



CITY OF NOVI CITY COUNCIL
AUGUST 31, 2020

SUBJECT:	Approval of a street light purchase agreement with Detroit Edison Company for the installation and ongoing operation cost of one (1) standard street light at the entrance of Heritage Woods Condominiums and approval of an agreement with Pulte Homes of Michigan, LLC for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.
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SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

EXPENDITURE REQUIRED	\$ 3,041.23 Installation costs paid by City \$ 265.92 Annual operating costs paid by City \$ 3,307.15 Total City Share
AMOUNT BUDGETED	\$ 20,000.00 Street Light Installation \$ 152,000.00 Street Light Operations
APPROPRIATION REQUIRED	\$ 0
LINE ITEM NUMBER	101-442.10-924.051 Street Light Installation 101-442.20-924.000 Street Light Operations

BACKGROUND INFORMATION: The developer of Heritage Woods Condominiums, Pulte Homes of Michigan, is requesting the installation of one (1) standard street light post at the entrance located off of Taft Road, north of Ten Mile 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 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 Pulte Homes of Michigan to determine the appropriate location for a street light, and obtained an estimate of the installation and ongoing operation cost for one (1) standard street

light at the entrance, 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 \$3,041.23 and an ongoing annual lamp charge of \$265.92 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:

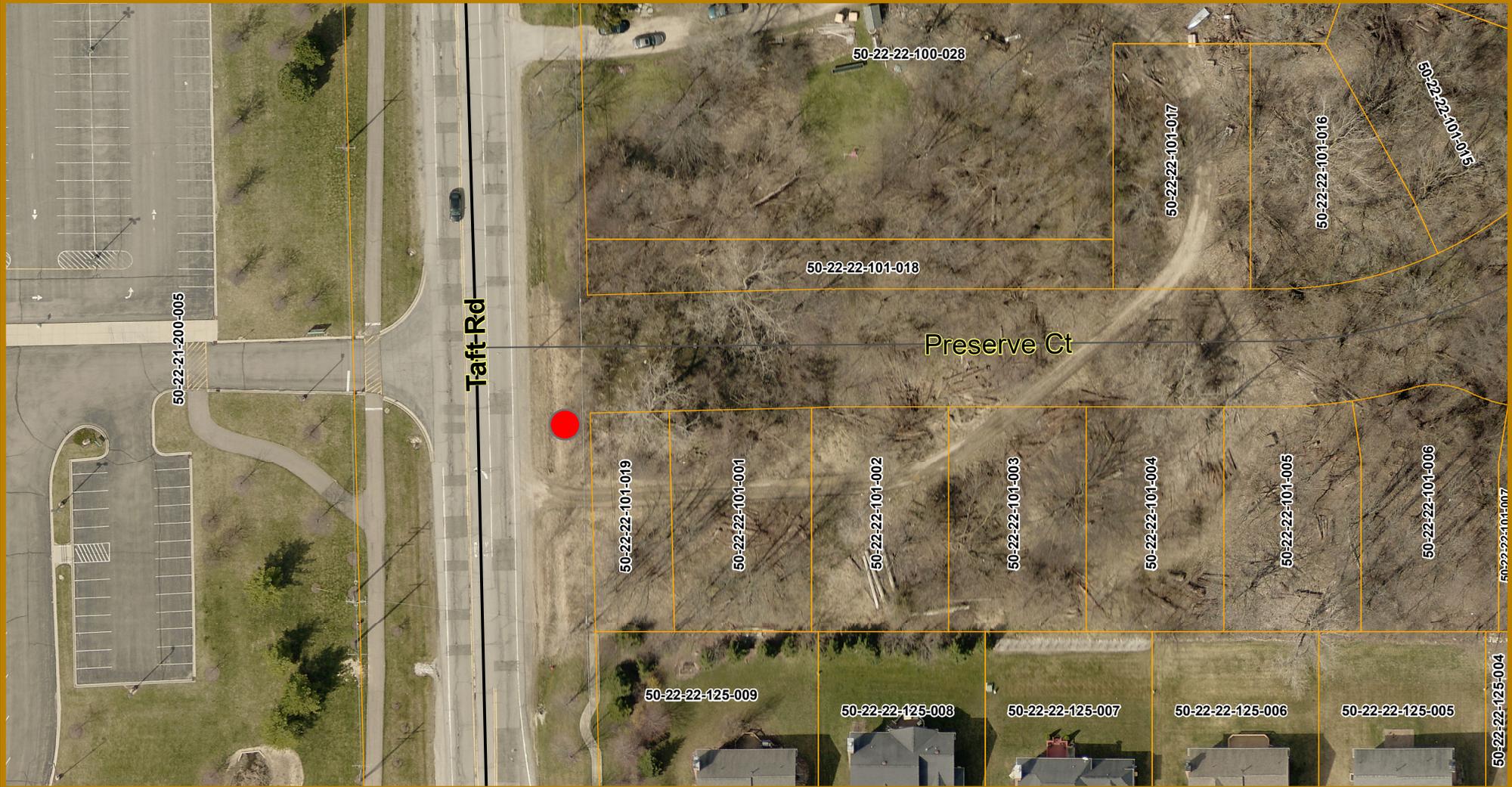
Description	City Share	Developer/HOA Share	Total
Installation Costs	\$ 3,041.23	\$0	\$ 3,041.23
Annual Operating Costs	\$ 265.92	\$0	\$ 265.92

A second agreement between the City and Pulte Homes of Michigan, LLC is also provided for consideration to formalize the cost sharing and payment arrangement for the installation and operation of the streetlight. Pulte Homes of Michigan, LLC has paid the City its portion of the installation costs.

The proposed agreements have been reviewed and recommended for approval by City engineering staff and the City Attorney (Beth Saarela, July 29, 2020).

RECOMMENDED ACTION: Approval of a street light purchase agreement with Detroit Edison Company for the installation and ongoing operation cost of one (1) standard street light at the entrance of Heritage Woods Condominiums and approval of an agreement with Pulte Homes of Michigan, LLC for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.

Streetlight Location - Taft Rd & Preserve Ct



Map Author: Humna Anjum
 Date: 7/30/2020
 Project: Streetlights
 Version #: 1.0

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.

 Proposed Streetlight Location

		04	03	02	01
		09	10	11	12
18	17	16	15	14	
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36



City of Novi

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

0 15 30 60 90 Feet

1 in = 74 ft



ELIZABETH KUDLA SAARELA
esaarela@rsjalaw.com

27555 Executive Drive, Suite 250
Farmington Hills, Michigan 48331
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rsjalaw.com



ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

July 29, 2020

Humna Anjum, Civil Engineering Technician
City of Novi
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

Re: Heritage Woods – Street Lighting Agreement

Dear Ms. Anjum:

We have received and reviewed the Street Lighting Agreement between the City and the Developer and Homeowners Association for the Heritage Woods Condominium Development. The Agreement pertains to the installation of one (1) standard streetlight at the entrance to the subdivision. The City has agreed to assist the Developer/Association in facilitating the installation and operation of said streetlights with DTE. For all requests for installation of a single standard street light at a major road entrance, pursuant to the City's Street Lighting Policy, the City will contract with DTE for the installation of the requested street light and 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. The Agreement appears to be consistent with the City's policy and acceptable 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

A handwritten signature in blue ink, appearing to read 'Elizabeth Kudla Saarela', is written over a horizontal line. The signature is stylized and overlaps the text below it.

Elizabeth Kudla Saarela

EKS

Enclosures

C: Cortney Hanson, Clerk (w/Enclosures)
Ben Croy, City Engineer (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)



July 1, 2020

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

Re: City of Novi- Heritage Woods Entrance Lighting

Attached is the agreement for the work to be performed in the budget letter was sent on June 16, 2020. 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 **\$3,041.23** is also required at this time. Please return **BOTH** signed agreements (as well as check 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 1, 2020 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 Company to furnish, install, operate and maintain street lighting equipment as set forth below:

1. DTE Work Order Number:	57869741	
	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:	Taft Rd @ Preserve Ct. (Heritage Woods), 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) direct buried fiberglass post with black finish, and one (1) 58w LED with black housing.	
5. Estimated Total Annual Lamp Charges	\$265.92	
6. Estimated Total Annual Post Charges if selected	\$0.00	
7. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$3,838.99
	Revenue credit:	\$797.76
	CIAC Amount (cost minus revenue)	\$3,041.23
	Credit for Post Charge, if selected	\$0.00
8. Payment of CIAC Amount:	Due promptly upon execution of this Agreement \$3,041.23	
9. Term of Agreement	<p>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.</p> <p>If Post Charge "box" <input type="checkbox"/> is checked the Customer agrees to following term:</p> <p>10 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.</p>	

<p>10. Does the requested Customer lighting design meet IESNA recommended practices?</p>	<p>(Check One) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices</p> <p>Sign here _____ </p>
<p>11. Customer Address for Notices:</p>	<p>City of Novi 26300 Lee BeGole Dr Novi, MI 48375 Attn: Rebecca Runkel</p>

12. 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 as provided in Section B below. When replacement equipment or spare parts are installed from Customer's inventory, Company will credit Customer in the amount of the then-current material cost of Company standard street lighting equipment in lieu of which the SOM is being used.

B. Customer will maintain an inventory of at least _0_ posts and _0_ luminaires and any other materials agreed to by Company and Customer, and will replenish the stock by ordering materials no later than thirty (30) calendar days after the materials are drawn from inventory. Costs of initial inventory are included in this Agreement. 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 its costs (including the labor costs associated with Company's management of the supply chain for the SOM) no later than thirty (30) calendar days after receipt of Company's invoice 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 Customer's 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. If Company is unable to access the site during such hours for any reason, Company (i) shall be relieved from any obligation or commitment to complete the work as scheduled, and (ii) may, at its option, procure the inventory itself and have Customer to reimburse Company's costs for doing so. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to Company:

Name: _____N/A_____ Title: _____N/A_____

Phone Number: _____N/A_____ Email: _____N/A_____

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

D. In the event that SOM is damaged by a third party, Company may (but is not required to) pursue a damage claim against such third party for all of Company's costs incurred because of the claim, including all labor and replacement materials. Company will notify Customer as to whether Company will pursue such claim within a reasonable time of the SOM being damaged.

E. In the event that SOM becomes obsolete, discontinued, or incompatible with Company's infrastructure, Customer shall select new alternate SOM that is compatible with Company's then-existing infrastructure. If Customer does not select compatible alternate SOM, Company reserves the right to select compatible SOM that is, in its reasonable judgment, substantially similar, or replace the SOM with standard materials, in either case being entitled to reimbursement from Customer for Company's costs in providing such transition of supply (including internal overhead and labor costs).

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

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF NOVI

STREET LIGHTING AGREEMENT

This Agreement is entered into this ___day of _____, 20___, 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 PULTE HOMES OF MICHIGAN, LLC, a Michigan LLC, (“Developer”) whose address is 2800 Livernois Rd, Building D, Suite 320, Troy Michigan, 48083 and the HERITAGE WOODS CONDOMINIUM ASSOCIATION, a Michigan non-profit corporation, whose address is 2800 Livernois Rd, Building D, Suite 320, Troy Michigan 48083 (“Association”).

RECITATIONS:

The Developer and the Association are designated to administer the affairs of said subdivision at this time.

The Developer has requested the City to assist it in making a certain local public improvement consisting of the installation of one (1) standard street light at the entrance of Heritage Woods Subdivision.

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 Developer/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 Developer and the Association are authorized to execute this Agreement.

The City has obtained from the Detroit Edison Company (“DTE”) an estimate for the installation and annual operation of said street lights, requiring a charge for the one (1) standard

street light of \$3,041.23 and an operating cost for the first year in the amount of \$265.92 (“Annual Operating Cost”).

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

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 standard street lights. The City shall pay the non-DTE share of the installation cost and the annual operating cost for the single street light.

2. 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.

3. The execution of this Agreement by the Developer constitutes affirmative representation of the members of the Board of the Association that he has been granted the power by the by-laws of the Association to act on behalf of the co-owners of the condominium to enter into this Agreement.

4. 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.

5. The term of this Agreement shall be for twenty (20) years, and shall automatically renew for additional five (5) year 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.

6. 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: Courtney Hanson
Its: City Clerk

PULTE HOMES OF MICHIGAN, LLC, a
Michigan limited liability company

By:

Its:

HERITAGE WOODS CONDOMINIUM
ASSOCIATION, a Michigan non-profit
corporation

By:
Its: