



## Legislation Text

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**File #:** HCC-203-FY24, **Version:** 1

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Submitted by: Hal Metzler  
Submitting Department: Public Works  
Agenda Section: Consent

**Item Title:**  
**Streetlight Utility Negotiations and LED Conversion**

**Suggested Action:**

I move that the Mayor and Council authorize the City Administrator to enter into an agreement with Tanko Lighting to provide utility negotiation and LED conversion support to complete the conversion of the City's Streetlights to LEDs, pending legal review. An expenditure not to exceed \$200,000 was approved in the FY24 CIP budget and the Treasurer is authorized to make the budget amendments necessary to facilitate this expenditure.

**Summary Background:**

In the FY 2023 Legislative Session the Maryland General Assembly passed the County and Municipal Street Lighting Investment Act that allows local governments to acquire streetlights from their local electric utility. City staff participated in several group meetings with other municipalities to discuss PEPCO's proposals and costs. Following the meetings, City staff engaged the services of Tanko Lighting as a sole source as there were no comparable companies offering the ability to analyze, evaluate and manage the lighting upgrade process. Tanko presented their results to the City Council. They are recommending that the City move forward with an upgrade of the lights with PEPCO maintaining ownership and responsibility for maintenance under a revised tariff.

In evaluating the proposal from Tanko, city staff conducted a review of past expenses to PEPCO for streetlights. Between 2016 and 2019, the City paid PEPCO approximately \$504,000 for 412 LED streetlights in West HVL for an average cost of over \$1200 per light. Several areas in Wards 4 and 5 were selected as phase 1 of our LED conversion initiative. Expanding to future phases was stalled due to cost and timeline. By working with Tanko, the City will be able to convert approximately 1,000 streetlights at an estimated cost of \$553,000 or an estimated cost of approximately \$553 per light, a savings of 55% over what we paid PEPCO. PEPCO took over 3 years to complete the 412 lights and Tanko is estimating less than 1 year to complete more than twice as many lights.

Additionally, the City needs to ensure we are being charged appropriately. Tanko believes this conversion will save \$3.7M over the next 20 years. They will work with the City to review bills from PEPCO to ensure we have not overpaid. If so, Tanko will coordinate to receive refunds. City staff does not have the capacity, knowledge, or experience to conduct this review. We will also consider contracting an outside auditor. Finally, Tanko will assist with identifying and preparing grant applications that can help fund the conversion process.

In summary, Tanko will provide the technical expertise and experience to work on the City's behalf to negotiate with PEPCO to prepare a program in the best interest of the City, assist with the procurement of the light upgrades, and oversee the installation, inspection, and evaluation of the streetlight program. Both the negotiated agreement with PEPCO and the procurement for the installation of the streetlights will be brought before the Council in future meetings for approval before proceeding with those steps.

**Next Steps:**

Sign agreement, issue purchase order, and begin project.

**Fiscal Impact:**

NTE \$200,000 Seeking grants to offset.

**City Administrator Comments:**

Recommend support. Lighting enhancements will enhance vehicular and pedestrian safety and save the City costs in the short and long term.

**Community Engagement:**

N/A

**Strategic Goals:**

Goal 2 - Ensure the Long-Term Economic Viability of the City

**Legal Review Required?**

Pending