

## MEMORANDUM

**TO:** Claire Powell, City Manager

**VIA:** Aaron Russell, PE, Director of Public Services

**FROM:** David Hunter, Assistant Director of Public Services

**DATE:** March 2, 2026

**SUBJECT:** **Approval of a Professional Services Agreement with Tanko Streetlighting, Inc. for Streetlight Purchase, Conversion to LED, & Maintenance Support in an Amount not to Exceed \$825,528; and Authorization for the City Manager, or Her Designee, to Execute the Agreement.**

### **BACKGROUND**

Currently, the vast majority of the streetlights in the City of Lewisville are owned and maintained by Texas New Mexico Power (TNMP) and Denton County Electric Cooperative (CoServ). Municipal ownership of streetlights lets the city manage streetlighting as a public right-of-way asset rather than a bundled utility service, generating long-term savings and better service by shifting from utility-owned rates (with embedded maintenance and other charges) to a customer-owned rate structure. Pairing that change with lamp conversion to Light Emitting Diodes (LED) reduces monthly energy costs, and contracting maintenance independently at predictable unit pricing results in additional savings. City control also improves accountability and responsiveness through accurate inventory and billing, clear maintenance standards, and response times that minimize paying for lights that are out, removed, or not correctly inventoried. Additionally, municipal ownership enables uniform lighting standards and strengthens public safety, while also establishing an infrastructure platform for future upgrades, such as smart controls and third-party attachments, that can yield environmental benefits, including lower greenhouse gas emissions and improved dark-sky performance.

In June of 2025, Tanko Lighting completed a Streetlight Ownership Feasibility Study. The results of that study were presented to the City Council during the Workshop Session of the August 4, 2025, City Council meeting, providing 3 options.

- Option 1 - Ownership transfer from TNMP / CoServ to City, LED conversion, and ongoing Maintenance (Recommended by staff)
- Option 2 - Utility-sponsored LED conversion, no acquisition
- Option 3 - Status quo – 5% annual LED conversion by utilities

Based on the feasibility study, purchasing streetlights from TNMP and CoServ and converting the system to LED lamps with ongoing maintenance (Option 1) provides material operational, safety, and financial advantages for the City of Lewisville. Approximately 5.5% of Lewisville's streetlights have been converted to LED; the system is primarily high-pressure sodium (HPS) technology. With current tariffs from TNMP and CoServ, coupled with electricity costs, there is a significant opportunity to modernize and reduce operating costs. The study estimates that with an investment of \$2,701,941 upfront for ownership transfer, over \$7M of savings will be realized over a 20-year period with an estimated Return on Investment (ROI) of 5.3 years.

## **ANALYSIS**

Tanko Streetlighting, Inc. ("Tanko Lighting") has submitted a Professional Services proposal to provide Streetlight Ownership, LED Conversion, and Maintenance Support services. The scope includes:

### **Phase 1: Project Development**

- Support for negotiations with TNMP and CoServ related to the purchase of the streetlight system
- A field inventory audit and utility billing data reconciliation
- Development of a Streetlight Master Plan

### **Phase 2: Streetlight System Purchase**

- Final Purchase and Sale Support
- Development of Streetlight Maintenance Strategy
- Streetlight Deficiency Analysis

### **Phase 3: LED Conversion**

- Streetlight LED Replacement Design
- Streetlight Pole Labeling
- Contractor Bid Solicitation
- Streetlight LED Conversion Management

### **Phase 4: Ongoing Streetlight Maintenance Support**

- Coordination of Ongoing Maintenance Services

The proposed not-to-exceed amount includes services for Phases 1-3 and one year of Phase 4 for a total of \$825,528. The city can terminate the agreement at any time without cause. So, if an acquisition agreement is not reached, the city is not obligated to pay for phases 2-4. The proposed contract includes an option to renew the maintenance contract (Phase 4) for two additional 12-month periods. Funding for this project is available in the Streetlight Replacement and Ownership Capital Project.

**CITY STAFF'S RECOMMENDATION**

That the City Council approve the agreement and authorize the City Manager, or her designee, to execute the agreement as set forth in the caption above.