

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 24, 2019

ITEM NO: 15

SUBJECT: BID NO. RPU-7643 FOR LED LUMINAIRES WITH SOLAR MAX LED, INC. IN THE AMOUNT OF \$4,102,303.30; AND WORK ORDER NO. 1916742 FOR \$8,560,000

ISSUES:

Award Bid No. RPU-7643 for LED Luminaires to Solar Max LED, Inc., of Riverside, California, in the amount of \$4,102,303.30; and approve Work Order No. 1916742 for \$8,560,000.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Award Bid No. RPU-7643 for LED Luminaires to Solar Max LED, Inc., of Riverside, California, in the amount of \$4,102,303.30, which included sales tax of 8.75%; and
2. Approve Work Order No. 1916742 for the Phase 1 LED Conversion of 27,000 Street Lights and Intersection Safety Lights in the amount of \$8,560,000.

LEGISLATIVE HISTORY:

On November 13, 2018, the City Council, with seven (7) members present, unanimously adopted Ordinance O-7447 replacing Title 19 Chapter 19.556, Lighting, in its entirety to re-organize, clarify, and update existing regulations to comply with State laws, technological advancements, and reduce night-sky light pollution to comply with the 2008 Settlement Agreement with Friends of Riverside's Hills.

BACKGROUND:

On July 25, 2016, the Board recommended that the City Council: (1) approve work order number 1611216 in the amount of \$1,150,000 for the development of a Citywide Streetlight LED Conversion Program; (2) approve a Professional Services Agreement with Design Services, Inc. dba Benya Burnett Consultancy for \$855,290 for design services for a streetlight LED conversion project; (3) approve the Permissible Use Of Greenhouse Gas Allowance Value And Proceeds Policy as reflected in the staff report; (4) authorize the City Manager, or his designee, to make changes to the policy in accordance with the goals of Assembly Bill 32, as enacted in 2006, for the benefit of Riverside's retail electric ratepayers; and (5) authorize the City Manager, or his designee, to attest and file the annual Electric Distribution Utility Use of Allocated Allowance Form to the California Air Resources Board.

Subsequently, on September 6, 2016, City Council approved the actions recommended by Board and authorized the City Manager, or his designee, to execute the Professional Services Agreement with Design Services Inc. dba Benya Burnett Consultancy, including making minor and non-substantive changes.

On December 10, 2018, the Board of Public Utilities (Board) approved, and recommended that the City Council adopt, the Street Light Program and Policies Update and Design Guide.

On February 5, 2019, the City Council unanimously adopted the Street Light Program and Policies update and Design Guide. The Street Light Design Guide defines the LED Cobra Head Luminaire color, lighting level, and beam shape to be used for the Phase 1 LED Conversion Project.

DISCUSSION:

Bid No. RPU-7643 for LED Luminaires was posted on the City's Online Bid System on January 8, 2019 and closed April 3, 2019. The LED Luminaries will be used for the LED Conversion Project. Thirteen vendors submitted bids for the LED luminaires. Staff evaluated the bids based on total cost of ownership, including present worth value of energy used, and deemed Solar Max LED, Inc. to be the lowest responsive and responsible bidder. The bid was within the engineer's total estimated amount of \$5,400,000. The bids are summarized in the table below:

Vendor	City Location	Base Bid Amount	Life Cycle Cost Rank	Comments
SolarMax LED, Inc.	Riverside, CA	\$3,772,232.92	1	Lowest Responsive and Responsible Bidder
Excellence Opto, Inc.	City of Industry, CA	\$3,835,171.00	2	Bid 8 of 15 line items
Cree	Durham, NC	\$5,406,150.68	3	Bid 14 of 15 line items
Omega Pacific Electric Supply, Inc.	Richmond, CA	\$4,675,701.64	4	Bid 14 of 15 line items
OneSource Distributors	Riverside, CA	\$4,751,562.56	5	1 of 15 line items did not meet technical requirements
Leotek Electronics USA, LLC	San Jose, CA	\$4,776,067.46	6	
WESCO Distribution	Cerritos, CA	\$5,631,012.10	7	
Current Powered by GE	East Cleveland, OH	\$4,966,782.95	8	2 of 15 line items did not meet technical requirements
Smarter Building Technologies Alliance	Las Vegas, NV	\$4,675,701.64	9	7 of 15 line items did not meet technical requirements
NexTech Systems, Inc.	Irvine, CA	\$5,119,049.61	10	1 of 15 line items did not meet technical requirements
WESCO Distribution Alternate	Cerritos, CA	\$6,065,198.25	11	
PowerSecure, International	Wake Forest, NC	\$6,850,511.91	12	
Valitus Technologies, Inc.	Corona, CA	\$5,057,645.33	13	Bid 14 of 15 line items
Energy Products Unlimited, LLC	Oceanside, CA	\$144,650.00		Non-responsive

Engineer's Estimate (Total Base) **\$5,400,000.00**

Life cycle analysis includes total cost of ownership, including life energy costs of \$4.57231 per watt for all luminaire line items. Energy cost may exceed the purchase price by 250 percent or more.

Evaluation also considered local preference in accordance with Purchasing Resolution Section 605. The local preference adjustment had no impact on vendor ranking.

All streetlight luminaires will be replaced with LED luminaires through a phased project approach, which will be completed by April 2020. In total 33,000 luminaires will be replaced. Phase 1 includes the conversion of 25,000 street lights and 2,000 intersection safety lights. Staff will return to the Board of Public Utilities for the award of Bid No. RPU- 7647, which will be seeking proposals from qualified electrical contractors for the Phase 1 LED conversion project.

The project/fiscal breakdown is as follows:

Project and Fiscal Breakdown		
Work Type	Performed By:	Amount (\$)
Project Management, Inspection and Permits	Consultant and City Staff	\$497,000
Electrical Work (estimate)	Conversion Contractor	\$3,600,697
LED Luminaire Cost (with 8.75% sales tax)		\$4,102,303
10% Conversion Contract Contingency		\$360,000
Work Order Total:		\$8,560,000
Anticipated Start Date:		August 2019
Anticipated Completion Date:		April 2020

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23256.

FISCAL IMPACT:

The total fiscal impact is \$8,560,000. Sufficient funds are available in Public Utilities Major Street Light Projects Account No. 6130200-470637.

Prepared by: George R. Hanson, Utilities Assistant General Manager/Energy Delivery
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Brian Seinturier, Utilities Fiscal Manager

Attachments:

1. Project Site Map
2. Award Bid Recommendation
3. Presentation