

## IMPACT STATEMENT

**Legislation title:** Authorize a contract for purchase of streetlight poles and associated circuits from Portland General Electric for an amount not to exceed \$1,600,000.00. (Procurement Report – Project #117037)

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**Presenter name:** Christine Moody, Chief Procurement Officer

**Purpose of proposed legislation and background information:**

The City presently has over \$8 billion invested in transportation assets that facilitate the movement of people, goods, and services within Portland; at this time the City owns approximately 55,000 streetlights. Of that total, 4,257 streetlights are on utility-owned streetlight-only poles and the City has been leasing these poles from Portland General Electric (PGE). Under the terms and conditions of PGE's new tariff requirements, the City will no longer be able to lease these poles but is now required to own them and their associated circuits in order to install and maintain City-owned LED luminaires.

A request for this purchase was previously approved by City Council on August 13, 2014 as agenda item 843, in the amount of \$1,300,000.00. Subsequent to this action, PGE filed the agreement with the OPUC for its review and approval; OPUC staff raised concerns about the structure of the sale specific to the sale price that PGE and the City had negotiated. As a result of this effort, the methodology for calculating the sale price was modified and the total price increased. Correspondingly, the amount the City will pay PGE for the poles and associated circuits has increased. The Portland Bureau of Transportation has determined that it is necessary to purchase street light poles and associated circuits from PGE for the LED Streetlight Replacement project for a total not to exceed \$1,600,000.00.

PGE is a privately-owned electrical utility company regulated in the State of Oregon. The purchase of regulated goods and services, utilities, and utility regulated services are allowed as a Special Procurement under City Code 5.33.220.D.14. The purchase agreement is subject to regulatory review and approval by the Oregon Public Utility Commission as the sale of a utility asset by PGE and as such, the purchase-of regulated goods and services, utilities, and utility services are identified as a Special Procurement under City Code 5.33.220.D.14. The agreement will not be final until the Commission has completed its review and given its approval. PBOT anticipates that this may take an additional six to eight weeks to accomplish.

This legislation does not change any City policies but contributes to the following current City policies – Climate Action Plan, Energy Policy, Toxics Reduction Strategy, and the Sustainable Procurement Policy.

**Financial and budgetary impacts:**

Funding for this purchase will come from revenue bonds, which were approved in Ordinance 185837, December 19, 2012. The amount for these poles and associated circuits has increased

requiring an additional Report to Council reflecting that increase to \$1,600,000. The level of confidence is high.

**Community impacts and community involvement:**

The community was initially involved with this project when the revenue bonds were approved; additionally City Council passed legislation on August 13, 2014 authorizing the purchase of the poles and associated circuits.

PGE has a current City of Portland Business License Tax Account and has a current EEO Certification. PGE is not a State of Oregon Certified MWESB contractor. The level of confidence in the cost estimates for this project is high.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount