

SUBJECT: AWARD OF CONSULTANT AGREEMENT – ANALYSIS OF EDISON STREET LIGHT PURCHASE PROGRAM

SOURCE: Public Works Department - Engineering Division

COMMENT: In October 2013, the City Council approved and directed the Public Works Director to move forward with preliminary steps to purchase Edison owned street lights (LS-1). To move the project forward, Edison required payment in the amount of \$10,000 to perform an appraisal of their street lights. Staff anticipates completion of this task on or before August 2014.

The Cities of Visalia, Tulare and Porterville interviewed and selected the firm of Utility Cost Management, LLC (UCM) of Fresno to perform a variety of analytical tasks to determine if it is good business sense to consummate the purchase of Edison street lights. Specifically, UCM will:

1. Review and analyze Edison's appraisal report, calculations and methodology.
2. Review past sales to provide comparable data that may help reduce SCE's price.
3. Forecast utility bill savings and ongoing cost of maintenance.
4. Financing options and financial risks.
5. Retrofit options, i.e., change out existing lights to LED lighting.

UCM's fee to accomplish all tasks is \$7,100. Once Southern California Edison has completed their street light appraisal report, staff will present Edison's findings and will request Council authorization to negotiate a Consultant agreement with UCM to perform the tasks outlined above. Edison's appraisal may be such that Council may choose not to participate any further in this endeavor. However, if the appraisal appears promising, the services offered by UCM will be of great value in helping the City make an informed decision on whether to purchase the street lights or maintain the status quo.

RECOMMENDATION: None. Information only.

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