

July 17, 2017

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Ordinance 1) authorizing execution of a grant agreement (and supplements if necessary) with the Washington State Department of Commerce for acceptance of \$23,526 in state Energy Efficiency Program funding for the 2017 LED Street Light Conversion project; 2) amending the 2017-2018 General Capital Investment Program (CIP) Fund to increase the appropriation by \$44,158 to recognize the Department of Commerce funding and an energy conservation rebate of \$20,632 from Puget Sound Energy (PSE); 3) amending the 2017-2023 CIP Plan to increase the project budget for the Minor Capital – Signals and Lighting program (CIP Plan No. PW-M-20) by \$44,158; and 4) authorizing execution of a purchase agreement with Consolidated Electrical Distributors, Inc. for the 2017 LED Street Light Conversion Project, a Neighborhood Safety and Connectivity Levy project (CIP Plan No. PW-R-199) in the amount of \$83,218.00, plus all applicable taxes.

FISCAL IMPACT

This action obligates the City to approximately \$91,539.80, which includes all applicable taxes, to purchase 155 light-emitting diode (LED) lights to convert high-pressure sodium streetlight fixtures to energy efficient LED fixtures for four corridors (listed below). The estimated yearly savings of electricity cost to the City is \$12,000.

- 1) NE 12th Street between Bellevue Way and 112th Avenue NE
- 2) Bel-Red Road from 116th Avenue NE to 130th Avenue NE
- 3) Richards Road from Lake Hills Connector to SE 32nd Street
- 4) 148th Avenue SE from SE 8th Street to Lake Hills Boulevard

The agreement will be partially funded by a State Department of Commerce Energy Efficiency grant totaling \$23,526 and an energy conservation rebate from PSE totaling approximately \$20,632, which will offset costs to be accomplished through the Minor Capital – Signals and Lighting program (CIP Plan No. PW-M-20). Funding from the Neighborhood Safety and Connectivity Levy project (CIP Plan No. PW-R-199) will fulfill the committed remaining fund allocation of \$47,382 for this project.

| Funding Source for Purchase Agreement | *Amount |
|---|--------------------|
| PW-M-20 Funding | |
| State Dept of Commerce Energy Efficiency Grant | \$23,526.00 |
| PSE Energy Conservation Rebate | 20,631.74 |
| Subtotal PW-M-20 Funding (17-18 Appropriation Increase) | \$44,157.74 |
| Neighborhood Safety and Connectivity Levy (PW-R-199) | 47,382.06 |
| Total Funding for Purchase Agreement | \$91,539.80 |

*Amount includes all applicable taxes estimated at \$8,321.80

This action will increase the 2017-2018 General CIP Fund appropriation and the PW-M-20 budget by \$44,158.

STAFF CONTACTS

Dave Berg, Director, 452-6468

Mark Poch, Assistant Director, 452-6137

Chris Long, Traffic Engineering Manager, 452-6013

Jeremy Chin, Senior Transportation Engineer, 452-4179

Transportation Department

POLICY CONSIDERATION

Environmental Stewardship Initiative (ESI):

This project supports the ESI Strategic Plan 2013-2018, which encourages implementation of energy and water conservation retrofits and operational improvements for municipal facilities, street lights and traffic signals, and pump stations.

Comprehensive Plan:

The Environmental Element of the Comprehensive Plan sets the framework for environmental stewardship in Bellevue, and contains a stated goal of promoting a sustainable urban environment. Specifically, Policy EN-10 establishes the use of best management practices and technology in City projects to demonstrate effective environmental stewardship and long-term fiscal responsibility. Energy efficient lighting is just one example of environmental stewardship and best management practices.

Bellevue City Code 4.28.040(1):

Council approval is required for any purchase of material, supplies, and equipment of \$90,000 or more.

Bellevue City Code 4.28.150:

The Finance Director or his/her designee is authorized to join in cooperative purchasing arrangements with other public agencies, cooperatives or consortiums similarly authorized, when the best interests of the City would be served thereby. Any cooperative purchasing agreement shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties and shall be governed by the requirements of state law in regard to competitive bidding when applicable. (Ord. 6187 § 1, 2014.)

BACKGROUND

The Neighborhood Safety and Connectivity Levy included voter approved funding for six main focus areas including congestion relief, safety, sidewalks, bicycle facilities, technology, and maintenance. All of these focus areas, except congestion relief, are funded through CIP Project PW-R-199.

A major component of the technology focus area is LED street light conversions. LED conversions are a citywide need and have historically been funded through the City's operating budget and the Minor Capital – Signals and Lighting Program (CIP Plan No. PW-M-20). The approval of the Neighborhood Safety and Connectivity Levy enables the City to accelerate LED conversions beyond the level funded by the city's base budget.

In 2015-2016, approximately half of the city's 9,000+ street lights were converted to LED technology. Most of the converted lights were in residential areas of the City. The remaining lights are mostly located on City arterial streets and are typically higher wattage than the residential LED street lights. The Transportation Department has selected four major arterials to convert 155 lights to LED this year including: NE 12th Street between Bellevue Way and 112th Avenue NE; Bel-Red Road from 116th

Avenue NE to 130th Avenue NE; Richards Road from Lake Hills Connector to SE 32nd Street; and, 148th Avenue SE from SE 8th Street to Lake Hills Boulevard. This conversion will save the City approximately 120,000 kilowatt-hours of energy which equals approximately 58 percent energy saved.

The LED lights will be purchased under the Washington State Contract #00313, Street Light & Poles, in which the City has signed a Master Contract Usage Agreement with the State. By piggybacking off the State contract, the competitive bidding process has been previously fulfilled and is not required again by the City. The lowest responsible and responsive bidder was Consolidated Electrical Distributors, Inc.

This project will be partially funded through a Washington State Department of Commerce energy efficiency grant totaling \$23,526. In 2015, the Legislature appropriated \$25 million for statewide energy efficiency and solar grants. The grants are awarded through a competitive process and must be used for energy and operational cost savings.

Another portion of the project will be funded through a PSE energy conservation grant rebate totaling \$20,632. This program, offered by PSE, provides monetary rebates to customers that install energy efficient lighting with LED products that meet PSE specifications. All the lights installed with this project meet PSE specifications.

EFFECTIVE DATE

If approved, this Ordinance becomes effective on July 27, 2017.

OPTIONS

1. Adopt the Ordinance 1) authorizing execution of a grant agreement (and supplements if necessary) with the Washington State Department of Commerce for acceptance of \$23,526 in state Energy Efficiency Program funding for the 2017 LED Street Light Conversion project; 2) amending the 2017-2018 General Capital Investment Program (CIP) Fund to increase the appropriation by \$44,158 to recognize the Department of Commerce funding and an energy conservation rebate of \$20,632 from Puget Sound Energy (PSE); 3) amending the 2017-2023 CIP Plan to increase the project budget for the Minor Capital – Signals and Lighting program (CIP Plan No. PW-M-20) by \$44,158; and 4) authorizing execution of a purchase agreement with Consolidated Electrical Distributors, Inc. for the 2017 LED Street Light Conversion Project, a Neighborhood Safety and Connectivity Levy project (CIP Plan No. PW-R-199) in the amount of \$83,218.00, plus all applicable taxes.
2. Do not adopt the Ordinance and provide alternative direction to staff.

RECOMMENDATION

Option 1

MOTION

Motion to adopt Ordinance No. 6356 1) authorizing execution of a grant agreement (and supplements if necessary) with the Washington State Department of Commerce for acceptance of \$23,526 in state Energy Efficiency Program funding for the 2017 LED Street Light Conversion project; 2) amending the 2017-2018 General Capital Investment Program (CIP) Fund to increase the appropriation by \$44,158 to recognize the Department of Commerce funding and an energy conservation rebate of \$20,632 from Puget Sound Energy (PSE); 3) amending the 2017-2023 CIP Plan to increase the project budget for the Minor Capital – Signals and Lighting program (CIP Plan No. PW-M-20) by \$44,158; and 4) authorizing execution of a purchase agreement with Consolidated Electrical Distributors, Inc. for the 2017 LED

Street Light Conversion Project, a Neighborhood Safety and Connectivity Levy project (CIP Plan No. PW-R-199) in the amount of \$83,218.00, plus all applicable taxes.

ATTACHMENTS

- A. Vicinity Map (148th-SE 8th-Lk Hills)
 - B. Vicinity Map (BelRed 116th-130th)
 - C. Vicinity Map (NE12th-112th)
 - D. Vicinity Map (Richards Rd-SE 32nd)
 - E. CIP Project Description (PW-M-20)
 - F. CIP Project Description (PW-R-199)
- Proposed Ordinance No. 6356

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

- A. Draft Washington State Department of Commerce Funding Agreement
- B. Puget Sound Energy Conservation Grant Rebate Agreement