



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager

Prepared by: Barbara Leibold, City Attorney

Date: November 13, 2018

Subject: Appendix No. 4 to the Professional Services Agreement (PSA Appendix No. 4) and Appendix No. 4 to the Equipment Purchase Agreement (EPA Appendix No. 4) Regarding Streetlights Purchase Program

Recommendation

adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING AND RATIFYING ALL PRIOR APPROVALS, EXECUTIONS AND DELIVERIES OF: (1) AMENDED AND RESTATED WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS PROFESSIONAL SERVICES AGREEMENT DATED MARCH 27, 2018, (PSA), BY AND BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (WRCOG) AND SIEMENS INDUSTRY INC., INTELLIGENT TRAFFIC SYSTEMS (CONSULTANT); (2) APPENDIX No. 4 TO THE PSA (PSA APPENDIX No. 4) BY AND BETWEEN THE CITY OF LAKE ELSINORE (CITY), WRCOG AND CONSULTANT; (3) WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS EQUIPMENT PURCHASE AGREEMENT (EPA) DATED JUNE 28, 2018, BY AND BETWEEN WRCOG AND CALIFORNIA ELECTRIC SUPPLY (CONTRACTOR); AND (4) APPENDIX No. 4 TO THE EPA (EPA APPENDIX No. 4) BY AND BETWEEN CITY, WRCOG AND CONTRACTOR; and,

Authorize and ratify the City Manager's execution of PSA Appendix No. 4 and EPA Appendix No. 4.

Background

On July 24, 2018, the City Council adopted Resolution No. 2018-099, which authorized the execution of various financing contracts as part of the City's previously approved streetlight purchase program in which the City will purchase streetlights from Southern California Edison.

Resolution No. 2018-099 specifically listed certain financing documents and included those documents as exhibits. Section 2 of Resolution No. 2018-99 further authorized the City Manager to execute two "appendices"; however, those appendices were not attached.

Resolution regarding Streetlight Purchase Program
November 13, 2018

Discussion

After reviewing the lease financing documents and the final form of the appendices, the City Attorney's office requested that the City Council approve, and ratify any prior approvals, related to the PSA Appendix No. 4 and EPA Appendix No. 4 (along with the underlying contracts referenced below).

The first appendix relates to WRCOG's Professional Services Agreement with Siemens Industry, Inc., whereby Siemens was engaged to render professional services for the installation of LED street lights and the ongoing operations and maintenance of the street light systems for certain member agencies of WRCOG, including the City. The appendix, known as "PSA Appendix No. 4," recognizes the City as a member agency of WRCOG and incorporates by reference the terms of the Professional Services Agreement.

The second appendix relates to WRCOG's Equipment Purchase Agreement with California Electric Supply Corporation for the purchase of LED street lights and related equipment for members of agencies of WRCOG. The appendix, known as "EPA Appendix No. 4," recognizes the City as a member agency of WRCOG and incorporates by reference the terms of the Equipment Purchase Agreement.

The underlying contracts and the appendices are attached.

Fiscal Impact

As noted in the July 24, 2018, staff report, the purchase and LED retrofit net savings are approximately \$309,415.00 in the first year and net savings over 20 years is approximately \$5.4 million.

- SCE Streetlights to be purchased – 3,186
- City owned Streetlights to be LED retro-fitted – 300
- Total LED retro-fitting – 3,486
- Streetlight Ownership cost including Tax, Adjustments and Transition Cost - \$2,448,728.00
- Retrofit cost including cost of issuance - \$849,014
- 5% Contingency (of Acquisition and gross retro-fit cost) - \$161,638.00
- Total Ownership + Retrofit + 5% Contingency - \$3,459,380.00

The above numbers were generated by the PFM Group on behalf of WRCOG to the City of Lake Elsinore for the most updated cash flow analysis.

Exhibits

- A. Resolution No. 2018-_____
- B. PSA Appendix No. 4
- C. Professional Services Agreement
- D. EPA Appendix No. 4
- E. Equipment Purchase Agreement