

COUNCIL ACTION FORM

SUBJECT: LED LUMINAIRES SUPPLY CONTRACT FOR ELECTRIC DISTRIBUTION

BACKGROUND:

This project will provide for the replacement of nearly all existing High-Pressure Sodium (HPS) and Mercury Vapor (MV) street light fixtures with Light Emitting Diode (LED) fixtures during routine maintenance activities. The CIP includes a project to replace approximately 7,500 street and security lights over a 5-year period. This contract represents the fifth year of this replacement effort and will provide LED luminaires for the period from award date through June 30, 2022.

LED lights have a longer life and use significantly less energy than existing HPS and MV fixtures. They are instant on, reduce energy usage, decrease the City's carbon footprint, contribute to a more sustainable Ames, and direct light downward to avoid light contamination of the night sky while reducing the glare that can negatively affect drivers. By performing retrofits during routine maintenance activities, this effort is expected to generate a return on investment within 10 years, based on projected energy and maintenance savings. LED fixtures have an expected life of at least 20 years compared to between 5 and 10 years for HPS.

The purpose of this project is to allow for the existing streetlight maintenance workers to retrofit LED lights during routine maintenance on HPS and MV lights in order to minimize retrofit labor costs. Since this effort will be routine-maintenance-based, it will not target specific streets or areas.

Under the proposed contract, LED luminaires would be purchased at the City's discretion on an as-needed basis. This provides the City with flexible inventory management and helps to reduce the need for storage space. The FY 2021/22 Capital Improvements Plan includes \$150,000 for the LED Street Lights – Maintenance Retrofits. Council should note that no contract amount is being authorized at this time, since payments will be made as these lights are purchased.

On July 1, 2021, an Invitation To Bid (ITB) document was issued to 154 companies. The ITB was advertised on AmesBids.

On July 19, 2021, three bids were received, as shown on the attached report. Council should note that the Evaluated Cost is based on quantities that staff estimates will be purchased during this contract period, unit prices, and operating costs. For evaluation purposes, the operating cost is based on input Watts of the LED luminaire offered and an energy cost of \$3 per Watt, per year.

Staff reviewed bids and concluded that the apparent low bid based on Evaluated Cost submitted by Terry-Durin Company, Cedar Rapids, Iowa, is acceptable. Due to the market volatility, the manufacturer can only hold prices for six months from the date of the bid. They will also give us the option to renew the contract for an additional six months, at which time we can accept or reject any price adjustment. This contract will be valid from July 1, 2021 to December 31, 2021, with the option to renew January 1 through June 30, 2022.

ALTERNATIVES:

1. Award a contract to Terry-Durin Company, Cedar Rapids, Iowa, for the LED Luminaires Supply Contract for Electric Distribution in accordance with unit prices bid. LED luminaires will be purchased as requested. Payments will be based on unit prices bid and actual quantities ordered. The contract will be valid from July 1, 2021 to December 31, 2021, with the option to renew January 1 through June 30, 2022.
2. Award the contract to one of the other bidders.
3. Reject all bids and attempt to purchase LED Luminaires on an as needed basis at unpredictable prices.

CITY MANAGER'S RECOMMENDED ACTION:

The replacement of street light fixtures with LED retrofits reduces energy consumption, provides improved performance, and reduces maintenance costs. It is important to purchase LED luminaires at the lowest possible cost with minimal risk to the City.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as stated above.