



City of Santa Fe, New Mexico

Memorandum



DATE: January 24, 2021

TO: Governing Body

FROM: Regina Wheeler, Public Works Department Director *RW*

ITEM

Global Management Performance Contract with Dalkia Energy Solutions, LLC to convert City owned street lights to LEDs for \$2,757,777 plus NMGRT and maintain City owned street lights for \$179,074/year plus NMGRT. Regina Wheeler, rawheeler@santafenm.gov, 955-6622.

SUMMARY

Street lights play an important role in making roadways safe for pedestrians, bicyclists and drivers. The City's street lights have a short lifespan and a high failure rate. They are an old technology, high pressure sodium (HPS), that uses a lot of electricity. By converting street lights to LEDs, the reliability will be improved and the electricity use reduced by approximately 60%. The on-bill electric savings will pay for the conversion.

There are approximately 5550 street lights in the City of Santa Fe. The City owns approximately 3499 of these street lights including the lights on Cerrillos and St Michael's Drive that just transferred to the City from NMDOT. PNM owns approximately 2057 of the street lights in the City. NMDOT owns the lights at on and off ramps of 599 and other highways. The City is responsible for the cost of operations and maintenance for all of these lights at a cost of approximately \$1,000,000 per year.

The City pays PNM according to Rate 20, approximately \$620,000 per year for electricity and maintenance on all of the approximately 5550 street lights. The estimated on-bill electric savings of converting all of the City's lights to LED is projected to be \$550,000 per year. The City also pays PNM for non-routine maintenance associated with aging infrastructure and accidents costing an additional approximately \$300,000 per year. After the conversion, PNM will no longer maintain the City's street lights. The GMPC with Dalkia includes provisions for routine and non-routine maintenance of City street lights. The fee for regular maintenance will be \$179,074 plus NMGRT and non-routine maintenance will be performed at unit rates included in the GMPC. The Dalkia team that will convert and maintain the City of Santa Fe street lights just completed the City of Albuquerque's street light conversion project and performing ongoing maintenance from their office in Albuquerque.

The new street lights are smart ready, facilitating remote monitoring. Dalkia will manage the City's street light maintenance using a software for monitoring operations and reporting key performance indicators including energy savings as required by the contract. The City will have licenses to access the software as well. Constituents reporting street light issues will be able to call Dalkia's dedicated service phone number or send an email to the dedicated email address, call City of Santa Fe constituent services or log a work order into the City's online work order system. All items will be routed to Dalkia for resolution. Dalkia will meet monthly with City Public Works to review outstanding items.

The City is entering a separate contract with PNM for the conversion of street lights owned by PNM that will come to the Governing Body in a separate item. PNM, Dalkia and the City are working together with the goal of converting all of the lights in one 6 month project. From the notice to proceed, there is 6-8 weeks for materials delivery and then 4 months for installation. The map in the Implementation Plan shows the planned sequencing of the conversion, starting on the south side of town in approximately June, then moving to downtown in case large gatherings begin again and then crossing the rest of the City by September 2021.

The lamps being removed will be recycled and hazardous waste managed properly by the contractors.

The new LED lamp heads focus light down onto the street and generate less stray light than the current street lights. This improves safety while protecting dark skies. The smart ready street lights can also support a dimming strategy. When converting to LEDs there is also the specification of color. Rate 20 specifies the light conversion for PNM lights as 3,000 kelvin for residential and 4,000 kelvin for main streets and collectors. Dalkia will follow the same conversion strategy. It has been reported that 3,000 kelvin lights minimize interference with circadian rhythms and that 4,000 kelvin lights make main roads safer. Specifications of the luminaires to be used in the conversion of City owned street lights are included in the attached Implementation Plan.

PROCUREMENT METHOD:

The procurement method is use of existing contract. See attached City of Albuquerque GMPC with Dalkia (previously Citelum).

BUDGET:

Conversion

\$2,880,464.42 (\$2,757,777 plus \$232,687.43 @ 8.4375% NMGRT)

Project string FA1832001

Fund 600 Org Object: 1000471.520200a budget to be loaded after financing closes

Maintenance

\$194,183.37 (\$179,074/year plus \$15,109.37 @ 8.4375% NMGRT) for annual maintenanc.

Org/object 1000416.520150 (Traffic Engineering – Repair & Maintenance System Equipment)

MUNIS CONTRACT NUMBER:

3202498 Dalkia

SCHEDULE:

Public Works Committee: 02/08/2021

Finance Committee: 02/15/2021

City Council: 02/24/2021

The project is scheduled for completion within six months after the Notice To Proceed (NTP) is received by the contractor, currently scheduled for September 30, 2021.

ATTACHMENTS:

Exhibit A - GMPC agreement with Dalkia

Exhibit B – Dalkia Implementation Plan

Exhibit C – City of Albuquerque GMPC

Exhibit D – Letter extending terms and conditions to City of Santa Fe

Exhibit E – City of Santa Fe Business License(s)