



CITY of NOVI CITY COUNCIL

**Agenda Item H
February 25, 2019**

SUBJECT: Approval of a Street Light Purchase Agreement with DTE Energy (Detroit Edison Company) for the installation and ongoing operation cost of four (4) LED street lights on four (4) 30' posts; two (2) at the intersection of 14 Mile and Haggerty Road and two (2) at the intersection of Beck Road and Pontiac Trail.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 8,542.36 (Installation paid by City for 14 Mile & Haggerty Road)
	\$ 8,542.36 (Installation paid by City for Beck Road & Pontiac Trail)
	\$ 1,265.88 (Annual Operating Costs paid by City)
	\$ 18,350.60 TOTAL City share
AMOUNT BUDGETED	\$ 142,270 (14 Mile and Haggerty Road)
	\$ 120,219 (Beck Road and Pontiac Trail)
	\$ 152,000 (Street Lighting Operations)
APPROPRIATION REQUIRED	\$ 0
LINE ITEM NUMBER	202-202.00-863.022 (14 Mile and Haggerty Road) 202-202.00-863.023 (Beck Road and Pontiac Trail) 101-442.20-924.000 (Street Lighting Operations)

BACKGROUND INFORMATION:

The City is requesting the installation of four (4) 136w LED Leotek luminaires with black housing mounted on four (4) 30' direct buried, fiberglass posts with black finish. Of which, two (2) LED streetlights will be placed at the intersection of 14 Mile and Haggerty Road and two (2) LED streetlights will be placed at the intersection of Beck Road and Pontiac Trail. The streetlight installations are part of two CIP traffic signal modernization and intersection improvement projects (identified as ENG023 and ENG024).

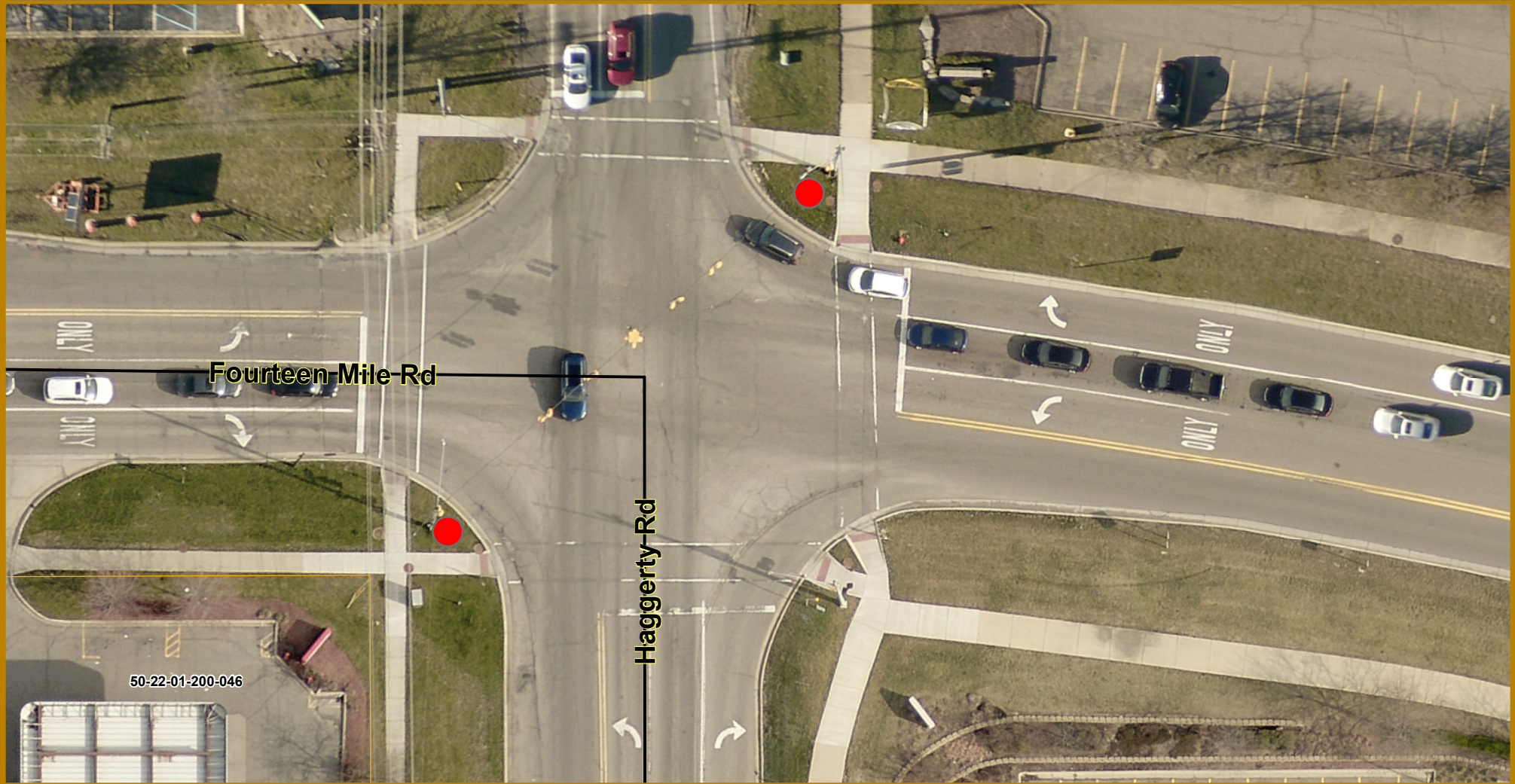
Engineering staff worked with DTE Energy (Detroit Edison Company) to determine the appropriate location for all proposed streetlights, and obtained an estimate for the installation and ongoing operation costs. All new street lights will be fed underground.

In order to facilitate installation of the street lights, DTE Energy is requesting approval and execution of the attached DTE Purchase Agreement. The agreement requires the City to pay the total installation cost of \$17,084.72 (\$8,542.36 for each intersection) and an ongoing annual lamp charge of \$1,265.88 for the operation and maintenance of the street lights.

The proposed agreement has been reviewed and is recommended for approval by Engineering staff and the City Attorney (Beth Saarela, February 11, 2019).

RECOMMENDED ACTION: Approval of a Street Light Purchase Agreement with DTE Energy (Detroit Edison Company) for the installation and ongoing operation cost of four (4) LED street lights on four (4) 30' posts; two (2) at the intersection of 14 Mile and Haggerty Road and two (2) at the intersection of Beck Road and Pontiac Trail.

Streetlight Locations - 14 Mile Road & Haggerty Road



Map Author: Rebecca Runkel
 Date: 2/11/19
 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.

 Streetlight

		04	03	02	01
		09	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

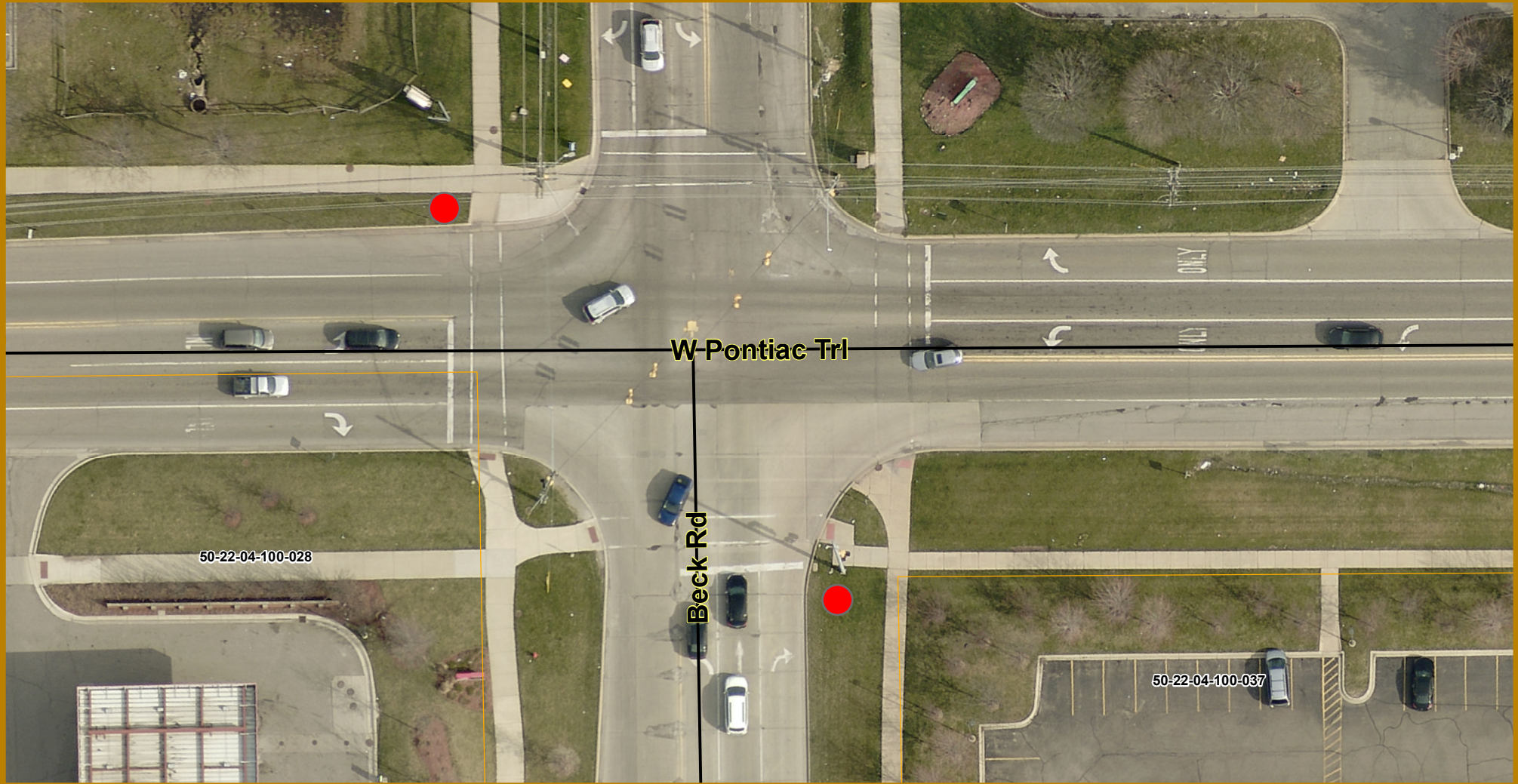


City of Novi

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



Streetlight Locations - Pontiac Trail & Beck Road



Map Author: Rebecca Runkel
 Date: 2/11/19
 Project: Streetlights
 Version #: 1.0

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City of Novi

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



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rsjalaw.com



ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

February 11, 2019

Joseph Akers, Staff Civil Engineer
City of Novi
Field Services Complex
26300 Lee BeGole Drive
Novi, Michigan 48375

Re: DTE Purchase Agreement – Street Lighting
Haggerty at 14 Mile and Pontiac Trail at Beck Road

Dear Mr. Akers:

We have received and reviewed the standard Purchase Agreement for the installation of street lights at two intersections within the City:

1. Haggerty at 14 Mile
2. Pontiac Trail at Beck Road

Master Agreement and Purchase Agreement

The Master Agreement for Municipal Street Lighting dated September 16, 2013 (“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.

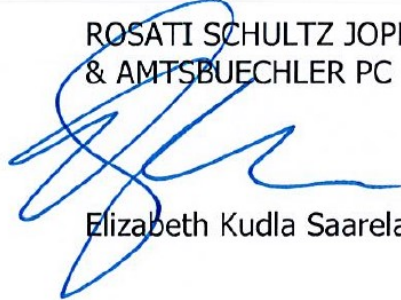
The terms of the Master Agreement and Purchase Agreement, generally are acceptable and are in part, subject to rates and other rules imposed by the Michigan Public Services Commission.

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

Joseph Akers, Staff Civil Engineer
City of Novi
February 11, 2019
Page 2

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC



Elizabeth Kudla Saarela

EKS

Enclosures

- C: Cortney Hanson, Clerk (w/Enclosures)
- George Melistas, Senior Engineering Manager (w/Enclosures)
- Rebecca Runkel, Engineering Technician (w/Enclosures)
- Thomas R. Schultz, Esquire (w/Enclosures)



February 5, 2019

City of Novi
26300 Lee BeGole Dr
Novi, MI 48375
Attn: George Melistas

Re: Proposed Street Lighting-Haggerty/14 Mile and Pontiac Trl/Beck-Signal Modernization

I have completed the review of your request for the proposed lighting and have prepared a cost estimate for the installation of four (4) street light posts and four (4) 136w LED luminaires with black housing for the Haggerty @ 14 Mile, and Pontiac Trail @ Beck Rd intersections. I am recommending the installation of four (4) 136w LED stock roadway luminaires with black housing mounted on a stock 30' fiberglass direct buried post with black finish. 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 (4) 136w LED Roadway Streetlights

Annual Operating Cost	\$1,265.88
Costs to Construct	\$20,882.36
3yr Revenue Credit	(\$3,797.64)
Contribution from the City of Novi	\$17,084.72

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.

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 February 5, 2019 between DTE Electric Company ("Company") and the 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:	52575117	
	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:	[Haggerty @ 14 Mile and Pontiac Trl @ Beck], as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	4	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	Install four (4) 136w LED Leotek luminaires with black housing, and four (4) 30' direct buried, fiberglass posts with black finish.	
5. Estimated Total Annual Lamp Charges	\$1,265.88	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$20,882.36
	Credit for 3 years of lamp charges:	\$3,797.64
	CIAC Amount (cost minus revenue)	\$17,084.72
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 _____ 	
10. Customer Address for Notices:	City of Novi 26300 Lee BeGole Dr Novi, MI 48375 Attn: George Melistas	

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 0 posts and 0 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 warrantees, 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]

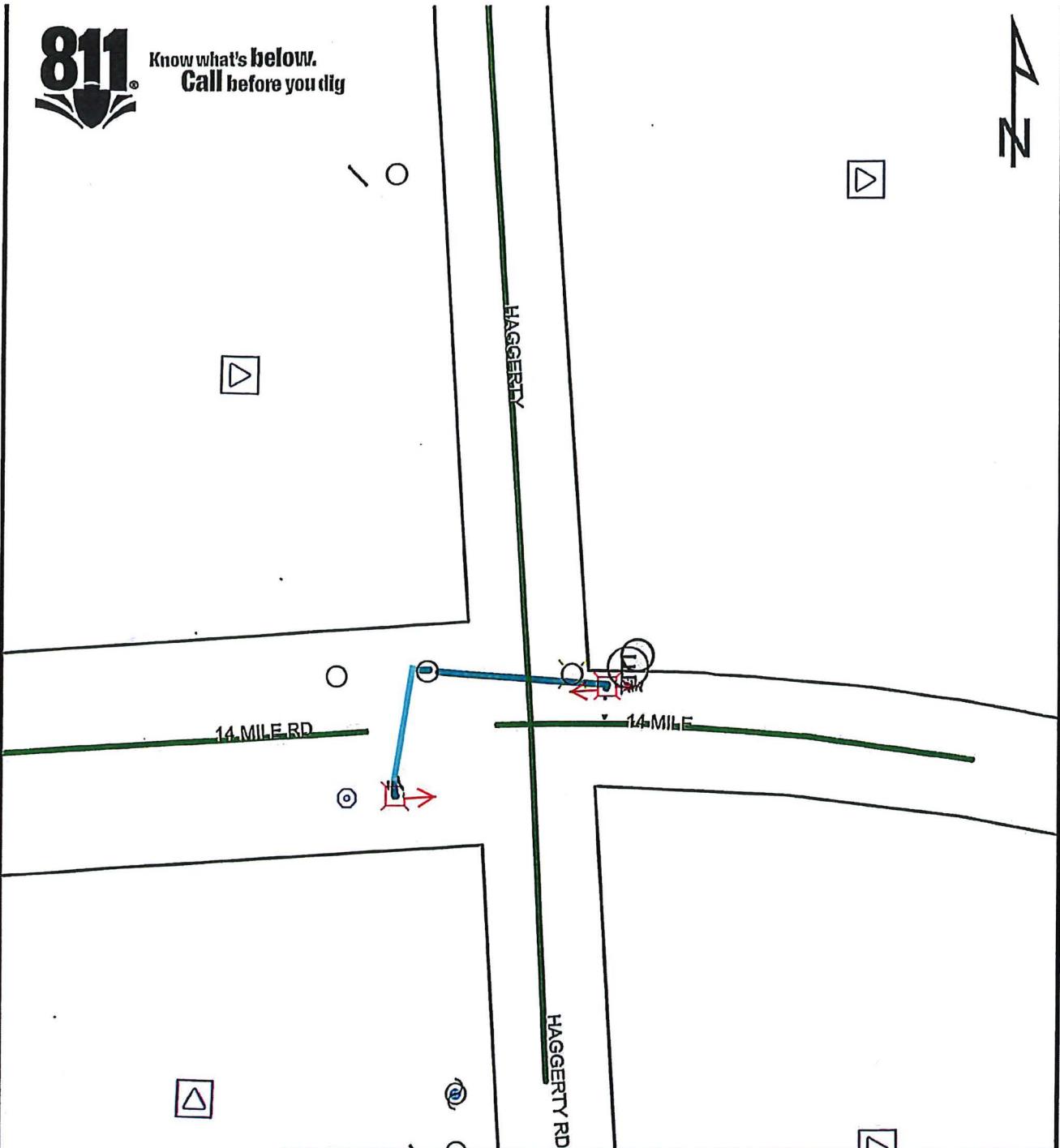
Attachment 1 to Purchase Agreement

Map of Location

[To be attached]



Know what's below.
Call before you dig



LEGEND

- EXISTING DECO POLE
- PROPOSED POLE
- FOREIGN POLE
- EXISTING ANCHOR
- PROPOSED ANCHOR
- TREE
- 120/240 V LINE
- 4.8 KV LINE
- 13.2 KV LINE
- 40 KV LINE

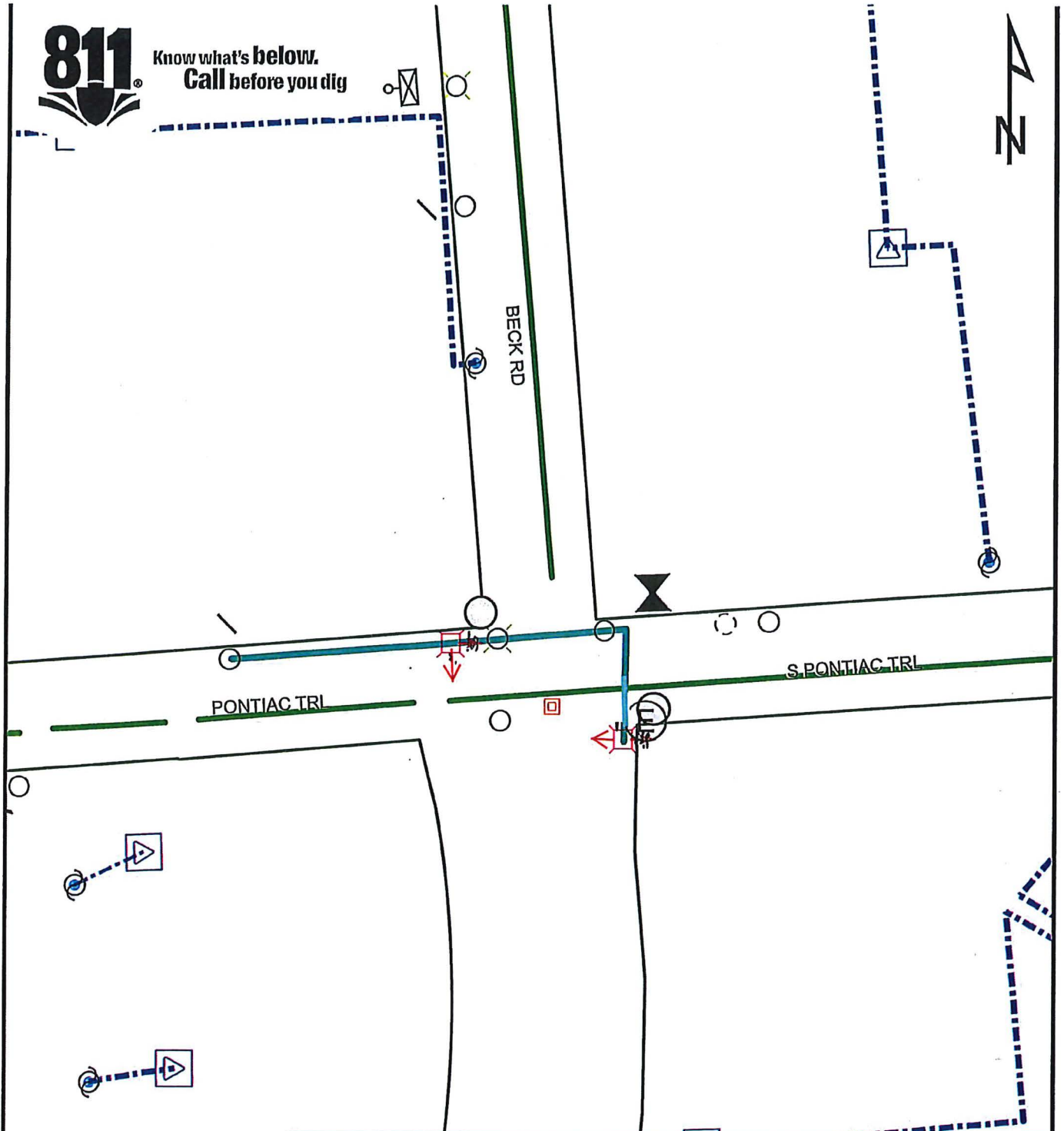
DTE Energy

DTE Electric - Distribution Engineering and Planning

Service Planner	Work Order Description					
Work Order Owner	Work Order Description					
Phone	Work Order #	GIS-DSN	COH	CUL	CUG	PLC
WO Owner Telephone	Work Order		Circuit #1	Circuit #2	PH	SCMAT
Supervisor	Circuit 1		Circuit 2			
WO Supervisor	Service Center	Worksite City	Worksite Twp	County		
Phone	Service Center	Geographic City	Geographic Township	Geographic Co		
WO Supervisor Telephone	JU Work to be Performed		JU			
Planning Engineer	JU Company	Contact	Email	Phone		
Phone	JU Company	Contact	Email	Phone		
CUE Number	Ver	Plot Date	Scale	Town	Range	Section
CUERegNum	DV	2/4/2019		Town	Range	Section



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LEGEND

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- PROPOSED POLE
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DTE Energy									
DTE Electric - Distribution Engineering and Planning									
Service Planner		Work Order Description							
Work Order Owner		Work Order Description							
Phone		Work Order #	GIS-DSN	COH	CUL	CUG	PLC		
WO Owner Telephone		Work Order #		Circuit #2	PH	SCMAT			
Supervisor		Circuit 1			Circuit 2				
WO Supervisor		Service Center	Worksite City	Worksite Twp			County		
Phone		Service Center Geographic City		Geographic Township			Geographic Co.		
WO Supervisor Telephone		JU Work to be Performed							
Planning Engineer		JU Company	Contact	Email	Phone				
Phone		JU Company	Contact	Email	Phone				
CUE Number	Vor	Plot Date	Scale	Town	Range	Section	Qr		
CUEReqNum	DM	2/4/2019		Town	Range	Section			