



Aggregated Procurement Support: Two Approaches to LED Streetlight Procurement

The Mid-Hudson Streetlight Consortium (the “Consortium”) is providing support to Mid-Hudson municipalities interested in participating in aggregated procurement of LED streetlights. The Consortium will support two distinct procurement strategies, Turnkey and Community-Managed. Key attributes of each, and the support provided by the Consortium, are described below.

In turnkey projects, a single contractor manages the full project. The Request For Proposals (RFP) developed by the Consortium will require bidders to break out their price for key components of the total scope of work and to bid either on a per unit basis or a percentage mark-up for each. Participating communities will select which elements of the scope of work they would like to contract for apart from equipment and labor, which are integral to the RFP.

The Community-Managed approach will include procurement of equipment through state contracts, issuance of an RFP for labor with bids detailed on a per unit basis, with an option for extended maintenance. The Consortium will provide guidance for other aspects of the scope of work, as detailed below.

For both models, the Consortium anticipates a procurement structure that includes two or more municipalities entering into a municipal cooperative agreement, per Article 5-G of New York General Municipal Law, and issuing the RFP jointly. The RFPs will include a piggyback provision, pursuant to New York General Municipal Law section 103.16, that would enable other New York State municipalities to piggyback on the contract let by the lead municipalities. Municipalities participating in both the Turnkey and Community-Managed aggregation will receive direct technical assistance from the Consortium, saving taxpayer dollars and reducing individual municipalities’ labor hours. Municipalities that piggyback on the aggregation will receive significantly less direct assistance.

Municipal LED Aggregated Procurement Discussion
How It Will Work: Q&A

Q1: Why join an aggregation now?

A: Municipalities will enjoy the benefits of collaboration including expected lower pricing and direct support from the Consortium. Piggy-backing communities i.e. those not named as part of the initial collaboration will receive only limited assistance from the Consortium.

Q2: What are the legal considerations for a municipality that joins an aggregation?

A: There is no obligation to proceed with a purchase after joining an aggregation. There are no penalties or financial obligations if a community later withdraws. However it is hoped that communities opting to participate will proceed as bid pricing will reflect the quantities required by named municipalities. Counsel for each municipality is responsible for reviewing the operative documents and agreements.

Q3: Will this aggregated purchasing group be vetted by the NYS Comptroller?

A: Yes, the Consortium will have the aggregation strategy and relevant materials reviewed by the Comptroller's office. In addition, each participating community will have an opportunity period to review the documents prior to issuance as noted above.

Q4: If a municipality joins an aggregation, is it committed to make a purchase? Is there a penalty for dropping out of the aggregation?

A: No. Under the turnkey RFP, the participating communities (minimum of two) will sign an inter-municipal agreement. One community will take the lead to issue the RFP, host the pre-bid conference, receive and respond to any questions (supported by the Consortium), receive the bids and host the bid evaluation. All participating communities will supply one representative to assist with the evaluation and selection process. Once the selection is complete the lead community will give notice of the selection, return bid bonds etc. as needed. Thereafter each participating community will determine whether to proceed beyond that point. Each community proceeding will enter into a separate contract with the selected offeror and will have the option to include community specifics (e.g. the specific



lights to be replaced, controls, sequencing of priority areas, etc.) in their contract.

It is also important to note communities do not have to proceed simultaneously but their participation can be staggered. There can be many months between when each community has in hand the necessary documents from the utility, have resolved any billing or purchase price disputes, terms of any agreements etc. This in fact is a benefit to the selected offeror as it provides a steady flow of work simplifying staffing.

Q5. Should municipalities join only with others in their same utility territory?

A: It is not necessary to do so; utility requirements differ only slightly.

Q6. What is the role of Mid-Hudson Street Light Consortium (under both types of RFPs)?

A: In addition to the services noted above, the Consortium will provide:

- Information resource (website, workshops, webinars)
- Technical expertise
- Coordination
- Provide road map (guidelines)
- Provide staffing to the Consortium's Municipal Steering Committee for minimum of 1 year
- Lead and guide bid review. Assistance with pre-bid conference and response to bidder questions
- Development of the evaluation scoring
- Introductions to billing audit services (ie. Computel and Troy & Banks)

Q7. What is out of scope for the Consortium?

A: Services not provided include:

- Conducting lighting inventories for individual municipalities
- Design plans for individual municipalities. (We will provide general design guidance).
- Individual municipal LED conversion projects for hire.
- Create a separate organization to implement lighting projects



COMPARISON OF PROCUREMENT APPROACHES

STREET LIGHT PROCUREMENT SERVICES	TURNKEY <ul style="list-style-type: none"> • <i>Full service project management with broader range of services included in RFP.</i> 	COMMUNITY-MANAGED <ul style="list-style-type: none"> • <i>Most competitive pricing.</i> • <i>Accessible to communities with small number of lights that may not be able to access turnkey service</i>
Billing and field audit	Option in RFP	Consortium guidance re: how to conduct billing and field audit
Lighting design	Option in RFP	Consortium guidance
Labor procurement	Included in RFP	Option in RFP
Equipment and materials	Included in RFP	Municipality uses state bid to procure equipment with guidance from the Consortium. The Consortium can also provide resources for municipalities that wish to issue an RFP for equipment (e.g. DOE specifications).
Project Management	Included in RFP	Municipal project oversight
Financing	Contractor or MHSC guidance	Consortium guidance
Performance Guarantee	None	None
Maintenance Contract	1-year maintenance contract w/option to renew	1-year maintenance contract w/option to renew included in labor procurement RFP.
Ability for other municipalities to piggyback.	Yes	Yes



ANTICIPATED SCHEDULE FOR AGGREGATED PROCUREMENT (DATES MAY VARY)

ESTIMATED DATE BY WHEN WILL BE COMPLETE	TURNKEY	COMMUNITY-MANAGED
Sign-up Period	TBA	TBA
Release of RFP to vendors	TBA	By July 31, 2017
Close of Bidding	July 31, 2017	August 30, 2017
Complete Bid Review and Award Bid	August 30, 2017	September 31, 2017
Project Installation Complete (<i>from Contract Execution</i>)	Estimated 6-12 months	Estimated 6-12 months