

**SUBJECT:** Consideration of approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation cost of one (1) street light at the entrance of Valencia South Estates Phase III off of Ten Mile Road, and approval of an agreement with the Valencia South Estates Condominium Association for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.

**SUBMITTING DEPARTMENT:** Department of Public Works, Engineering Division

<b>EXPENDITURE REQUIRED</b>	<b>\$ 3,052.10 (Installation costs paid by City)</b> <b>\$ 236.76 (Annual operating costs paid by City)</b> <b>\$ 3,305.54 TOTAL City share</b>  <b>\$ 1,256.55 (HOA paid costs)</b>
<b>AMOUNT BUDGETED</b>	<b>\$ 20,000 (Street Light Installation)</b> <b>\$ 152,000 (Street Light Operations)</b>
<b>APPROPRIATION REQUIRED</b>	<b>\$ 0</b>
<b>LINE ITEM NUMBER</b>	<b>101-442.10-924.051 (Streetlight Installation)</b> <b>101-442.20-924.000 (Street lighting Operations)</b>

**BACKGROUND INFORMATION:** The Valencia South Estates Condominium Association is requesting the installation of one (1) 39 watt LED 'Basic' Granville luminaire on one (1) black decorative 11'6" Windsor post at the Valencia South Phase III entrance located off of Ten Mile Road, west of Beck Road.

The Resolution for Amended Street Light Policy adopted on September 24, 2012 states the City will provide one single, standard overhead street light in the public right-of-way at major road entrances of residential developments to enhance public safety up to 100 feet from an existing electrical conduit. The policy also states when lighting requests include upgraded decorative or additional street lights, the petitioner shall bear the additional cost of installation beyond the cost for a single standard light. The developer is requesting a decorative street light located within 100 feet of the existing electrical conduit. Therefore, the portion of the installation cost for the decorative streetlight will be

the developer's responsibility. Similarly, the policy states the City will pay for the ongoing operation and energy costs for one street light at the entrance, and ongoing operation and energy costs for additional lighting will be paid by the Homeowners Association.

Engineering staff worked with DTE Energy (Detroit Edison Company) and the Valencia South Estates Condominium Association to determine the appropriate location for a street light, and obtained an estimate of the installation and ongoing operation cost for one (1) decorative light. The new street light will be one 11'6" decorative black Windsor post with a 39w LED 'basic' Granville luminaire consistent with the style of street lighting that the City considers the standard for residential entryway lighting. In order to facilitate installation of the street lights, DTE Energy is requesting approval and execution of the attached Purchase Agreement. The DTE Energy agreement requires the City to pay the total installation cost of \$4,308.65 and an ongoing annual lamp charge of \$236.76 for operation and maintenance of the street light. As with all other street light installations, the City requires payment by the applicant for all reimbursable charges and the City pays DTE Energy directly.

The following table summarizes the cost sharing for the requested streetlights:

<b>Description</b>	<b>City Share</b>	<b>Developer/HOA Share</b>	<b>Total</b>
Installation Costs	\$3,052.10	\$1,256.55	\$4,308.65
Annual Operating Costs	\$ 236.76	\$ 0	\$ 236.76

A second agreement between the City and the Valencia South Estates Condominium Association is also provided for consideration to formalize the cost sharing and payment arrangement for the installation and operation of the streetlight. Valencia South Estates Condominium Association has paid the City its portion of the installation costs.

The proposed agreements have been reviewed and recommended for approval by Engineering staff and the City Attorney (Beth Saarela, August 8, 2019).

**RECOMMENDED ACTION:** Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation cost of one (1) street light at the entrance of Valencia South Estates Phase III off of Ten Mile Road, and approval of an agreement with the Valencia South Estates Condominium Association for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.

# DTE Street Light Installation Valencia South Phase III - Presidio Lane and Ten Mile Road Location Map



Map Author: R. Runkel

Date: 9-11-19

Project: Valencia Ph III Streetlight

Version #: 1

**MAP INTERPRETATION NOTICE**

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.



**City of Novi**  
Engineering Division  
Department of Public Works  
26300 Lee BeGole Drive  
Novi, MI 48375  
cityofnovi.org



04	03	02	01
09	10	11	12
18	17	16	15
21	20	21	22
28	29	28	27
33	31	32	34
35	34	35	36



July 19, 2019

City of Novi  
Rebecca Runkel  
26300 Lee BeGole Dr  
Novi, MI 48375

Re: Proposed Street Lighting-Valencia Phase III Entrance Lighting-Presidio @ 10 Mile

I have completed the review of your request for the proposed lighting and have prepared a cost estimate for the installation of one (1) streetlight. I am recommending the installation of one (1) 39w LED stock "Basic" Granville luminaire and one (1) stock, Main Street "Windsor" 11'6" fiberglass post on concrete foundation. Streetlight to be fed by underground cable.

The costs are based on the Option 1 Municipal Street Light rate, where DTE Energy installs, owns, and maintains the lighting system. The rate requires a portion of the construction costs be paid by the customer, which is determined by the following formula.

**Underground fed (1) 39w Granville acorn LED fixture.**

Annual Operating Cost	\$236.76
Costs to Construct	\$5,018.93
3yr Revenue Credit	(\$710.28)
<b>Contribution from the City of Novi</b>	<b>\$4,308.65</b>

**City of Novi Standard-30' Fiberglass Post and 58w LED-100' Feed Point**

Annual Operating Cost	\$253.44
Cost to Construct	\$3,812.42
3yr Revenue Credit	(\$760.32)
<b>Contribution from the City of Novi</b>	<b>\$3,052.10</b>

The price quoted shall be in effect for a period of six months from the date of this letter, after which these costs will no longer be valid. After installation, the total cost for additional modification, relocation or removal will be the responsibility of the requesting party. Payment of the customer contribution must be made prior to the actual start of construction.

Please contact me for a Street Lighting Purchase Agreement if you would like to proceed with the above installation.

Sincerely,

*Brandon R. Faron*

Brandon R. Faron  
Account Manager  
Community Lighting



July 26, 2019

City of Novi  
26300 Lee BeGole Dr  
Novi, MI 48375  
Attn: Rebecca Runkel

Re: City of Novi- Valencia Phase III

Attached is the agreement for the work to be performed in the budget letter I sent on July 19, 2019. A detailed description of the project is outlined in the agreements. Please print **TWO** copies. Please sign **BOTH** copies in the designated areas. A check in the amount of **\$4,308.65** is also required at this time. Please return **BOTH** signed agreements (as well as check or Purchase Order...made payable to **DTE Energy**) to the following address:

DTE Energy  
8001 Haggerty Rd.  
Belleville, MI 48111  
140 WWSC-Brandon Faron

Upon receipt of BOTH signed copies (and payment), we (DTE Energy) will then sign BOTH copies and return ONE original back to you.

Please call if you have questions, 734-397-4017.

Sincerely,

*Brandon R. Faron*

Brandon R. Faron  
Account Manager  
Community Lighting


**Exhibit A to Master Agreement**

**Purchase Agreement**

This Purchase Agreement (this "Agreement") is dated as of July 26, 2019 between DTE Electric Company ("Company") and City of Novi ("Customer").

This Agreement is a "Purchase Agreement" as referenced in the Master Agreement for Municipal Street Lighting dated September 16, 2013 (the "Master Agreement") between Company and Customer. All of the terms of the Master Agreement are incorporated herein by reference. In the event of an inconsistency between this Agreement and the Master Agreement, the terms of this Agreement shall control.

Customer requests the Company to furnish, install, operate and maintain street lighting equipment as set forth below:

1. DTE Work Order Number:	54627389	
	If this is a conversion or replacement, indicate the Work Order Number for current installed equipment: N/A	
2. Location where Equipment will be installed:	[Valencia Ph III: W. 10 Mile @ Presidio Ln], as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	1	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	Install one (1) stock, 11'6" decorative Windsor post on concrete foundation, and one (1) 39w stock, LED "Basic" Granville luminaire.	
5. Estimated Total Annual Lamp Charges	\$236.76	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$5,018.93
	Credit for 3 years of lamp charges: New Installations Only	\$710.28
	<b>CIAC Amount (cost minus revenue)</b>	<b>\$4,308.65</b>
7. Payment of CIAC Amount:	Due promptly upon execution of this Agreement	
8. Term of Agreement	5 years. Upon expiration of the initial term, this Agreement shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) days prior written notice to the other party.	
9. Does the requested Customer lighting design meet IESNA recommended practices?	(Check One) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices <div style="text-align: right; margin-top: 10px;">  </div>	
10. Customer Address for Notices:	City of Novi 26300 Lee BeGole Dr Novi, MI 48375 Attn: Rebecca Runkel	

11. Special Order Material Terms:

All or a portion of the Equipment consists of special order material: (check one)  YES  NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. Customer acknowledges that all or a portion of the Equipment is special order materials ("SOM") and not Company's standard stock. Customer will purchase and stock replacement SOM and spare parts. When replacement equipment or spare parts are installed from Customer's inventory, the Company will credit Customer in the amount of the then current material cost of Company standard street lighting equipment.

B. Customer will maintain an initial inventory of at least N/A posts and N/A luminaires and any other materials agreed to by Company and Customer, and will replenish the stock as the same are drawn from inventory. Costs of initial inventory are included in this Agreement. The Customer agrees to work with the Company to adjust inventory levels from time to time to correspond to actual replacement material needs. If Customer fails to maintain the required inventory, Company, after 30 days' notice to Customer, may (but is not required to) order replacement SOM and Customer will reimburse Company for such costs. Customer's acknowledges that failure to maintain required inventory could result in extended outages due to SOM lead times.

C. The inventory will be stored at N/A. Access to the Customers inventory site must be provided between the hours of 9:00 am to 4:00 pm, Monday through Friday with the exceptions of federal Holidays. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to the Company:

Name: N/A Title: N/A

Phone Number: N/A Email: N/A

The Customer will notify the Company of any changes in the Authorized Customer Representative. The Customer must comply with SOM manufacturer's recommended inventory storage guidelines and practices. Damaged SOM will not be installed by the Company.

D. In the event that SOM is damaged by a third party, the Company may (but is not required to) pursue a damage claim against such third party for collection of all labor and stock replacement value associated with the damage claim. Company will promptly notify Customer as to whether Company will pursue such claim.

E. In the event that SOM becomes obsolete or no longer manufactured, the Customer will be allowed to select new alternate SOM that is compatible with the Company's existing infrastructure.

F. Should the Customer experience excessive LED equipment failures, not supported by LED manufacturer warranties, the Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at the Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of the Customer.

\*\*\*\*\*

Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:

DTE Electric Company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Customer:

City of Novi

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_





**Attachment 1 to Purchase Agreement**

**Map of Location**

[To be attached]

W 10 MILE RD



PRESIDIO LN

VILLA TERRACE CT

DR

STATE OF MICHIGAN  
COUNTY OF OAKLAND  
CITY OF NOVI

STREET LIGHTING AGREEMENT  
FOR NEW SUBDIVISIONS

This Agreement is entered into this 15<sup>th</sup> day of August, 2019, by and between the CITY OF NOVI, a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi, Michigan 48375 (the "City"), and VALENCIA SOUTH ESTATES CONDOMINIUM ASSOCIATION C/O TOTAL HOME MANAGEMENT CONSULTANTS LLC, a Michigan limited liability company ("Association") whose address is 1607 East Big Beaver Road, Suite 105, Troy, Michigan 48083 created in accordance with the Master Deed for Valencia Estates South.

**RECITATIONS:**

The Association, as the entity designated to administer the affairs of the Valencia Phase III Subdivision, enter into this Agreement with respect to the payment of costs relating to the installation of one decorative street light serving the Subdivision. TOTAL HOME MANAGEMENT CONSULTANTS, LLC is the entity authorized to enter into contracts for "electricity," on behalf of the VALENCIA SOUTH ESTATES CONDOMINIUM ASSOCIATION pursuant to the Agreement, dated March 30, 2017.

The Association has requested the City to assist it in making a certain local public improvement consisting of the installation of one decorative street light at Ten Mile Road and Presidio Lane, as described and depicted on the attached Exhibit A hereto.

In accordance with the City's Amended Street Light Policy, dated September 24, 2012, the City will contract directly with DTE for the installation and operation of the type and number of poles and fixtures requested by the Association.

For all requests for installation of a single standard street light at a major road entrance, the City will contract with DTE for the installation of the requested street light. The City will pay the non-DTE share of the installation cost and the annual cost of operating the street light, in accordance with the City's policy.

For all requests other than installation of a single standard street light at a major road entrance, including a non-standard decorative street light, the City will contract with DTE for the installation of the requested street light or lights. The Association shall reimburse the City for the non-DTE share of the installation cost.

For all requests for street lights in addition to a single street light at a major road entrance, the Association shall reimburse the City on an annual basis for ongoing operating costs of the additional street lights.

The Association is authorized to execute this Agreement, in accordance with the First Amendment to Master Deed for the Valencia South Estates, recorded at Liber 51942, Page 333, Oakland County Records, Oakland County Condominium Subdivision Plan number 2150, which shall be binding on the Association.

The City has obtained from the Detroit Edison Company (“DTE”) an estimate for the installation and annual operation of said streetlight, requiring a charge for the decorative twin street light of \$4,308.65 and an operating cost for the first year in the amount of \$236.76 (“Annual Operating Cost”).

The City has agreed to assist the Association in facilitating the installation and operation of said street light with DTE.

The parties desire to enter into this Agreement to provide for the payment to the City by the Association of the cost of installation for the upgrade to the decorative street light, plus the City’s 10% administrative fee, in the total amount of \$1,382.21. The Annual Operating Cost will be paid directly to DTE by the City in accordance with the Street Light Policy.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. To the extent that DTE may require, the City shall contract with DTE for the installation and operation of the proposed decorative streetlight.

2. Upon execution of this Agreement, the Association shall pay to the City the amount of \$1,382.21, representing the Association portion of the installation cost plus an administrative fee in the amount of 10%, or such other amount as DTE shall require for installation of the proposed street light or street lights.

3. Upon execution of this Agreement, or when requested by DTE, the City shall pay to DTE \$236.76 representing the estimated Annual Operating Cost for the streetlight allowed under the Street Light Policy.

4. The parties acknowledge that the payments are based upon estimates of charges imposed by DTE for the lighting service provided, and that the charges imposed by DTE may increase due to unforeseen circumstances and due to the increase of energy costs over time. The City hereby agrees to pay the Annual Operating Cost as it may be revised due to such increases.

5. This Agreement contains the entire agreement between the parties, and to statement, promises, or inducement made by either party or agent of either party that is not contained in this written contract shall be valid or binding; and this contract may not be enlarged, modified or altered except in writing signed by both parties and endorsed hereon.

6. The term of this Agreement shall be for twenty (20) years, and shall automatically renew for additional five (5) years periods thereafter, until such time as either party shall notify

the other in writing of its intent not to renew. Such notice of intent not to renew shall be given not less than one year prior to the expiration of the original and any renewal terms.

7. This Agreement shall be binding on all heirs, executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first written above.

[SIGNATURES BEGIN ON THE NEXT PAGE]

CITY OF NOVI, a Michigan municipal Corporation

---


By: Robert J. Gatt  
Its: Mayor

---

By: Cortney Hanson  
Its: Clerk

VALENCIA SOUTH ESTATES  
CONDOMINIUM ASSOCIATION

By: TOTAL HOME MANAGEMENT  
CONSULTANTS LLC, a Michigan  
limited liability company

  
By: \_\_\_\_\_  
Its: Agent for Valencia  
South Association

ELIZABETH KUDLA SAARELA  
esaarela@rsjalaw.com

2755 Executive Drive, Suite 250  
Farmington Hills, Michigan 48331  
P 248.489.4100 | F 248.489.1726  
rsjalaw.com



ROSATI | SCHULTZ  
JOPPICH | AMTSBUECHLER

August 8, 2019

Rebecca Runkel, Staff Engineer  
City of Novi  
Field Services Complex  
26300 Lee BeGole Drive  
Novi, MI 48375

**Re: Valencia South Estates Ph. III – Master Agreement for Municipal Street Lighting, DTE Energy Purchase Agreement and Street Lighting Agreement for New Subdivision**

Dear Ms. Runkel:

We have received and reviewed the following documents for the installation of a single decorative street light at the intersection of Dixon Road and Declaration Drive to serve Liberty Park:

1. Master Agreement for Municipal Street Lighting dated September 16, 2013, and Purchase Agreement (Work Order Number 54627389).
2. Street Lighting Agreement for New Subdivisions – Valencia Estates South Condominium – Phase III.

### **Master Agreement and Purchase Agreement**

The Master Agreement for Municipal Street Lighting (“Master Agreement”) and corresponding Purchase Agreement are standard form agreements prepared by DTE Energy for use in projects for installation and maintenance of new street lighting. The Master Agreement controls the terms of installation and maintenance, generally, such as terms of payment, rates, maintenance responsibilities, term, liability, warranties and general contract provisions, including such things as choice of law and notices.

The Purchase Agreement includes the more specific information relating to each particular project, including total estimated project cost, project location, project specifications, and special order information.

The City should be aware that the cost provided in the Purchase Agreement is an estimate and may increase based upon conditions found underground at the time of construction, pursuant to the Master Agreement.

Rebecca Runkel, Engineering Technician  
City of Novi  
August 8, 2019  
Page 2

The terms of the Master Agreement and Purchase Agreement generally are acceptable and are in part, subject to rates and other rules imposed by the Michigan Public Services Commission.

**Agreement with Association**

With respect to the City's Agreement with the Valencia South Estates Condominium Association to install a single decorative street light at the entrance of the subdivision, the City will pay the ongoing energy costs relating to a single street light within the public right-of-way. The Association will be required to pay the additional cost of the installation for the decorative street light, plus the City's 10% administrative fee. The Agreement appears to satisfactory for this purpose, as provided.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

ROSATI SCHULTZ JOPPICH  
& AMTSBUECHLER PC



Elizabeth Kudla Saarela

EKS

Enclosures

- C: Cortney Hanson, Clerk (w/Enclosures)
- Megan Mikus, Deputy DPW Director (w/Enclosures)
- Ben Croy, City Engineer (w/Enclosures)
- Thomas R. Schultz, Esquire (w/Enclosures)