

CONTRACT FOR  
“STREET LIGHT OWNERSHIP & AUDIT PROJECT”

This Contract is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “Effective Date”), by and between the City of Coalinga, 155 West Durian, Coalinga, CA 93210, a municipal corporation organized and existing under the laws of the State of California (the “City”), and Tanko Streetlighting, Inc., 220 Bayshore Blvd, San Francisco, CA 94124 a California corporation, (the “Contracting Party”).

RECITALS:

WHEREAS, on August 26, 2019, the City executed a contract with the Contracting Party for Streetlight Feasibility Analysis (Exhibit A – Proposal Documents); and

WHEREAS, the City concluded that it is feasible to proceed with the recommendations resulting from this first contract; and

WHEREAS the Contracting Party’s qualifications, pricing and approach will meet the City’s requirements and goals for the next phase of the project; and

WHEREAS, the City and the Contracting Party desire to enter into a formal contract for the next phase of the project.

NOW THEREFORE, in consideration of the recitals set forth above and the parties’ mutual promises and obligations contained below, the parties agree as follows:

1. Work - The Contracting Party agrees to perform the Work described more fully in the attached Exhibit B – Scope of Services. The Contracting Party also agrees to comply with all of the terms and conditions set forth herein.
2. Term – The Work shall be completed by a schedule and a date mutually agreed upon.
3. Contract Documents – The Contract includes the Original Contract (Exhibit A), the Scope of Services (Exhibit B), the Pricing Proposal (Exhibit C), and the Insurance Requirements (Exhibit D), which are made a part hereof.
4. Price and Payment - That for, and in consideration of, the payments and agreements herein after mentioned, to be made by the City, the Contracting Party hereby agrees with the City to commence and to complete the WORK described as follows: “Ownership and Audit Support” (as described in Exhibit B – Scope of Services) herein after called the WORK, for the Not to Exceed Amount of Seventy-Six Thousand, Four Hundred Dollars (\$76,400.00) in accordance with the conditions and prices stated in the Pricing Proposal (Exhibit C).” Upon City Council approval of appropriated funding for this project, Contracting Party shall invoice the City per the following terms:
  - 4a. Contracting Party shall invoice the City the amount of Forty Thousand Dollars (\$40,000.00) for Step 1 per the following increments:

- i. Thirty-Five Thousand Dollars (\$35,000.00) upon award of streetlight system ownership (whether via an agreement negotiated with the utility or a Court order); and
  - ii. Five Thousand Dollars (\$5,000.00) upon final establishment of purchase price for the streetlight system with the utility.
- 4b. City acknowledges that estimated fixture quantity is approximately 728, but that final fixture quantity will be determined by the completion of the audit and data reconciliation processes.
- 4c. City acknowledges that Contracting Party will perform a comprehensive field audit as detailed in the Scope of Services (Exhibit B) for all street light fixtures in the City and that the cost of the audit will be based on a fixed per unit price of Twenty-Five Dollars (\$25.00) per audited fixture and Fifteen Dollars (\$15.00) per data reconciled fixture. In the event that the fixture quantities confirmed in the audit exceed the estimated quantities, the City will be billed at the fixed per unit price for each service.
- 4d. If, after the City defines the street light fixtures included in the project scope, the City determines that any audited fixture location is not in the scope of work for this project, City agrees to pay Contracting Party a fee of Twenty-Five Dollars (\$25.00) per audited fixture for the auditing services and Fifteen Dollars (\$15.00) per data reconciled fixture for data reconciliation services.
- 4e. For Step 2: Inventory Audit, Contracting Party shall invoice the City for Tasks 1 (GIS Audit) and 2 (Data Reconciliation) on a monthly basis, based on fixtures audited and data reconciled. Contracting Party shall invoice for Task 3 (Final Valuation) upon submission of the deliverable for this task.
- 4f. City shall pay Contracting Party within thirty (30) days of receipt of invoice.
- 5. Right to Terminate – If either party wishes, this Contract can be terminated at any point.
  - 5a. The City shall only be responsible for payment on Step 1 once the offer from the utility to the City or a Court Order in favor of the City to purchase the streetlight assets is provided. If the Contract is terminated prior to the point in which the utility offer or Court Order for Step 1 are provided, there is no cost to the City and the Contracting Party is not held responsible for any part (completed or remaining) of the Step 1 tasks.
  - 5b. City shall be responsible for payment for services rendered for Step 2 tasks up until the time of termination.
- 6. No Waiver or Estoppel – Either party's failure to insist upon the strict performance by the other of any terms, provisions and conditions of the Contract shall not be a waiver or create an estoppel. Notwithstanding any such failure, each party shall have the

right thereafter to insist upon the other party's strict performance, and neither party shall be relived of such obligation because of the other party's failure to comply with or otherwise to enforce or to seek to enforce any of the terms, provisions and conditions hereof.

7. Indemnification and Insurance – To the fullest extent permitted by law, Contracting Party agrees to defend, indemnify and hold harmless the City of Coalinga, its respective boards and commissions, officers, agents, officials, employees, servants, volunteers, contractors and representatives from any and all suits, claims, losses, damages, costs (including, without limitation, reasonable attorneys' fees), compensations, penalties, fines, liabilities or judgments of any name or nature for, including, but not limited to, injuries or alleged injuries to person(s) (including without limitation, bodily injury, sickness, disease or death), or damage to or destruction of property, real or personal, or financial losses (including, without limitations, those caused by loss of use) sustained by any person or concern, (including, but not limited to, officers, agents, officials, employees, servants, volunteers, contractors and representatives of the City of Coalinga, its boards and commissions) arising from, or alleged to have arisen from, any and all acts or omissions of the Contracting Party, its employees, agents, servants, contractors, and/or representatives in the performance of this Agreement. This indemnification shall not be affected by other portions of this Contract relating to insurance requirements.

The Contractor agrees to name the City of Coalinga as an additional insured and will procure and keep in force at all times, at its own expense, insurance in accordance with Insurance Exhibit D attached hereto and incorporated by reference herein.

8. Licenses, Fees, Permits and Code Compliance – The Contracting Party shall be responsible for obtaining and maintaining all requisite licenses and permits and shall be solely responsible for all fees for such obligations. The Contracting Party is responsible for complying with all applicable local, state and federal laws, codes, and regulations in the design and implementation of this project.
9. Notice – Any notices provided for hereunder shall be given to the parties in writing (which may be hardcopy, facsimile, or e-mail) at their respective addresses set forth below:

If to the City:

Sean Brewer  
Director of Public Works  
City of Coalinga  
155 West Durian  
Coalinga, CA 93210

If to the Contracting Party:

Jason Tanko  
Chief Executive Officer  
Tanko Streetlighting, Inc.  
220 Bayshore Boulevard  
San Francisco, CA 94124

10. Execution – This Contract may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement, and shall become binding when one or more counterparts have been signed by each of the parties hereto and delivered (including delivery by facsimile) to each of the parties.

IN WITNESS THEREOF, the parties have executed this contract as of the last date signed below.

CITY OF COALINGA, CA

TANKO STREETLIGHTING, INC.

By \_\_\_\_\_  
SEAN BREWER, DIRECTOR  
OF PUBLIC WORKS

By \_\_\_\_\_  
JASON TANKO, CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# EXHIBIT A

Initial: City MT Provider ST

## AGREEMENT FOR PROFESSIONAL SERVICES FOR STREET LIGHT FEASIBILITY ANALYSIS

This Agreement for Professional Services ("Agreement") is made and entered into this 26<sup>th</sup> day of August, by and between the City of Coalinga, a Municipal Corporation ("City"), and Tanko Streetlighting, Inc. ("Provider").

### RECITALS

A. Provider represents to City that they are specially trained, experienced, licensed and competent to perform the services which will be required by this Agreement; and

B. Provider represents to City that they possess the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Provider to render the services as set forth in this Agreement, as Exhibit 1.

NOW THEREFORE, in consideration of the mutual covenants set forth herein for such other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. **Retention of Provider.** Subject to the terms and conditions set forth herein, City retains Provider to perform the services identified in this Agreement, as an independent contractor and Provider hereby accepts this independent contractor appointment.

2. **Scope of Services.** The Provider shall perform professional services, in accordance with all the provisions of this Agreement. The Scope of Work is attached hereto as Exhibit 1. Provider shall correct any and all errors and/or omissions, which arise out of Provider's negligence or intentional misconduct, in the performance of the Services and any documents resulting therefrom even though City has accepted said Services or documents. Provider shall make such corrections upon City's request and at no cost or expense to City.

3. **Time of Performance.** The Work shall be completed by a schedule and a date mutually agreed upon.

4. **Compensation.** Compensation to be paid to Provider shall be no more than \$2,500.00.

5. **Method of Payment.** Provider shall submit monthly billings to City describing the work performed during the preceding month. Provider's bills shall include a brief description of the Services performed and the date the Services were performed the number of hours spent and by whom, and a description of any reimbursable expenditures. City shall pay Provider no later than 30 days after the date of submittal of a complete invoice for completed tasks and approval of the invoice by City staff.

6. **Extra Work.** At any time during the term of this Agreement, City may request that Provider perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Services, but which the parties did not include in the Scope of Work. Extra work will be performed on an hourly basis under the Provider's most current hourly fee schedule. Provider shall not perform, nor be compensated for Extra Work without written authorization from City.

7. **Termination.** This Agreement may be terminated by the City immediately and without notice for cause or by City without cause upon ten (10) days' written notice of termination to Provider. Upon termination, Provider shall be entitled to compensation for Services performed up to the effective date of termination, unless this Agreement is terminated for cause, in which case, City may withhold compensation due Provider in order to reimburse City for any losses, damages or expenses caused by Provider's default under this Agreement.

8. **Equal Opportunity Employment.** Provider represents that it is an equal opportunity employer and it shall not discriminate against any sub provider, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Provider shall also comply with all relevant provisions of City's programs or guidelines currently in effect as identified and provided to Provider by City.

9. **Insurance Requirements.**

a. Provider, at Provider's own cost and expense, shall procure and maintain, for the duration of this Agreement, the following insurance policies.

i. **Workers Compensation Coverage.** As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury or disease.

ii. **General Liability Coverage.** Insurance Services Office (ISO) Form CG 0001, including products and completed operations, with limits of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be TWO MILLION AND NO/100 DOLLARS (\$2,000,000), twice the required occurrence limit.

iii. **Automobile Liability Coverage.** ISO Form Number CA 0001 covering any auto (Code 1), with a limit no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury and property damage.

iv. **Professional Liability Coverage.** Contractor will maintain Professional Liability coverage with limits no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence or claim, and TWO MILLION AND NO/100 DOLLARS (\$2,000,000) policy aggregate.



If Provider maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by Provider.

Provider's insurance policies shall be "occurrence" policies and not "claims-made" coverage except for Professional Liability Coverage.

Provider may maintain an Umbrella policy in conjunction with the insurance policies referenced above. In such case, Provider shall be deemed to have satisfied the insurance requirements of this contract as long as: (i) the coverage limits of the Umbrella policy and of the underlying liability policy(ies), when combined, satisfy each of the per occurrence and aggregate requirements identified in this subsection a.; and (ii) coverage under the Umbrella policy is as broad as and includes all incidents and events covered by the underlying insurance that it supplements.

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require Provider to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Alternatively, the City may require Provider to provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses within the retention.

The policies are to contain, or be endorsed to contain, the following provisions:

i. The City and its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL and automobile liability policies with respect to liability arising out of work or operations performed by or on behalf of Provider including materials, parts, or equipment furnished in connection with such work or operations; products used by Provider; or automobiles owned, leased, hired or borrowed by Provider. General liability coverage can be provided in the form of an endorsement to Provider's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

ii. For any claims related to this contract, Provider's insurance coverage shall be primary insurance as respects the City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City and/or its officers, officials, employees, or volunteers shall be in excess of Provider's insurance and shall be non-contributory.

iii. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Provider shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Provider's



obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Provider hereby grants to City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of Provider may acquire against the City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Provider agrees to obtain endorsements necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The City reserves the right to modify the insurance requirements contained in this contract, including, without limitation, coverage limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

10. **Indemnification.** To the fullest extent allowable by law, Provider agrees to indemnify, defend and hold harmless the City and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorneys' fees and other expenses which City or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or are in any way related to Provider's or its owners, directors, officers, managers, employees, agents and subcontractor's willful or negligent acts or omissions in the performance of the services and Providers responsibilities and obligations to be performed under this agreement or its failure to perform or comply with any of its obligations or responsibilities contained in this agreement; excluding, however, such liability, claims, losses, damages or expenses arising from City's sole or active negligence or willful acts. This duty to indemnify, defend, and hold harmless shall survive the termination of this agreement. If Provider maintains additional coverage or higher limits than those required herein, then City shall be entitled to additional coverage or higher limits maintained by Provider.

11. **Independent Contractor Status.** It is understood and agreed that Provider, in the performance of the Services to be performed pursuant to this Agreement, shall act as and be an independent contractor and shall not act as an agent or employee of City. Provider shall obtain no retirement benefits or other benefits which accrue to City's employees and Provider hereby expressly waives any claim it may have to any such rights. Nothing in this Agreement shall create or be construed as creating a partnership, joint venture or any other relationship between City and Provider.

12. **Provider's Books and Records.**

a. Provider shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Provider under this Agreement.

b. Provider shall maintain all documents and records that demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours,

upon written request by the City. Copies of such documents shall be provided to the City for inspection at the City offices.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Provider's business, City may, by written request, require that custody of the records be given to the City and that the records and documents be maintained in the City offices. Access to such records and documents shall be granted to any party authorized by Provider, Provider's representatives, or Provider's successor-in-interest.

13. **Professional Ability of Provider.** City has relied upon Provider's representations regarding its training and professional ability to perform the Services hereunder as a material inducement to enter into this Agreement. Provider shall therefore provide properly skilled personnel to perform all Services under this Agreement. The primary provider of the Services called for by this Agreement shall be [NAME] who shall not be replaced without the written consent of the City. All work performed by Provider under this Agreement shall be in accordance with the applicable professional standard of care and shall meet the local professional standard of quality ordinarily to be expected of competent persons in Provider's field of expertise working in Tulare County.

14. **Compliance with Laws.** Provider shall use the proper standard of care in performing the Services and shall comply with all applicable federal, state and local laws, codes, ordinances and regulations in effect at the time the Agreement is executed. In addition, if the request for proposal to provide professional services which are the subject of this Agreement cited any federal or state financial assistance involved in the project for which the Services are provided, the Provider shall perform all services in accordance with all applicable federal and state laws, rates and regulations in effect at the time the agreement is executed.

15. **Licenses.** Provider represents and warrants to City that it has all licenses, permits, qualifications, and insurance which are legally required of Provider to lawfully and competently perform the Services. Provider represents and warrants to City that Provider shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and insurance which are legally required of Provider to lawfully and competently perform the Services. Provider shall maintain a City of Coalinga business license.

16. **Assignment and Subcontracting.** The parties recognize that a substantial inducement to City for entering into this Agreement is the reputation, experience and competence of Provider. Assignments of any or all rights, duties or obligations of the Provider under this Agreement will be permitted only with the express written consent of the City, which will not be unreasonably withheld. Provider shall not subcontract any portion of the Services to be performed under this Agreement without the express written consent of the City, which will not be unreasonably withheld. If City consents to such subcontract, Provider shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall: (i) create any contractual relationship between City and sub Provider; (ii) create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor; (iii) or relieve Provider of any of its obligations and responsibilities under this Agreement.

17. **Attorneys' Fees.** If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs



and necessary disbursements in addition to any other reasonable relief to which he may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the Superior Court for the County of Tulare, State of California for any proceeding arising hereunder.

18. **Sole and Only Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth herein and contains all of the covenants and agreements between the parties regarding said matters. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which are not embodied in this Agreement and no other agreement, statement or promise shall be valid or binding.

19. **Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

20. **Amendment.** No change, amendment or modification of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

21. **Governing Law.** This Agreement shall be construed and governed pursuant to the laws of the State of California. Any action to enforce this Agreement is to be brought in Tulare County, California.

22. **Waiver.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

23. **Mediation.** The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and shall divide the costs of mediation equally. If the parties are unable to agree upon a mediator, the dispute shall be submitted to JAMS/ENDISPUTE ("JAMS") or its successor in interest. JAMS shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of the five mediators selected by JAMS and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

24. **Authority to Enter Agreement.** Provider has all requisite power and authority to conduct its business and to execute, deliver and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

25. **Notice.** Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile or e-mail if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first class mail, charges and postage prepaid, property addressed to the party to receive such notice at the

Initial: City MT Provider JT

last address furnished for such purpose by the party to whom notice is directed and addressed as follows:

**CITY:**

City of Coalinga  
155 West Durian  
Coalinga, California 93210

**PROVIDER:**

Jason Tanko, CEO  
Tanko Streetlighting, Inc.  
220 Bayshore Blvd.  
San Francisco, CA 94124

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the day and in the year first set forth above.

CITY OF COALINGA, a Municipal Corporation

By: 

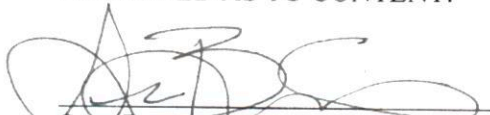
Marissa Trejo, City Manager

PROVIDER

By: 

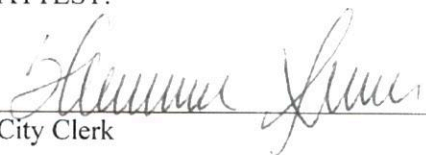
Jason Tanko, CEO (NC)

APPROVED AS TO CONTENT:



Sean Brewer,  
Director of Public Works

ATTEST:



City Clerk

Initial: City MT Provider JT

**Exhibit 1**  
**Scope of Work**

# EXHIBIT B – SCOPE OF SERVICES

---

## Step 1: Ownership Negotiations

Tanko Lighting has extensive experience nationally with municipal streetlight ownership projects. This experience will be leveraged for the City's project. Our team will provide comprehensive services to support the City's ownership of its streetlight assets from its utility, including:

- In-depth financial valuation of the existing streetlight system assets, including:
  - Determination of the value in use of the system to be purchased
  - Determination of the value on a functional basis
  - Estimation of the original book value of the assets
  - Determination of the salvage and functional replacement value of the system
  - Estimation of the degree of deferred maintenance within the system
  - Determination of the remaining economic life of the system
- Providing financial analysis of the feasibility of ownership, including:
  - 10 and 20-year cashflow analysis with inclusion of multiple financing options and sensitivity to turnover point and cash flow
- Coordinating financing, if needed
- Initiating and leading negotiations with the utility, including the topic of definitions of value
- Presenting analysis, strategies and options to City staff and Council members via webinars, phone calls and/or a limited number of meetings
- Providing background evidence, case law, data, research, legal arguments, and precedence to support litigation to forcibly purchase the streetlight system (if necessary). Please note that Tanko Lighting will coordinate with the City's legal counselor(s) and that all court appearances, court filings, court costs, filing fees, attorney's fees, legal costs/services, and expert witness fees will be the City's responsibility

Tanko Lighting shall initiate contact with the utility within 60 days of execution of this agreement. This Step can be cancelled at no cost to the City at any point before the deliverables are provided, if either party wishes. If the City chooses not to pursue litigation and/or no reasonable offer is made through negotiations, then no deliverable is due from Tanko Lighting and no payment is due from the City.

### Deliverables:

- Preliminary Financial Valuation Analysis: 10 and 20-year cash flow analysis with multiple financing options, demonstrating the feasibility of ownership.
- Analysis Presentation: Power Point presentation presenting the financial analysis, purchase price recommendations, strategies and options for the City.
- Streetlight Ownership Offer from Utility: Tanko Lighting's efforts will result in a viable offer Order (for example, and depending on the utility rates, cash flow positive in Year 1 with a minimum Return on Investment (ROI) of ten years or less – including LED conversion) from the utility to the City or a Court Order in favor of the City to purchase the streetlight assets that results in:
  - Agreement start date for transfer of streetlight assets based on the City's preference that allows for sufficient preparation (including audit, design and turn-key conversion preparation); or
  - An alternative offer from the utility of substantial benefit to the City.



- Supporting Documentation: Case law, data, and other background evidence to support the City's legal case to purchase the streetlight system.

## Step 2: Inventory Audit

Step 2 shall not be initiated until Step 1 is completed and possession of the streetlight assets is established by the City.

Please note that regardless of whether the City already has LED fixtures in its system, it behooves the City to proceed with Step 2 because it will provide a blueprint of existing fixture locations, reconcile the City's utility bills and provide ample design if the City wants to standardize the LED fixtures.

The following tasks will be part of Step 2:

### Task 1: Comprehensive GIS Audit of Existing Streetlights

In our experience, a proper GIS audit is essential to equipping the client with a comprehensive and accurate understanding of its existing infrastructure. The GIS audit is pivotal, as the data collected enables appropriate design and product procurement. The GIS audit also results in streamlined installation, as it identifies potential obstructions and other on-site challenges, as well as enables our team to effectively manage the installation by knowing which replacement fixtures need to be installed at every location – ahead of time. Having this data prior to the installation phase is crucial when coordinating multiple installation crews simultaneously. Further, by not subcontracting this critical service, Tanko Lighting minimizes costs.

Our data-driven approach to project implementation has defined our success. From GPS location coordinates to fixture wattages, accurate data collection and data management is the backbone from which our methodology stems. It is essential to proper design – which is why our auditors collect more than thirty fields of data per streetlight fixture. This ensures that we have comprehensive characteristics for each existing fixture from which to design the proper replacement LED fixture.

Tanko Lighting's approach to the audit is an in-field strategy that poses the following advantages:

- Our initial audit has a 98% accuracy rate after the initial visit. Since we identify and rectify any missing data or errors, our final error rate is significantly less than 1% - which is further rectified during the installation and final commissioning phases of a project.
- Using trained auditors in the field at the onset of the project enables our team to obtain the most definitive, up-to-date data set possible. While we supplement our field data with digital data sources (e.g. aerial imagery, street-level imagery, and City/utility inventories), the integrity of its audit is never dependent on the age or accuracy of available digital data sources.
- Our in-field approach provides the greatest accuracy and access to the pole and fixture. In person, we can identify potential safety issues, such as leaning poles, exposed wiring, or structural damage, to the pole/arm/fixture. We can also verify pole numbers/labels and confirm any locations where numbers/labels are damaged or missing.
- Comprehensive access to the pole and fixture allows for a more conscientious design. Because our team collects so much information that can only be gathered in person (e.g. fixture wattage,

various height/distance measurements of the light and street, and factors that inform lighting levels and distribution patterns), we can create a highly-customized design tailored to a City's specific lighting needs – and identify any concerns from the project start.

- Collecting data in person gives our team the highest possible certainty of what is in the field. This precision means that we do not waste money on extra fixtures and does not waste time ordering more at the end of the project to make up for any shortfalls due to inaccurate data. This precision also minimizes sloppy design (and inherent lower energy savings) – which are more likely from a subcontracted audit.
- Informing the City of which fixtures are eligible for purchase in the system and the quality of those assets, based on the pole conditions identified through the audit.

The preparation phase for the audit will involve the following activities that are critical to the accuracy of the data collection:

- Tanko Lighting working with City staff to clearly define audit scope, including priority areas and/or City borders or other areas containing non-City-owned fixtures.
- Our team developing and providing to City staff for approval a list of the characteristics (the “Audit Attributes”) of the data that will be collected during the audit.
- City staff providing our team with all available City and utility records for existing inventory.
- Our team reviewing these data records to determine which should be utilized for the data reconciliation phase.
- Our team initiating rate change processes with the utility.
- Our team developing audit maps, scheduling and dispatching auditors to the field.

Once the preparation phase is complete, the audit will commence. We will collect data on the existing inventory and identify attributes on-site, including:

- The Global Positioning System (GPS) coordinates (latitude, longitude) of each fixture location and date of capture
- Fixture type
- Pole mounting configuration
- Fixture wattage
- Pole height, mounting type, and mast arm length
- Pole type, ID number, approximate age
- Physical attributes and/or issues – such as electrical hazards, pole leaning/damage, tree obstructions, etc.

Our auditors collect and transmit data points daily. We will compile data weekly to provide the City with a Weekly Audit Report (a sample can be provided upon request). The Weekly Audit Report will enable the City to identify and address any immediate safety concerns, as well as other issues – such as tree trimming – that may need attention prior to project installation.

#### Deliverables:

- Weekly Audit Reports: An overview map listing the locations completed during the data collection phase (showing both weekly and comprehensive progress), along with a description of any issues that the City would need to devote immediate attention to – including electrical hazards, tree trimming needs, etc.

## Task 2: Data Reconciliation

Tanko Lighting has developed a methodology to capture every streetlight asset owned by the municipality. Using precise GPS technology and expert streetlighting GIS Analysts, our team reconciles every asset it locates in the field with each record in the utility's invoice/inventory to ensure that it has identified and converted all eligible assets. We share this information with customers during the pre-conversion phases of the project so that the municipality knows exactly what they own, and exactly which fixtures will be converted. Additionally, the data reconciliation phase serves as a quality control check of the utility's data from the ownership process – providing the City with confirmation of its newly-owned assets.

Simultaneously with the GIS audit, our team will conduct a thorough and detailed investigation of the City's existing records, including utility billing records and maps. Tanko Lighting will reconcile these City records with the data from the City-wide GIS audit to confirm ownership, eligibility for rebates, and billing record accuracy. In our team's experience, cross referencing these various data sources results in extremely precise and clean data because most projects typically have a utility billing discrepancy of approximately 5 – 10 percent of the inventory quantity. This results in cities being over-billed by their utility. We will identify discrepancies through the data reconciliation process, include this information in the subsequent negotiations with the utility, and will assist with remedying the bills on behalf of the City.

The data reconciliation report will include the following items:

- Analysis of locations confirmed during the audit
- Analysis of locations appearing in the utility records but not in the confirmed audit records
- Analysis of locations confirmed in the audit records but not in the utility records

### Deliverables:

- Reconciliation Report: A concise report detailing any discrepancies found between records during the data.

## Task 3: Final Financial Valuation Analysis

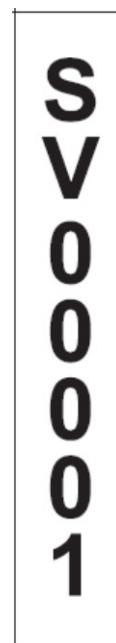
Once the field conditions of the existing system have been determined through the audit and data reconciliation tasks, Tanko Lighting will update the initial financial valuation analysis to confirm the final value of the existing streetlight system.

### Deliverables:

- Final Financial Valuation Analysis: 10 and 20-year cash flow analysis based on existing field conditions with multiple financing options, demonstrating the feasibility of ownership.

## Task 4: Pole Labeling (Optional)

Upon request from the City, Tanko Lighting will develop a City pole ID numbering system and specify tag characteristics, material and location on the pole for approval by the City. This may include a specific label indicating City ownership. Typically, we specify a tag recommendation (see graphic to the right) that consists of five to seven digits. Should the City be interested, we can provide a recommended numbering sequence, material specifications and procurement and installation by our auditors at the City's request. Please find our pricing for this optional task in Exhibit C.



**Tanko Lighting's preliminary pole label recommendation.**

**Deliverables:**

- Pole Labeling: Specific tag characteristics, pole location, and numbering sequence delivered to the City for approval. Upon approval, installation of pole labels throughout the City.

## EXHIBIT C – PRICING PROPOSAL

Pricing				
Step	Task	Proposed Pricing	Estimated Quantities*	Extended Price
Step 1: Acquisition Negotiations	N/A	A fixed fee of \$40,000 will be due only upon the City's receipt of an ownership offer from the utility or a Court Order in favor of the City purchasing the streetlight assets.	N/A	\$40,000
Step 2: Inventory Audit	Task 1: GIS Audit	\$25.00 per fixture	728	\$18,200
	Task 2: Data Reconciliation	\$15.00	728	\$10,920
	Task 3: Final Valuation	\$10.00	728	\$ 7,280
Total Estimated Contract Value:				\$76,400
Optional Adder: Step 2, Task 4: Pole Labeling		\$18.00	728	\$13,104

\*This is an estimate of fixture quantities. Final quantities will be confirmed by the completion of the audit and data reconciliation processes.

- Payment Terms:  
Upon City Council approval of appropriated funding for this project, Tanko Lighting will invoice the City per the following terms:
  - Step 1: Tanko Lighting will invoice the City the amount of Forty Thousand Dollars (\$40,000.00) for Step 1 per the following increments:
    - Thirty-Five Thousand Dollars (\$35,000.00) upon award of streetlight system ownership (whether via an agreement negotiated with the utility or a Court order); and
    - Five Thousand Dollars (\$5,000.00) upon final establishment of purchase price for the streetlight system with the utility.
  - Step 2: Tanko Lighting will invoice the City for Tasks 1 (GIS Audit) and 2 (Data Reconciliation) on a monthly basis, based on fixtures audited and data reconciled. Tanko Lighting will invoice for Task 3 (Final Valuation) upon submission of the deliverable for this task.
  - The City shall pay Tanko Lighting within thirty (30) days of receipt of invoices.

## **EXHIBIT D – INSURANCE REQUIREMENTS**

a. Provider, at Provider's own cost and expense, shall procure and maintain, for the duration of this Agreement, the following insurance policies.

i. Workers Compensation Coverage. As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury or disease.

ii. General Liability Coverage. Insurance Services Office (ISO) Form CG 0001, including products and completed operations, with limits of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be TWO MILLION AND NO/100 DOLLARS (\$2,000,000), twice the required occurrence limit.

iii. Automobile Liability Coverage. ISO Form Number CA 0001 covering any auto (Code 1), with a limit no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury and property damage.

iv. Professional Liability Coverage. Contractor will maintain Professional Liability coverage with limits no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence or claim, and TWO MILLION AND NO/100 DOLLARS (\$2,000,000) policy aggregate.

If Provider maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by Provider.

Provider's insurance policies shall be "occurrence" policies and not "claims-made" coverage except for Professional Liability Coverage.

Provider may maintain an Umbrella policy in conjunction with the insurance policies referenced above. In such case, Provider shall be deemed to have satisfied the insurance requirements of this contract as long as: (i) the coverage limits of the Umbrella policy and of the underlying liability policy(ies), when combined, satisfy each of the per occurrence and aggregate requirements identified in this subsection a.; and (ii) coverage under the Umbrella policy is as broad as and includes all incidents and events covered by the underlying insurance that it supplements.

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require Provider to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Alternatively, the City may require Provider to provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses within the retention.

The policies are to contain, or be endorsed to contain, the following provisions:



i. The City and its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL and automobile liability policies with respect to liability arising out of work or operations performed by or on behalf of Provider including materials, parts, or equipment furnished in connection with such work or operations; products used by Provider; or automobiles owned, leased, hired or borrowed by Provider. General liability coverage can be provided in the form of an endorsement to Provider's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

ii. For any claims related to this contract, Provider's insurance coverage shall be primary insurance as respects the City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City and/or its officers, officials, employees, or volunteers shall be in excess of Provider's insurance and shall be non-contributory.

iii. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

Provider shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Provider's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Provider hereby grants to City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of Provider may acquire against the City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Provider agrees to obtain endorsements necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The City reserves the right to modify the insurance requirements contained in this contract, including, without limitation, coverage limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

1. **Indemnification.** To the fullest extent allowable by law, Provider agrees to indemnify, defend and hold harmless the City and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorneys' fees and other expenses which City or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or are in any way related to Provider's or its owners, directors, officers, managers, employees, agents and

subcontractor's willful or negligent acts or omissions in the performance of the services and Providers responsibilities and obligations to be performed under this agreement or its failure to perform or comply with any of its obligations or responsibilities contained in this agreement; excluding, however, such liability, claims, losses, damages or expenses arising from City's sole or active negligence or willful acts. This duty to indemnify, defend, and hold harmless shall survive the termination of this agreement. If Provider maintains additional coverage or higher limits than those required herein, then City shall be entitled to additional coverage or higher limits maintained by Provider.