

Town of Amherst, New York
LED Streetlight Conversion Project
March 19, 2024

RFP Issued in February 2019 (TOA RFP #201903)

- Responses received from 5 firms

RFP Awarded to Wendel in November 2019

- Negotiated fee was 20.5% of construction costs

RFP Steps:

1. Comprehensive Energy Audit – November 2019 - \$5,000
(Completed – See Wendel Energy Preliminary Financial Projections dated 2/24/2020)
 - Updated the project’s economic analysis starting with the previous study from 2016
2. Phase 1 – Project Development (Investment Grade Audit) – July 2020 - \$405,245.89
(Completed – see Wendel Energy Final Design Financial Projections dated 11/5/2021)
 - GIS field audit and mapping
 - Design
 - Fixture selection and procurement
 - Photometric design
 - Smart controls
 - Value added services (smart cities technology)
3. Phase 2 – Construction Management and Administration
(Not Completed through RFP Award)
 - Installation and maintenance
4. Phase 3 – Post-construction Management and Maintenance
(Not Completed through RFP Award)

Before proceeding to Phase 2 with Wendel Energy, the Town opted to stay with Wendel as the project engineer, but to contract with the New York Power Authority (NYPA) as the project manager for oversight and accountability due to their expertise with streetlight conversion projects. Under this scenario, Wendel is paid 9.5% of construction plus conversion reporting and asset management integration fees, and NYPA is paid 8% of construction plus Wendel’s fees. Without this relationship, the Town would have contracted with a construction manager to oversee the project.

NYPA Steps:

1. NYPA Energy Services Program Master Cost Recovery Agreement – September 2021
 - Over-arching agreement with NYPA (no cost)
2. NYPA Authorization to Proceed – February 2022
 - Final design report
 - Bids for materials and installation labor
 - Construction management
 - Commission the final project

3. Customer Project Commitment – March 2022 - \$4,435,238.55
 - Purchase of materials

4. Amended Customer Project Commitment – October 2022 - \$13,668,240.35
(In Process – see NYPA Total Project Summary dated 10/11/2022)
 - Amends total cost to \$18,103,478.90
 - Increases scope to include labor for conversion of 9,666 HID lights to LED
 - Allowances for separation work
 - Maintenance
 - Facility upgrades
 - Contingency
 - Utility asset purchase
 - Asset management procurement
 - Installation and integration
 - Hazardous waste disposal costs
 - Conversion reporting

Labor was bid to ensure that union labor had an opportunity to participate. Contracts were awarded to O’Connell (highway lighting) and CATCO (residential lighting).

Bonds totaling \$33.4 million were approved in 2022

Purchase of streetlight asset was a separate agreement with National Grid

1. Purchase and Sale Agreement – February 2022 - \$15,061,836.41 estimated value

2. Closed – May 2023 – Total cost of \$15,461,247 (2.4% increase)
 - Actual amount is approved by the NYS Public Service Commission and is not negotiable with the utility company

Most of the savings are obtained through facility charges previously paid to the utility, in addition to the energy savings.

Conversion work began in late May 2023; substantial completion is anticipated by 12/31/2024

As of 3/13/2024, the following conversions have been completed:

- 2,848 cobra head fixtures (of 2,878 total)
- 4,209 post top fixtures (of 6,706 total)
- 0 wall-pack fixtures (of 27 total)

Purchase and conversion of 55 lights located on Transit Road and owned by NYSEG is not being pursued at this time.

NYPA Estimated Annual Savings: \$3,192,099.15

Additional costs to come out of NYPA savings estimate:

- Bond payments (20 years)
- Utility fees (pole attachment agreement for cobra head lights)
- Maintenance on existing HID fixtures during conversion (LED Energy Solutions)
- Future maintenance on LED fixtures (Contractor TBD)
- Utility marking services (for “call before you dig”) (USIC Locating Services)
- Capital Reserve

Any project funds that are not expended will be used to pay off debt related to the project.