



PROFESSIONAL SERVICES AGREEMENT

(Version 9-22-2023)

This AGREEMENT ("Agreement") is entered by and between **Tanko Lighting** (the "Professional"), located at **220 Bayshore Boulevard, San Francisco, CA 94124** and the **City of League City** ("City"), a home-rule municipality, located at 300 W. Walker St., League City, Texas 77573 on the date set forth below.

Terms:

1. **Scope of Services:** Professional will perform the services as set forth in **Exhibit A**, which is attached and incorporated herein, and which can be generally described as **Streetlight Inventory Conditions, Utility Negotiations & Acquisition Support for the City of League City, TX**. Services related to design, bid, or construction of a public work shall conform to the requirements set forth in **Exhibit B**, if applicable. If there is a conflict between the terms of this Agreement and Exhibits A (or B, if applicable), the terms of this Agreement will prevail.
2. **Term and Termination:** This Agreement shall commence on **January 1, 2026** and shall expire on **December 31, 2026**. City reserves the right to terminate this Agreement for convenience upon seven (7) days written notice to Professional. Upon such termination, City shall pay Professional, at the rate set out in **Exhibit A**, for services satisfactorily performed up through the date of termination. Notwithstanding any provision in this Agreement to the contrary, City will not be required to pay or reimburse Professional for any services performed or for expenses incurred by Professional after the date of the termination notice that could have been avoided or mitigated by Professional.
3. **Compensation:** Professional shall be paid for the services as set forth in **Exhibit A**. In no event shall the total compensation exceed **\$472,184.00** during the term of this Agreement. City shall tender payment (including progress/partial payments) for services only after such services are completed and are deemed to be acceptable under this Agreement, in the sole reasonable discretion of City. Professional must submit to City invoices for all services provided, which invoices must include details and dates of service. Payment by City shall be made within thirty (30) days of receipt of an invoice, except for any portion of the invoiced amount that City disapproves as not compliant under this Agreement, in the sole reasonable discretion of City. If City disapproves any amount submitted for payment by Professional, City shall give Professional specific reasons for disapproval in writing.
4. **Insurance:** Professional **is** required during the Contract Term to maintain insurance as set forth below: (a) Comprehensive General Commercial Liability insurance covering bodily injury and property damage, with minimum coverage limits—exclusive of defense costs—of \$1,000,000 per occurrence and \$2,000,000 aggregate; (b) Professional Liability (errors and omissions/malpractice) insurance with minimum coverage limits—exclusive of defense costs—of \$2,000,000 per occurrence; and (c) If at any point during the Contract Term it is foreseeable that Professional will enter upon City premises: (i) Worker's Compensation coverage with statutory limits for the State of Texas, and (ii) Commercial Automobile Liability coverage with minimum coverage limits—

exclusive of defense costs—of \$1,000,000 per occurrence and \$2,000,000 aggregate. All policies must contain a waiver of subrogation against City. Comprehensive General Liability and Commercial Automobile Liability policies must name the City as Additional Insured. Professional shall pay all insurance deductibles and deductibles must not exceed \$10,000 unless approved in advance by City. Professional shall provide City Certificates of Insurance evidencing these insurance requirements prior to the start of work.

5. **Liquidated Damages:** Liquidated damages **are** applicable to this transaction. Professional acknowledges that time is of the essence in performing this Agreement. City and Professional (collectively, the “Parties”) agree that if Professional is late in performing any service designated as **Time Critical** on the Scope of Services attached to this Agreement, City will suffer loss, damages, or other harm from Professional’s delay. The Parties agree that the amount of loss, damages, or harm likely to be incurred as a result of Professional’s delay is incapable or difficult to precisely estimate, and therefore the Parties desire to stipulate the amount of such loss, damages, or harm. Accordingly, Professional shall have deducted from any amounts owed under this Agreement liquidated damages equal to the number of calendar days of the delay(s) times the daily rate, which rate shall be one-tenth of one percent (0.1%) times the compensation shown in the Scope of Services for such Time Critical service. The Parties further agree that: (i) the liquidated damages specified herein are not a penalty but rather bear a reasonable relationship to, and is not plainly or grossly disproportionate to, the probable loss likely to be incurred by City as a result of Professional’s delay; (ii) one of the reasons for City and Professional to agree to such amounts is the uncertainty and cost of litigation regarding the question of actual damages; and (iii) City and Professional are sophisticated business parties and negotiated this Agreement at arm’s length.
6. **Independent Professional:** Professional is an independent Professional and is not an employee, partner, joint venture, or agent of City. Professional understands and agrees that he/she will not be entitled to any benefits generally available to City employees. Professional shall be responsible for all expenses necessary to carry out the services under this Agreement and shall not be reimbursed by City for such expenses except as otherwise provided in this Agreement.
7. **Intellectual Property:** This Agreement shall be an Agreement for services and the parties intend and consider any work created as a result of this Agreement, including any and all documentation, images, products or results, to be a work (the “Work”) for hire under federal copyright law. Ownership of the Work shall belong to and remain the exclusive property of City. The Work may be edited at any time within City’s discretion. If the Work would not be considered a work-for-hire under applicable law, Professional hereby assigns, transfers, and conveys any and all rights, title and interest to City, including without limitation all copyrights, patents, rights of reproduction, rights to ownership, and right to secure registrations, renewals, reissues and extensions thereof. As the sole copyright holder of the Work, City maintains and asserts the rights to use, reproduce, make derivative works from, and/or edit the Work in any form of medium, expression or technology now known or hereafter developed, at any time within City’s discretion. Professional shall not sell, disclose or obtain any other compensation for the services provided herein or the Work. If the Work is one to which the provisions of 17 U.S.C. § 106A apply, Professional hereby waives and appoints City to assert on Professional’s behalf Professional’s moral rights or any equivalent rights regarding the form or extent of any alteration to the Work (including, without limitation, removal or destruction) or the making of any derivative works based on the Work, including, without limitation, photographs, drawings or other visual reproductions of the work, in any medium, for City’s purposes.

8. **Confidentiality:** During the course of the services to be provided under this Agreement, Professional may become privy to confidential information of City. Professional agrees to treat as confidential the information or knowledge that becomes known to Professional during performance of this Agreement and to not use, copy, or disclose such information to any third party unless authorized in writing by City. This provision does not restrict the disclosure of any information that is required to be disclosed under applicable law. Professional shall promptly notify City of any misuse or unauthorized disclosure of City's confidential information and upon expiration of this Agreement shall return to City all confidential information in Professional's possession or control. Professional shall further comply with all information security policies of City that may apply and shall not make any press releases, public statements or advertisement referring to the services provided under this Agreement or the engagement of Professional without the prior written approval of City.
9. **Warranties and Representations:** Professional warrants and agrees that Professional shall perform its services and conduct all operations in conformity with all applicable federal, state, and local laws, rules, regulations, and ordinances. For any service performed on premises owned or controlled by City, Professional warrants and agrees that Professional will perform said services in compliance with all City rules, including but not limited to, prohibitions related to tobacco use, alcohol, and other drugs.
10. **Licenses/Certifications:** Professional represents and warrants that it will obtain and maintain in effect, and pay the cost of, all licenses, permits or certifications that may be necessary for Professional's performance of this Agreement. If Professional is a business entity, Professional warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its formation; and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement and is authorized to execute this Agreement according to its terms on behalf of Professional.
11. **Performance/Qualifications:** Professional agrees and represents that Professional has the personnel, experience, and knowledge necessary to qualify Professional for the particular duties to be performed under this Agreement. Professional warrants that all services performed under this Agreement shall be performed consistent with generally prevailing professional or industry standards.
12. **Conflict of Interest:** Professional warrants, represents, and agrees that Professional presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with Professional's performance of the services hereunder. Professional further warrants and affirms that no relationship or affiliation exists between Professional and City that could be construed as a conflict of interest with regard to this Agreement.
13. **INDEMNIFICATION: PROFESSIONAL SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS CITY , AND EACH OF ITS OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS, COSTS, DAMAGES AND LIABILITIES, INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES AND REASONABLE LITIGATION COSTS, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF PROFESSIONAL**

OR ANY AGENT, EMPLOYEE, SUBCONTRACTOR, OR SUPPLIER OF PROFESSIONAL IN THE EXECUTION OR PERFORMANCE OF THIS CONTRACT, TO THE EXTENT THE CLAIM ARISES FROM NEGLIGENCE, WILLFUL ACT, BREACH OF CONTRACT OR VIOLATION OF LAW.

14. **Force Majeure:** Neither party shall be liable to the other for (i) any delay in performance; (ii) any other breach; (iii) any loss or damage; or (iv) any contribution to or aggravation of any of the foregoing; arising solely from uncontrollable forces such as fire, theft, storm, war, or any other cause that could not have been reasonably avoided by the party's exercise of due diligence.
15. **Notices:** Any notice given under this Agreement by either party to the other may be affected either by personal delivery in writing or by mail, registered or certified postage prepaid with return receipt requested. Mailed notices shall be addressed to the addresses of the Parties as they appear in the contract. Notices delivered personally shall be deemed communicated at the time of actual receipt. Mailed notices shall be deemed communicated three (3) days after mailing.
16. **Texas Family Code Child Support Certification:** Pursuant to Section 231.006 of the Texas Family Code, Professional certifies that it is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated, and payment may be withheld if this certification is inaccurate.
17. **State Auditor:** Professional understands that acceptance of funds under the Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, the "Auditor"), to conduct an audit or investigation in connection with those funds. Professional agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation providing all records requested. Professional will include this provision in all contracts with permitted subprofessionals.
18. **Jurisdiction:** Any disputes under this Agreement shall be brought in a court of competent jurisdiction in Galveston, Texas and governed by Texas law.
19. **Alternative Dispute Resolution:** To the extent that Chapter 2260, Texas Government Code, is applicable to this Contract and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General Pursuant to Chapter 2260, shall be used by City and Professional to attempt to resolve any claim for breach of contract made by Professional that cannot be resolved in the ordinary course of business. The Director of Finance of City shall examine Professional's claim and any counterclaim and negotiate with Professional in an effort to resolve such claims. This provision shall not be construed as a waiver by City of its right to seek redress in the courts.
20. **Entire Agreement:** This Agreement contains the entire understanding between the Parties and supersedes all prior agreements, arrangements, and understanding, oral or written between the Parties relating to this Agreement. This Agreement may not be modified except by mutual written agreement of the Parties executed subsequent to this Agreement.
21. **Eligibility to Receive Payment:** Professional certifies that, as a matter of state law, it is not ineligible to receive the Agreement and payments pursuant to the Agreement and acknowledges that the Agreement may be terminated, and payment withheld if this representation is inaccurate.

22. **Payment of Debt/Delinquency to State:** Professional certifies that it is not indebted to the City of League City and is current on all taxes owed to the City of League City. Professional agrees that any payments owing to Professional under the Agreement may be applied directly toward any debt or delinquency that Professional owes the City of League City regardless of when it arises, until such debt or delinquency is paid in full.
23. **Products and Materials Produced in Texas:** If Professional will provide services under the Agreement, Professional covenants and agrees that in performing its duties and obligations under the Agreement, it will purchase products and materials produced in Texas when such products and materials are available at a price and delivery time comparable to products and materials produced outside of Texas.
24. **Risk of Loss:** All work performed by Professional pursuant to the Agreement will be at Professional's exclusive risk until final and complete acceptance of the work by City. In the case of any loss or damage to the work, or the need to redo or revise the work for any reason except to accommodate a City request to materially alter the work, prior to City's acceptance, bearing the costs of such loss or damage to or such redo or revision of the work will be Professional's responsibility.
25. **Publicity:** Professional shall not use City's name, logo or likeness in any press release, marketing materials or other public announcement without receiving City's prior written approval.
26. **Legal Construction/Severability:** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained in it. To this end, the provisions of this Agreement are declared to be severable. The Parties may mutually agree to renegotiate the Agreement to cure such illegality/invalidity or unconstitutionality if such may be reasonably accomplished.
27. **Limitations:** The Parties are aware that there are constitutional and statutory limitations on the authority of City to enter into certain terms and conditions of the Agreement, including, but not limited to, those terms and conditions relating to liens on City's property; disclaimers and limitations of warranties; disclaimers and limitations of liability for damages; waivers, disclaimers and limitations of legal rights, remedies, requirements and processes; limitations of periods to bring legal action; granting control of litigation or settlement to another party; liability for acts or omissions of third parties; payment of attorneys' fees; dispute resolution; indemnities; and confidentiality (collectively, the "Limitations"). Any terms and conditions related to the Limitations will not be binding on City except to the extent authorized by the laws and Constitution of the State of Texas.
28. **Sovereign Immunity:** The Parties agree that neither the execution of the Agreement by City nor any other conduct, action or inaction of any City representative relating to the Agreement constitutes a waiver of sovereign immunity by City.
29. **Authority:** The Parties stipulate that in entering into this Agreement, the City is performing a solely governmental function and not a proprietary function. Professional warrants and represents that Professional has full power and authority to enter into and perform this Agreement and to make the grant of rights contained herein. The person signing on behalf of City represents that he/she has authority to sign this Agreement on behalf of City.

30. **Non-Waiver:** The Parties specifically agree that neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitute grounds for the suspension of performance by Professional. No covenant or condition of this Agreement may be waived except by written consent of the waiving party. Forbearance or indulgence by one party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party.
31. **Prohibitions Pursuant to Texas Government Code:** By executing this Agreement Professional verifies that Profession (1) does not boycott Israel and will not during the term of this Agreement per Section 2274.002; (2) is not engaged in business with Iran, Sudan, or any company on the list referenced in Section 2252.152; (3) does not boycott energy companies and will not during the term of this Agreement per 2274.002; and (4) does not have a practice, policy, guidance, or directive of this Agreement against a firearm entity or firearm trade association and will not during the term of this Agreement per 2274.002.

(signature block on next page)

Executed on _____. *(date to be filled in by City Secretary)*

TANKO LIGHTING - “Professional”



Jason Tanko, CEO

CITY OF LEAGUE CITY – “City”

John Baumgartner, City Manager

Attest:

Diana Stapp, City Secretary

Approved as to Form:

Office of the City Attorney

Exhibit A

Scope of Services/Description of Products/Payment Schedule
(15 pages, including this page)

“See Next Page”

Exhibit B

Not Applicable - Page Intentionally Left Blank



PROPOSAL FOR STREETLIGHT INVENTORY CONDITIONS, UTILITY NEGOTIATIONS & ACQUISITION SUPPORT FOR THE CITY OF LEAGUE CITY, TX

Submitted by:

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

Submitted to:

John Baumgartner
City Manager
City of League City
john.baumgartner@leaguecitytx.gov

December 10, 2025

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COVER LETTER

December 10, 2025

John Baumgartner
City Manager
City of League City
john.baumgartner@leaguecitytx.gov

Dear Mr. Baumgartner,

Tanko Streetlighting, Inc. ("Tanko Lighting") appreciates the opportunity to submit this proposal for a streetlight inventory conditions and utility negotiations and acquisition support project to the City of League City.

As you are aware, we were recently selected as a Professional Services firm to assist the City with its Streetlight Infrastructure Planning & Engineering Design Service Discipline projects. Additionally, we have successfully completed previous streetlight projects with the City and are thus well informed of the City's needs and goals for this project.

Given that you are already familiar with our qualifications, we have omitted them from the enclosed proposal. But rest assured – our extensive involvement with municipal streetlight projects nationwide means our team can leverage its expertise to provide the necessary context and value to assist the City with all the support, recommendations and coordination necessary to ensure the success of this project.

Please let us know should you have any questions. We look forward to your feedback.

Regards,



Jason Tanko
Chief Executive Officer

Enclosures

SCOPE OF WORK

The City is interested in understanding its current streetlight inventory – which is comprised by City-owned, CenterPoint-owned, and Texas-New Mexico Power-owned streetlight fixtures. Our scope of work (outlined below) will provide the data and analysis to support the City with this need. Additionally, our scope of work will support the City with its purchase negotiations with its utilities.

Task 1: Inventory Conditions

This work will identify the field conditions and data records of the existing system, so that the City understands the current state and value of the streetlight system.

Task 1a: Inventory Audit of Existing Streetlights

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. Our auditors collect more than thirty fields of data per streetlight fixture. This approach enables us and our clients to streamline maintenance processes, as we know exactly where each light is, the type of pole it is on, the type of fixture that is installed, existing wattage, etc., so that maintenance crews can be prepared ahead of time to respond to requests and minimize visiting the same fixture multiple times.

We will perform the following steps to complete the audit:

- Step 1 – Confirm Data Attributes
- Step 2 – Develop Audit Maps
- Step 3 – Data Collection

Step 1 – Confirm Data Attributes

The preparation phase for the audit will involve our team working with City staff to clearly define audit scope, including priority areas, municipal boundaries, and any areas outside the right-of-way that should be included. Once the preparation phase is complete, the audit will commence. We will collect data on all the existing inventory in the field – including any known new developments and both cobra head and decorative fixtures – and identify over thirty attributes on-site, including (but not limited to):

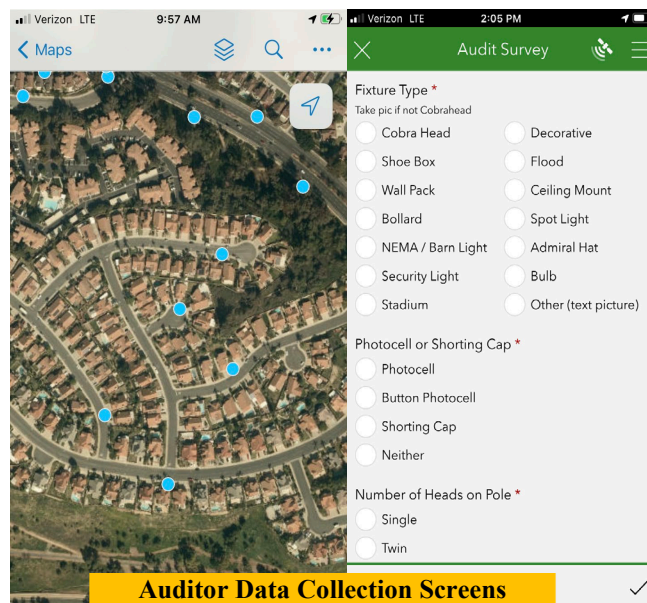
- Global Positioning Service (GPS) coordinates (latitude, longitude) of each fixture location and date of capture
- Fixture technology
- Lamp type and wattage
- Pole material, mounting height, and arm length
- Pole ID number
- Date of data capture
- Nearest street address
- Street width and configuration (e.g., intersection, crosswalk, cul-de-sac)
- Electrical feed (overhead, underground)
- Visible issues (e.g., pole leaning – both major or minor, fixture damage, tree obstruction).

Step 2 – Develop Audit Maps

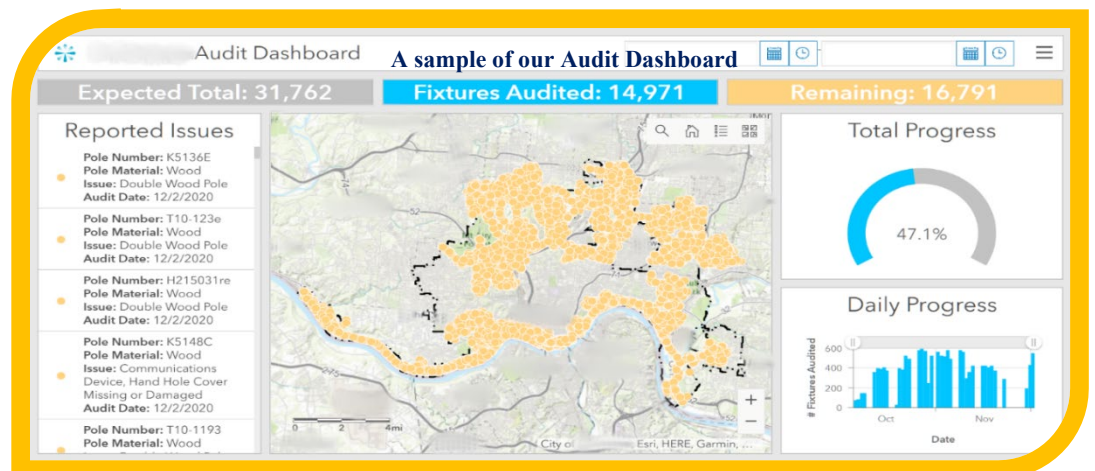
Our in-house GIS experts develop maps that outline the City boundaries and ensure that the entire system is audited. See a sample of our audit maps to the right.

Step 3 – Data Collection

Our audit will be conducted in person by trained field auditors, who collect detailed light fixture data directly on site, and will include City-owned, CenterPoint-owned, and Texas-New Mexico Power-owned streetlights. Our auditors will document each fixture's attributes using ESRI's Survey123 and Field Maps applications. Find an image below of the screens that our auditors use to capture the data.



During the course of the field audit, we will ensure to inspect every fixture and pole specified by the City and will provide City staff with either a weekly pdf report or access to an interactive, online dashboard that will display the daily and overall progress of the audit, any issues encountered, and a map that can be explored. Please see the graphic to the right for a sample audit dashboard.



Poor utility data quality is typically defined by such issues as (but not limited to): Typos in pole numbers or street names; incorrect addresses; blank values; duplicate records; outdated records that do not match current field conditions; non-unique or non-sequential pole numbers in the field; mismatched pole numbers in the field compared with utility records; missing pole numbers; lack of addresses and/or GIS coordinates; an audit scope listed in the utility inventory. These types of issues can be rare, but depending on the details, they can require considerable additional time to reconcile the data.

Task 1b: Billing Inventory Review

Our team has developed a methodology to capture every streetlight asset owned by and/or billed to a municipality. Using precise GPS technology and expert streetlighting GIS Analysts, our team reviews every asset it locates in the field with the goal of matching each audited light with every record in the utility's billing inventory. In our team's experience, cross-reference of these various data sources results in extremely precise and clean data. Projects typically have a utility billing discrepancy of approximately 5 – 10 percent of the inventory quantity, which can translate to cities being over-billed by their utility. Any such discrepancies will be identified during this phase of the project and included in a billing inventory review report that will be provided to the City in an Excel spreadsheet.

We will begin reviewing the data upon commencement of the audit and will perform the following steps to complete the Billing Inventory Review:

- Step 1 – Data Processing
- Step 2 – Reconciliation
- Step 3 – Audit Punch List

Step 1 – Data Processing

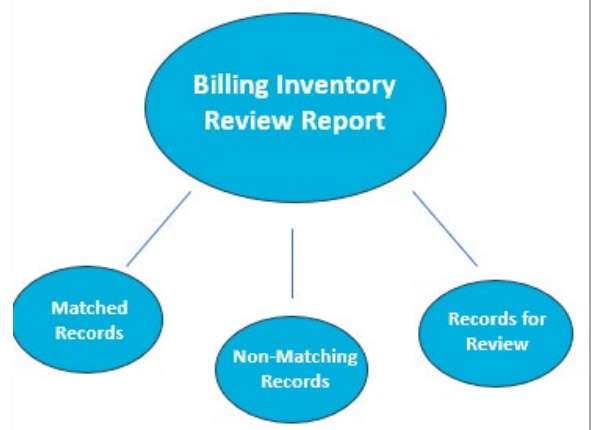
All collected data will be reviewed and spot-checked daily by our data team before being uploaded to our ESRI online Audit Dashboard (see graphic on previous page), enabling the City to actively monitor audit progress in real time.

Step 2 – Reconciliation

Upon completion of the field audit, we will reconcile the verified dataset in ArcPro against the provided utility records – for both CenterPoint-owned and Texas-New Mexico Power-owned streetlights. Each audited fixture will be matched to the utility inventory either spatially, by unique identifiers such as pole numbers, or through a combination of both methods. We will then examine these matched records individually to determine the accuracy of the fixture/wattage/location provided by the utility against information collected during the field audit and any discrepancies are noted in detail. Unmatched or problematic records will also be investigated individually to determine why a match did not occur. Following a thorough review, all matched and unmatched records will be documented and explained in our comprehensive Billing Inventory Review Report, provided in an Excel spreadsheet to the City following the completion of the field audit.

The Billing Inventory Review Report will include an analysis of the following items:

- Streetlights confirmed during the audit
- Streetlights appearing in the utility records but not in the confirmed audit records
- Streetlights confirmed in the audit records but not in the utility records

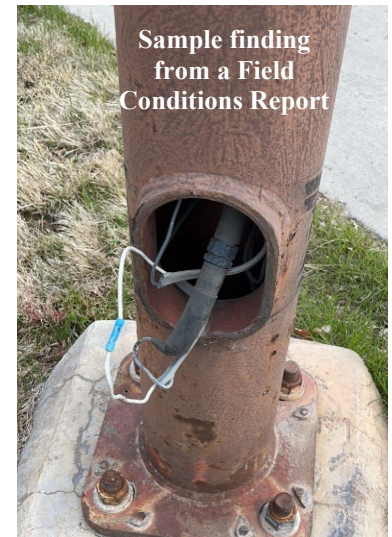


Step 3 – Audit Punch List

It should be noted that no field audit is perfect because varying and unknown field conditions can impact the data collected. As such, there is sometimes an error rate associated with data collection that may require the development of an Audit Punch List and a plan to remedy. Depending on the quantity of fixtures and the nature of the issues, our team will revisit specific locations to collect additional audit points.

Task 1c: Field Conditions Report

Once the audit and billing inventory review (Tasks 1 and 2) are completed, we will develop a Field Conditions Report that will identify the current state of the streetlight system, including any deferred maintenance and other service issues, as well as any data inventory issues. In addition, we will develop a presentation based on the report and meet with City staff to guide them through the findings in the report, so they understand the details and implications. Further, we can present the same presentation via video to Council, upon request.



Task 1d: Appraisal

Our team will complete an appraisal of the streetlight system on behalf of the City. The appraiser will provide a financial valuation analysis to confirm the fair market value of the existing streetlight system. This will be based on market research on the value of previously appraised municipal streetlight systems in both the region and nationally, as well as the field conditions identified during the audit. Additionally, we will use the Original Cost New Less Depreciation (OCNLD) – or “book value” – method to determine the valuation, which is consistent with how the State of Texas regulates utility investment and infrastructure.

Once the appraisal is completed, our team will produce a summary of the results for future use with the Council and/or the potential exploration of the acquisition process. Please note that the appraisal will not consider the overall soundness of every element of the existing system (including unseen elements such as wiring issues, equipment integrity, etc.), and therefore our team will not be responsible/liable for any future operating costs associated with the soundness of the streetlight system equipment.

Task 2: Utility Negotiations & Acquisition

Our team will support the City with its purchase negotiations with Texas New Mexico Power (TNMP), culminating in a final bill of sale and transition of streetlight assets to the City, including such activities (if necessary) as:

- Coordination of communication with City attorney
- Assistance with presentations to City Council
- Coordination of final TNMP correspondence/negotiations
- Review of separation requirements – which are typically the terms that define and distinguish the utility’s property from the City’s property (most systems do not have anything physical installed; some have fuses installed)
- Review of the pole attachment agreement terms – which are typically terms that define how a City’s streetlight can be attached and serviced when on a utility-owned distribution pole
- Review of purchase and sale agreement terms – which are typically terms that outline details of the ownership transfer, including final sale price, quantities, timelines, etc.
- Review and outline of ongoing maintenance options (post-ownership transfer)

- Support of final determination of the system's value and purchase price, including assistance with data on previous sales, rate analysis, etc.
- Confirmation of existing customer-owned rates and coordination with TNMP to optimize any loose ends with the customer-owned model
- Coordination of any necessary requirements with the state Public Utility Commission or regulator

It should be noted that municipalities that elect to acquire the streetlighting system on their own typically leave substantial amounts of money on the table and may not get the best deal possible for separation requirements, which can lead to increased maintenance costs in the future. This is why – if the City opts to pursue a streetlight acquisition – it should partner with the experts – our team.

Please see the Roles & Responsibilities section (below) for how we will coordinate with the City on the negotiations task.

Roles & Responsibilities

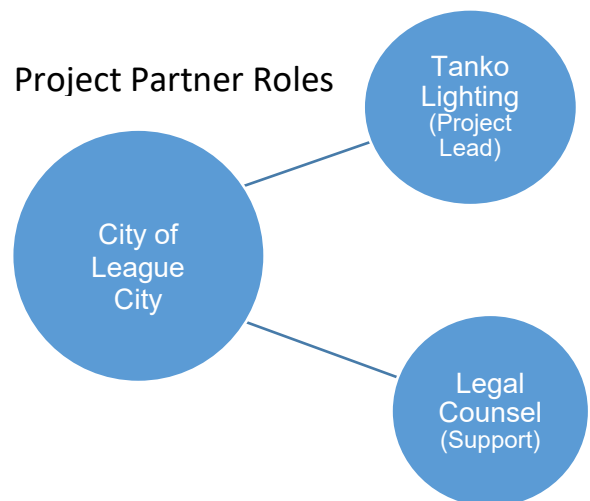
Streetlight acquisition missteps typically occur when inexperienced actors are leading. To optimize the process, it is imperative that Tanko Lighting takes the lead role on the project, coordinating all City staff and legal counsel throughout the entire project. While our team is not comprised of licensed attorneys, we are well-versed in the legal process and understand the critical role that legal counsel plays in this process. However, it is essential to understand that the role of legal counsel in this project is limited by design, as this ensures that the streetlight acquisition expert (Tanko Lighting) is at the helm to lead the project cost effectively and to utilize legal counsel surgically, as needed.

Below is a list of anticipated responsibilities for each core team member for this project. These responsibilities, as outlined, will keep the project's progress moving as smoothly and efficiently as possible. Thus, it is important that these responsibilities are adhered to throughout the project.

Tanko Lighting's Responsibilities

- Serve as the project lead, responsible for all project deadlines, reporting, and compliance.
- Coordinate with both City staff and legal counsel via ongoing meetings and correspondence.
- Lead negotiations with the utility.
- Advise City staff on ongoing potential options and strategies.
- Provide relevant documentation on previous precedents, technical elements, relevant arguments.
- Draft documents for City staff and legal counsel's review.
- Provide final edits for negotiation documents.

Project Partner Roles



- Provide documentation and justification for valuation estimates.
- Provide ongoing reporting as needed.

City's Responsibilities

- Serve as the project owner and decision maker.
- Assign a decision maker as the primary point of contact for the project.
- Commit to a regular meeting schedule with the main point of contact and Tanko Lighting.
- Participate in a monthly meeting with either the legal counselor(s) or other City representative.

"Any concerns I had with Tanko's ability to perform their duties because they are based out of California were quickly eliminated ..."

James A. Duggan
Town Manager
Town of Dracut, MA

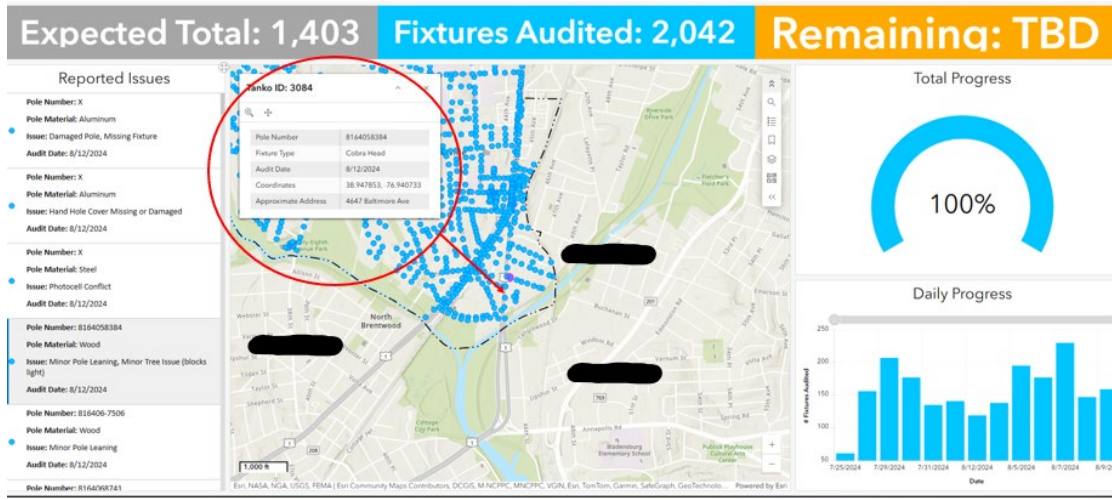
Legal Counsel's Responsibilities

- Serve in a supportive role for the project.
- Commit to attending regular monthly meetings (if needed).
- Utilize drafted documents and work closely with Tanko Lighting on the finalization of documents.
 - Tanko Lighting will provide all drafts to counsel and review documents before counsel finalizes.
- When requested, work with Tanko Lighting to negotiate with the utility.
- Contribute to the development of strategies.
- Provide document review and feedback in a timely manner.
- Represent the City in all regulatory processes and proceedings (if needed).

Our Dracut, MA project.

PROJECT DELIVERABLES

- **Audit Dashboard:** An online, interactive dashboard listing the locations completed during the data collection phase, along with a description of any issues that the municipality or utility would need to devote immediate attention to – including electrical hazards, tree trimming needs, etc. This dashboard will remain available to City staff for one month after the completion of the project. See a sample of the dashboard at the end of an audit project in the graphic below.



- **Audit Data:** Finalized inventory summary listing quantities by type and wattage, as well as a list of fixtures found in the field audit and their associated attributes, to be provided in a file suitable for use in common GIS software (e.g., ESRI, ArcMap), as well as Microsoft Excel (this deliverable will be provided after the completion of the project).
- **Billing Inventory Review Report:** A report detailing any discrepancies found between field data and utility billing records, as well as where records match cleanly (including nearest address and pole number, if applicable). Further, addressing these discrepancy locations with the utility will be the responsibility of the City, unless it requests our team to do so (which will require an additional cost).
- **Field Conditions Report & Presentation:** An analysis of the current state of the streetlight system, including any deferred maintenance and other service issues and findings presentation.
- **Appraisal Analysis:** Report of the appraised value of the existing streetlight system.
- **Appraisal Summary:** Synopsis of the appraisal and the basis for the amount of just compensation value.
- **Streetlight System Transfer Support:** Support, feedback, and recommendations for all documentation, agreements, and final negotiations towards the completion and execution of the transfer of streetlight ownership.



PROJECT TIMELINE

We anticipate completion of this phase in approximately six months. Please find our estimated schedule below:

Proposed Timeline	Month					
	1	2	3	4	5	6
Task						
Notice to Proceed						
Project Kickoff Meeting						
Task 1a - Inventory Audit of Existing Streetlights						
Audit Scope Call						
Audit Preparation						
Audit Field Work						
Task 1b - Billing Inventory Review						
Task 1c - Field Conditions Report						
Task 1d - Appraisal						
Task 2 - Utility Negotiations & Acquisition						

This timeline reflects that the audit, appraisal, and utility negotiations support will commence simultaneously at the start of the project. We envision that this phase of the overall project will conclude with a final version of the purchase and sale agreement for the ownership transfer of the streetlight assets.

However, please note that the actual utility negotiations may be delayed through no fault of Tanko Lighting – likely due to utility company delays. As such, we recommend that our contract term with the City reflect this possibility by extending the term to at least one year from the project start.

PRICING

Please also note that this pricing is valid for sixty (60) days from the date of this proposal. Additional information on the details of the tasks can be found in the Scope of Work section, above.

Task	Lump Sum Price*
Task 1a: Inventory Audit of Existing Streetlights Deliverables: <ul style="list-style-type: none"> Audit Dashboard Audit Data 	\$169,002
Task 1b: Billing Inventory Review Deliverable: <ul style="list-style-type: none"> Billing Inventory Review Report 	\$119,682
Task 1c: Field Conditions Report Deliverable: <ul style="list-style-type: none"> Field Conditions Report 	\$18,500
Task 1d: Appraisal Deliverable: <ul style="list-style-type: none"> Appraisal Analysis Appraisal Summary 	\$25,000
Task 2: Utility Negotiations & Acquisition Deliverable: <ul style="list-style-type: none"> Streetlight System Transfer Support 	\$140,000
Total Price:	\$472,184

*Note: Our lump sum pricing assumes up to an estimated 6,649 streetlight fixtures. Any quantities beyond this amount will be subject to an additional \$43.42 per fixture price for Tasks 1a and 1b. Please find a rough estimate of Task 1 hours in the table below, which was the basis for the estimated lump sum pricing in the table above. Also note that the Task Costs listed in the table below are slightly off from the lump sum pricing in the table above due to recent slight fluctuations in our hourly rates.

Hourly Rates and Estimated Hours for Task 1: Inventory Conditions					
Task	Position	Hours	Hourly Rate	Extended Cost	Task Cost
Task 1a: Inventory Audit of Existing Streetlights	Principal	39	\$275.00	\$10,725.00	\$169,022.50
	PM	250	\$210.00	\$52,500.00	
	Analyst	252	\$175.00	\$44,100.00	
	Auditor	425.5	\$145.00	\$61,697.50	
Task 1b: Billing Inventory Review	Principal	80	\$275.00	\$22,000.00	\$119,790.00
	PM	254	\$210.00	\$53,340.00	
	Analyst	254	\$175.00	\$44,450.00	
	Auditor		\$145.00	\$0.00	
Task 1c: Field Conditions Report	Principal	5	\$275.00	\$1,375.00	\$18,525.00
	PM	40	\$210.00	\$8,400.00	
	Analyst	50	\$175.00	\$8,750.00	
	Auditor		\$145.00	\$0.00	
Task 1d: Appraisal	Principal	30	\$275.00	\$8,250.00	\$25,015.00
	PM	46.5	\$210.00	\$9,765.00	
	Analyst	40	\$175.00	\$7,000.00	
	Auditor		\$145.00	\$0.00	



- Proposed Payment Terms:
 - Tanko Lighting will invoice the City on a monthly basis, based on the percentage completed each month and will provide the City with a monthly summary describing work performed.
 - The City shall pay Tanko Lighting within thirty (30) days of receipt of invoices.

