

Augusta Engineering reviewed Georgia Power Letter of Intent (LOI) for Asset Purchase Agreement and associated Exhibit and offering following comments.

A) By Engineering Director

Summary Comment:

Unsolicited proposal has merit for further consideration following Augusta Procurement Policy and procedures. Such assessment of Augusta Streetlighting system (fixtures condition and operation cost) will bring much needed transparency in the Program cost & fee justification. However, several concerns are noted in the Georgia Power (GPC) submitted proposal. Augusta Engineering cautions that without careful analysis of GPC's proposed approach and without assigning GP a well-defined and structured scope could result in an expensive endeavor for Augusta, Georgia.

For one, There is no buy back clause. At the Agreement term end or termination, the System shall become property of Augusta at a depreciated cost or at no cost if GPC has fully recovered its investment cost in System upgrades.

Secondly, there is no "Service Request Response" clause. GPC shall commit to a defined response time for repairing nonfunctional lights.

Individual Comments:

LOI Section 3 – Termination of LOI: Either party can terminate the LOI simply by sending a thirty (30) day termination notice. There is no protection for completing proposed assessment. GPC should provide a guarantee that GPC will complete proposed assessment within budget and schedule approved at time of Notice to Proceed released by the Augusta, Georgia.

LOI Section 5 – Exclusivity: remove this clause. Inclusion of this clause may result in unmanageable agreement and associated deliverables.

Exhibit A

Phase 0 Audit – 1) Scope is not clear. 2) Define "each light currently existing within the City of Augusta". 3) \$1M asked fee shall be itemized such as unit rate per 100 lights. 4) Replace "will pay GPC \$1M" with "will pay GPC maximum up to \$1M". 5) GPC owned lights shall be excluded from assessment fee charges.

Phase 1 Lights – 1) delete 2nd part of last sentence; it will be difficult for the City to find needed documents.

Maintenance Cost – 1) Maintenance rate \$28/light/month is based on what data? 2) Maintenance unit rate shall be set and agreed by the both parties. 3) After five years rate will increase; it is open ended condition and shall be tied to a defined unit increase. 4) delete last paragraph.

Regulated Energy Cost – 1) delete this clause. 2) such cost shall be included in operation & Maintenance (O&M) unit cost.

Closing Date – 1) is this clause referring to System assessment completion or System ownership completion?

Term – 1) is this referring to transferred lights O&M charges? 2) one year renewal clause has not cap. There should be term cap such as up to ten years. Also,

Access – 1) delete last paragraph. What is reasoning GPC retaining access right past end of Agreement.

B) Engineering Streetlighting Program Manager

Individual Comments:

- **Phase 0 Audit:**

What is included in the \$1M audit cost? How was this cost calculated? Will this include the streetlight and crime/traffic accident correlation study as was done in Atlanta during the streetlight ownership transfer?

What type of data will this audit generate? We need to make sure the data is in a format we can utilize.

- **Phase I Lights:**

The Streetlighting Program currently maintains 3 streetlight systems outside of the right-of-way. Will these systems be included?

- **Purchase Price:**

Will the City retain all old fixtures after they are replaced with GA Power LED fixtures or is this part of the Purchase Price?

Will this include any energy efficiency incentives/rebates for the City?

- **Maintenance Cost**

How is the \$28 per LED light pricing formula calculated? Is this strictly a maintenance fee?

- **Existing Facilities on Purchased Lights:**

Will this include removing existing banners, Christmas lights/brackets, traffic signs, Masters traffic signs, Richmond County IT Wi-Fi repeaters and solar cameras?

- **Further Obligations of the City:**

Same question as above.