



AGENDA MEMORANDUM

Action Item for City Council Meeting November 15, 2022

DATE: November 8, 2022

TO: Peter Zaroni, City Manager

FROM: Heather Hurlbert , CPA, CGFO, Director of Finance and Procurement
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City of Corpus Christi and AEP Texas Streetlight Installation Agreement for conversion of select streetlights to LED fixtures

CAPTION:

Motion authorizing a fourteen-month streetlight installation agreement with AEP Texas to convert 11,038 existing light fixtures to LED light fixtures for select residential areas across the five districts for a total cost of \$1,521,698.68 from the Bond 2018 capital fund.

SUMMARY:

This agenda item is to execute a service agreement totaling an amount not to exceed \$1,521,698.68 with AEP Texas to convert an estimated 11,038 streetlights to LED fixtures. This agreement is the second service agreement in support of the Light-up CC project which is a one and a half year planned conversion of all eligible streetlights across the City, to brighter and more efficient LED lights.

BACKGROUND AND FINDINGS:

The use of LED technology for streetlights has increased in popularity due to the longer-life spans, better color rendition, brightness, less carbon footprint, and improved energy efficiency compared to other lighting options. As a result, there has been an increased demand from cities to provide LED fixtures as an option to older technologies including longer life span of the lights, better color rendition, better brightness, less carbon footprint & improved energy efficiency compared to existing lighting.

Electric power providers are establishing LED streetlight tariffs to support the demand. In June 2020, AEP Texas adopted an LED tariff as an option to cities. The tariff allows replacement of an existing streetlight with an LED fixture if the existing fixture fails at no cost to the City. However, the cost to convert a functioning streetlight to an LED fixture is \$137.86.

In August 2021, the City initiated a pilot program to upgrade streetlights to LED fixtures as part of the City's plans to rehabilitate Ocean Drive or "Revive the Drive" initiative. A total of 523 AEP owned streetlights along the Ocean Drive and Shoreline Drive corridor between Resaca Street and Ennis Joslin Road were identified and upgraded to LED fixture types. The change in fixture

type not only provided better illumination but also provided the City with a total annual savings of approximately \$20,500.

With the success of the pilot program, the City initiated a program called “Light Up CC – Phase 1” on May 24, 2022. This plan was to change all eligible streetlights across the City from the existing fixtures to LED fixtures. For the first four months of the program, Public Works staff identified 4,125 AEP owned streetlights, that were eligible to be upgraded to LED fixtures. These lights were located within select residential areas in each of the five City Council districts. The service agreement for this first phase was approved by the City Council on May 24, 2022.

This agenda item is for approval of the second phase of “Light Up CC – Phase 2”. Public Works has identified an additional 11,038 AEP owned streetlights, that are eligible to be upgraded to LED fixtures. These lights would be converted during the next 14 months. Assuming a combined kWh charge of \$0.08, the City will have an estimated combined savings per year of \$672,000.

For the purpose of the street light replacements, the City was broken down into nine (9) zones with the replacements starting in Zone One which is on North Padre Island. Replacements will progress through Zone Nine which is the northwest portion of the City. This systematic approach by AEP provides for the most efficient use of resources and coverage with the new lighting.

The installation of the LED fixtures will be done by AEP Texas with the second phase is anticipated to begin in December 2022. As owners of the streetlights, AEP Texas will procure the replacement fixtures and will schedule the resources needed to perform conversion of the streetlights. AEP Texas will advise the City of Corpus Christi on any unforeseen circumstances that might impact the procurement and installation timeline. All work for Phase 1 is estimated to be completed by December 2022, allowing the project to flow into Phase 2. Phase 2 will begin December 2022 and is estimated to be completed by November 2023.

ALTERNATIVES:

The alternative is to not approve the execution of the Streetlight Installation Agreement with AEP Texas or to approve a modified agreement.

FISCAL IMPACT:

The fiscal impact of the project is an amount not to exceed \$1,521,698.68 for the installation of approximately 11,038 LED streetlights over the next 14 months.

FUNDING DETAIL:

Fund:	3553 – Street2018 CO
Organization/Activity:	18045A3553EXP
Mission Element:	051
Project # (CIP Only):	18045 – Street Lighting Improvements
Account:	530235
Amount:	\$1,521,698.68

RECOMMENDATION:

Staff recommends approval of this motion authorizing the conversion of an estimated 11,038 existing streetlights to LED fixtures for the remainder of the Light Up CC conversion program.

LIST OF SUPPORTING DOCUMENTS:

City of Corpus Christi and AEP Texas Streetlight Installation Agreement Price Sheet