

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: David Sykes

SUBJECT: UPDATE ON INNOVATIVE LED

STREETLIGHT RFP

DATE: September 29, 2015

Approved

Date

9/30

INFORMATION

On August 26, 2015, staff held a pre-proposal conference for the Innovative LED Streetlight Request for Proposals (RFP). Approximately 40 representatives of lighting, telecommunications, technology, energy, development, and other private sector companies attended.

Overwhelmingly, the businesses told staff that they would like to bring their most creative proposals to the City. Given the unique nature of the RFP, they requested a way to get quick feedback from the City on the feasibility of their idea before committing the time and resources required to develop a full response to the RFP.

Staff listened to the business community and has updated the RFP to create a phased approach that still works with the City's procurement process:

- Phase 1: Respondents will submit a short (maximum of two pages) Conceptual Proposal. Respondents may turn in multiple Conceptual Proposals. Conceptual Proposals will be reviewed for feasibility or infeasibility, and feedback shared with the proposer.
- Phase 2: Applicants whose proposals were deemed feasible will be invited submit a complete RFP application. The schedule allows sufficient time for teams to develop more complete strategies around viable ideas.

In addition to the process change, the approval of the City Telecommunications Master Agreement and Fees, which are a key piece of the evaluation criteria for this RFP were deferred to be heard until October 6, 2015. The schedule extension will give companies sufficient time to factor the fee schedule adopted by Council in to their proposal.

With this change, the revised timeline for the RFP is as follows:

| Key Event | DUE DATE |
|------------------------------------|--|
| Deadline for Questions | October 16, 2015 5:00 p.m. (Pacific Time) |
| City Response to Questions | November 3, 2015 |
| Phase 1, Conceptual Proposals | November 30, 2015 5:00 p.m. (Pacific Time) |
| City notifies Successful Proposers | December 15, 2015 |
| Phase 2, Full Proposal & Samples | January 29, 2016 5:00 p.m. (Pacific Time) |
| Phase 3, Testing (if needed) | TBD |
| Phase 4, BAFO (optional) | TBD |

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Subject: Update on the Innovative LED Streetlight RFP

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BACKGROUND

The Innovative LED Streetlight Request for Proposals seeks partnerships with the private, non-profit, and/or philanthropic sectors to partner with the City in creative ways with the end goal of converting all remaining streetlights to LED technology.

Since 2008, San José has been replacing its outdated streetlights with brighter, whiter, energy-efficient LED lights with "smart" controller units. By the end of summer, approximately 23,000 lights will have been changed to LEDs, with 40,000 units remaining to be converted.

Converting these lights and controller units is estimated to cost approximately \$32 million. Given the other pressing infrastructure needs the City has, Council directed staff to turn this funding challenge into an opportunity for creative solutions.

Potential assets RFP respondents could propose using include:

- Real estate that could be leased or developed;
- Sites that could be used by the telecommunications industry for small-cell technology;
- Facilities that could be reused or repurposed;
- Buildings or properties—such as an animal shelter, playground, or community room—that could be named in honor or recognition of a person or entity;
- Some existing conduit that could be used for fiber or the potential to build new;
- And many more additional opportunities for partnership.

The City is not limiting responses to any particular type of partnership (i.e. telecommunications, naming rights, etc.). However, the City is not simply seeking a financing mechanism to convert the remaining streetlights, nor is this a procurement for the City to directly purchase streetlights.

Information about the RFP will be online at the project webpage (<u>www.sanjoseca.gov/LEDrfp</u>) and responders will be able to download the entire RFP via the City's BidSync process. As a reminder, any questions about this procurement should be directed to the City's designated RFP contact Teri Killgore, Assistant to the City Manager, at LEDrfp@sanjoseca.gov or 408-535-8102. Information is posted online <u>www.sanjoseca.gov/LEDrfp</u>).

DAVID SYKES

Assistant City Manager

For questions, please contact Teri Killgore, Assistant to the City Manager, at (408) 535-8102.