



Public Works and Engineering Committee Report

To: Mayor and Board of Trustees

From: Adam Boeche

For: Village Board Meeting of: January 12, 2015

Subject: Energy Efficiency Project--LED Street Lights

Financial Impact:

The \$13,993 for the letter of intent is an unbudget item. The proposed project cost is presently estimated at \$953,000 to replace 861 street lights. Based upon this estimate and the proposed energy and maintenance savings, the simple payback on this work is projected to be 18 years.

Attachments:

1. Mundelein 10 yr finance - 18 yr guarantee - Cash Flow Analysis (PDF)
2. Letter of Intent (DOC)

Background

Similar to the water/water reclamation guaranteed energy efficiency project two years ago, staff procured proposals for an energy efficiency project related to one of the higher cost items within the corporate budget, municipal street lighting. As before, the overall project is required to show an energy savings pay back that will fully fund the project. Ideally, the project will fund itself within the life span of the equipment being replaced or retrofit. State statute requires that the term of a performance contract be no greater than 20 years.

Two proposals were submitted, with only one of them specifying any details on the scope of a project. Control Technology and Solutions provided a proposal to retrofit 861 municipal street lights. Their preliminary estimates have returned an 18 year pay back period for the project at an up-front investment of \$953,000. In order to determine the final scope of the project and cash flow analysis, further work must be performed. In order to complete this additional design work, a letter of intent is necessary.

Recommendation

Motion to authorize staff to execute a Letter of Intent with Control Technology and Solutions, LLC, in a not-to-exceed amount of \$13,993.00 for the purpose of beginning design phase work on the project incorporated into the Guaranteed Energy Savings Contract.