

## CITY OF NOVI CITY COUNCIL NOVEMBER 8, 2021

**SUBJECT:** Consideration of approval for a Street Light Purchase Agreement with DTE Energy for the installation and ongoing operation cost of nineteen (19) street lights at seventeen (17) locations as part of Phase 5 of the City Initiated Streetlight program.

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

EXPENDITURE REQUIRED	\$ 119,975.39 Street Light Installations
	\$ 5,446.44 Street Light Operating Costs
	S 125,421.83 TOTAL City Share
AMOUNT BUDGETED	\$ 120,000 Street Light Installations
	\$ 152,000 Street Light Operations
APPROPRIATION REQUIRED	\$0
LINE ITEM NUMBER	101-442.10-924.050 Street Light Installations
	101-442.20-924.000 Street Light Operations

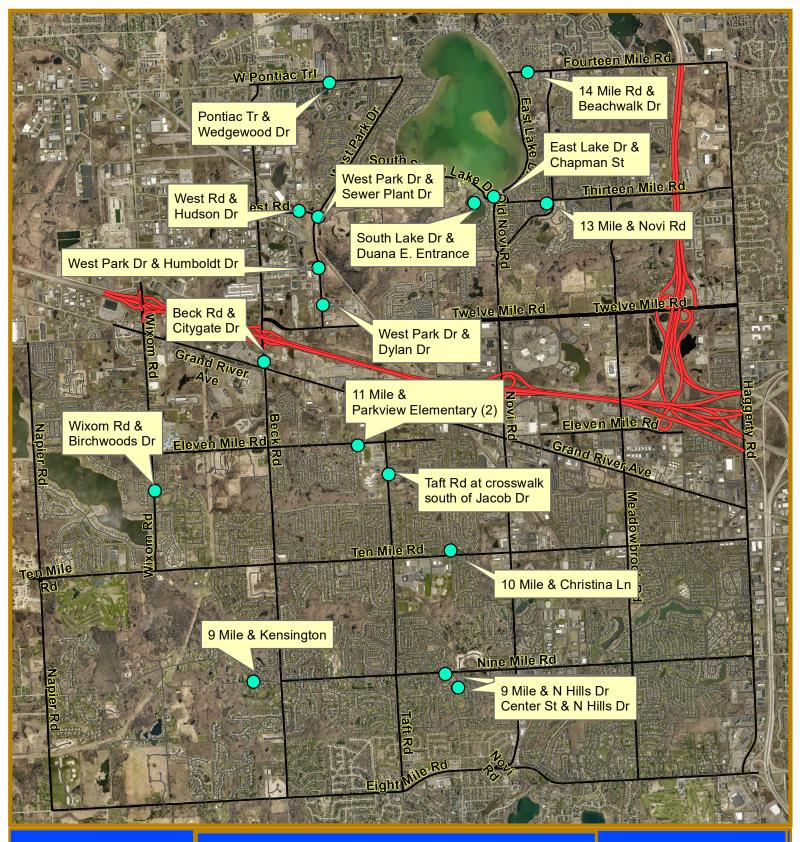
#### **BACKGROUND INFORMATION:**

The Department of Public Works (DPW) has identified seventeen (17) locations that would benefit from overhead lighting. The locations comprise the last phase of the City Initiated Streetlight program, which began in 2017 with the goal of improving intersection safety for motorists and pedestrians. The first four phases of the streetlight program added eighty-two (82) lights to fifty-six (56) intersections that were identified as having insufficient lighting. With this last phase, the total impact of the program increases to one-hundred and one (101) lights at seventy-three (73) intersections.

The attached DTE Purchase Agreement includes installation of sixteen (16) underground fed LED street lights on standard poles and three (3) overhead fed LED street lights. The costs shown in the DTE Purchase Agreement are based on the Option 1 Municipal Street Light Rate, where DTE installs, owns, and maintains the lighting system. The Purchase Agreement requires the City pay the total installation cost of \$119,975.39 and an ongoing annual operating cost of \$5,446.44.

The proposed agreement has been reviewed and is recommended for approval by Engineering staff and the City Attorney (Beth Saarela, October 21, 2021).

**RECOMMENDED ACTION:** Approval of a Street Light Purchase Agreement with DTE Energy for the installation and ongoing operation cost of nineteen (19) street lights at seventeen (17) locations as part of Phase 5 of the City Initiated Streetlight program.



Map Author: Rebecca Runke Date:10/26/21 Project: Phase 5 Streetlights Version #: 1.0

#### MAP INTERPRETATION NOTICE

Map information depicted is not inflended to replace or substitute to inary official or primary source. This imap was intended to meet any official or primary source. This imap was intended to meet accurate sources evaluate to the people of the City of Novi. Boundary mesurements and rese collustrians are approximate and should not be construed as survey measurements performed by a clonesed Michigan Surveyor as defined in Michigan Public Act 135 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

### City Streetlight Program - Phase 5

Map Legend

Phase 5 Streetlight Locations



#### **City of Novi**

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



#### ELIZABETH KUDLA SAARELA

esaarela@rsjalaw.com

27555 Executive Drive, Suite 250 Farmington Hills, Michigan 48331 P 248.489.4100 | F 248.489.1726 rsjalaw.com



October 25, 2021

Rebecca Runkel, Project Engineer City of Novi Field Services Complex 26300 Lee BeGole Drive Novi, Michigan 48375

## Re: DTE Phase 5 Street Lighting - Purchase Agreement for Municipal Street Lighting

Dear Ms. Runkel:

We have received and reviewed the Master Agreement for Municipal Street Lighting dated September 16, 2013, and Purchase Agreement (Work Order 62157195) for the City's Phase 5 Street Lighting Project.

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.

Subject to Engineering's review of the types and locations of the lighting detailed within the Purchase Agreement and corresponding exhibits, 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.

Rebecca Runkel, Project Engineer City of Novi October 25, 2021 Page 2

Very truly yours,

ROSATI SCHULTZ JOPPICH & AMPSBUECHLER PC

Elizabeth Kudla Saarela

EKS

**Enclosures** 

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



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

Re: City of Novi- Phase 5 Lighting Improvements

Attached is the agreement for the work to be performed for the Phase 5 Lighting Improvements. 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 \$119,975.39 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, 734-309-2937.

Sincerely,

Brandon R. Faron

Brandon R. Faron Account Manager Community Lighting

#### **Exhibit A to Master Agreement**

#### **Purchase Agreement**

This Purchase Agreement (this "<u>Agreement</u>") is dated as of October 21, 2021 between DTE Electric Company ("<u>Company</u>") and the City of Novi ("<u>Customer</u>").

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	62157195			
Number:	If this is a conversion or replacement, indicate the Work Order Number for current installed equipment: N/A			
Location where     Equipment will be     installed:	[Various locations in the City of Novi], as more fully described on the map attached hereto as <u>Attachment 1</u> .			
3. Total number of lights to be installed:	19			
4. Description of Equipment to be installed (the "Equipment"):	Underground Fed Streetlights: Install sixteen (16) Code 70 posts, nine (9) 136w LED with black housing and seven (7) 58 LED with black housing.			
	Overhead Fed Streetlights: Install one (1) woo Code 48 support arms, two (2) 58w LED with grone (1) 136w LED with gray housing.			
5. Estimated Total Annual Lamp Charges	\$5,446.44			
6. Estimated Total Annual Post Charges if selected	\$0.00			
7. Computation of Contribution in aid of	Total estimated construction cost, including labor, materials, and overhead:	\$136,314.71		
Construction ("CIAC	Revenue credit:	\$16,339.32		
Amount")	CIAC Amount (cost minus revenue)	\$119,975.39		
	Credit for Post Charge, if selected	\$0.00		
8. Payment of CIAC Amount:	Due promptly upon execution of this Agreement \$119,975.39			
9. 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.			
	If Post Charge "box" □ is checked the Customer agrees to following term:			

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

12. <u>Special Order Material Terms</u> :					
All or a portion of the Equipment consists of special order material: (check one) \( \subseteq YES \) \( \subseteq NO \)					
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 (" <u>SOM</u> ") 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 atN/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.					

- In the event that SOM is damaged by a third party, Company may (but is not D. 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.
- 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).

street lighting equipment will be the responsibilit	y of Customer.		
******	******		
Company and Customer have executed written above.	this Purchase Agreement as of the date first		
Company:	Customer:		
DTE Electric Company	City of Novi		
By:	By:		SIGN HERE
Name:	Name:		
Title:	Title:	=	

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

F.

# Attachment 1 to Purchase Agreement Map of Location

[To be attached]

