



Date: April 13, 2011

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Edward R. Venable, Manager of Engineering and Stormwater
Subject: Lights for City Hall Plaza

Executive Summary

The City Council awarded Contract ST-243 City Hall Plaza Street Improvements Project on January 3, 2011. Decorative street lighting has been planned to be installed as a part of the project. This lighting will match the existing decorative lighting already installed for the Downtown Project and the West Village Main Street Project. Duke Energy Corporation has submitted a three-year service agreement for the electrical service and installation of these decorative lights for a total of \$108,384.97

Recommendation

The Administration recommends that the City Council authorize the City Manager to execute a Street Light Three-Year Service Agreement with Duke Energy Corporation for the City Hall Plaza Street Improvements Project at a recurring monthly rate of \$134.24 and for the installation of eight (8) decorative teardrop poles at a one-time cost of \$103,552.33 for a total agreement cost of \$108,384.97.

Background

As part of the City Hall Plaza Street Improvements Project, new decorative street lighting has been planned. The old lights will be removed and replaced with new decorative lights. This lighting will match the existing decorative lighting installed for the Downtown Project and the West Village Main Street Project. Eight (8) new decorative lights are planned to be installed. The City will purchase the lights and install them and bear that cost. Duke Energy will then take possession of the lights and is responsible for their perpetual maintenance. The City will pay a monthly charge for the lights. Duke Energy Corporation must receive an executed agreement along with the payment for the decorative lights to place the order. Because of the increased cost of the lights, the item requires Council approval. It is critical that the lights be ordered to install them during the construction phase of the City Hall Plaza Street Improvements project.

Issues/Analysis

The service agreement is for a three-year period with a recurring monthly rate of \$134.24. The annual cost will be \$1,610.88 and for three years \$4,832.64. Eight (8) decorative lights at a cost of \$12,567.03 each total \$100,536.24. The tax is \$3,016.09 for a grand total of \$108,384.97.

Alternatives

The City Council could choose to approve the item in order for the decorative lighting to be similar to existing lighting recently installed in the downtown area. If the City Council should choose to not approve the item, then the lighting would not be installed. The existing lighting would remain in place.

Financial Impact

Funding for this service agreement is as follows:

0U020300-722200	\$ 4,832.64	Street Lighting – Electricity
3612L010-732001-LL000	<u>\$103,552.33</u>	Downtown Street Improvements
TOTAL	<u>\$108,384.97</u>	

The recurring \$134.24 monthly electric charges are included in the General Fund Street Lighting Annual Operating budget. The one-time cost of the decorative teardrop lighting is included in the Downtown Street Improvements Phase I & II Capital Improvement Project.

The monthly electrical costs will not be encumbered with this agreement since it will be automatically included in the monthly street light bill. The cost of \$103,552.33 for the decorative lights will be the only amount encumbered.

SDBE Summary

This section is not applicable to this agreement.