suppliers occurred on December 4, 2014. In addition, OpTerra has scheduled a training session with ABM and the suppliers on December 11, 2014. The first delivery of materials is expected to be received on December 12, 2014, with ABM field crews beginning the conversion work along City streets starting that same day. The installation schedule and boundaries are as follows:

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- ⇒ December 2014: Blossom Hill Road, Monterey Road, Snell Avenue, Branham Lane, Senter Road, Yerba Buena Road
- ⇒ January 2015: Curtner Avenue, Hillsdale Avenue, Almaden Avenue, McLaughlin Avenue, Story Road, Capitol Avenue, McKee Road, Mabury Road, Alum Rock Avenue, White Road
- ⇒ February 2015: King Road, Quimby Road, Ocala Avenue, Tully Road, Aborn Road, Ruby Avenue
- ⇒ March 2015: Silver Creek Valley Road, San Felipe Road, Hellyer Avenue, Great Oaks Boulevard, Cottle Road, Santa Teresa Boulevard, Bernal Road

The streetlight installations completed in December 2014 will be eligible for a PG&E rebate of approximately \$83 per conversion. Installations occurring in 2015 will be eligible for PG&E rebates of approximately \$50 per conversion. Staff will be working with PG&E each month to determine the actual rebate amount expected to be received by the City. The City is anticipated to save 5 million kilowatt-hours and \$660,000, annually, when all conversions are complete.

In order to provide information and improve communications to the community about this project, a new "Smart Streetlight" e-mail address and voicemail box (SmartStreetlights@sanjoseca.gov; 408-795-1637) have been established to provide an avenue for community feedback. All construction vehicles will be outfitted with signage reflecting these details.

/s/

DAVID SYKES
Director of Public Works

For questions, please contact Walter Lin, Energy Officer, at 535-5689.