



**CITY of NOVI CITY COUNCIL**

**Agenda Item H  
June 17, 2019**

**SUBJECT:** Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of nineteen (19) LED street lights along Bond Street and Flint Street.

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

**CITY MANAGER APPROVAL:** 

<b>EXPENDITURE REQUIRED</b>	\$ 55,442.93	Installation- Flint/Bond Street
	\$ 6,217.56	Operations
	\$ 61,660.49	Total
<b>AMOUNT BUDGETED</b>	\$ 2,045,968	Installation- Flint/Bond Street (FY 2019-20 Budget)
	\$ 152,000	Operation (FY 2019-20 Budget)
<b>APPROPRIATION REQUIRED</b>	\$ 0	
<b>LINE ITEM NUMBER</b>	203-203.00-865.261	Installation- Flint/Bond Street
	101-442.20-924.000	Operation

**BACKGROUND INFORMATION:**

The City is requesting the installation of nineteen (19) 136w LED Leotek roadway luminaires with black finish mounted on nineteen (19) 30' direct buried, fiberglass posts with black finish. Of which, eight (8) street lights will be placed on the north side of Bond Street, nine (9) streetlights will be placed along the south side of Flint Street, and two (2) street lights will be placed at the intersection of Flint Street and Grand River Avenue.

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 underground fed.

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 \$55,442.93 and an ongoing annual lamp charge of \$6,217.56 for the operation and maintenance of the street lights. Installation work will start after the fiscal year begins.

The proposed agreement has been reviewed and is recommended for approval by Engineering staff and the City Attorney (Beth Saarela, June 4, 2019).

**RECOMMENDED ACTION:** Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of nineteen (19) LED street lights along Bond Street and Flint Street.

ELIZABETH KUDLA SAARELA  
esaarela@rsjalaw.com

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Farmington Hills, Michigan 48331  
P 248.489.4100 | F 248.489.1726  
rsjalaw.com



ROSATI | SCHULTZ  
JOPPICH | AMTSBUECHLER

June 4, 2019

George Melistas, Senior Engineering Manager  
City of Novi  
Field Services Complex  
26300 Lee BeGole Drive  
Novi, Michigan 48375

**Re: DTE Purchase Agreement (52548593) – Street Lighting  
*Flint and Bond Street Installations***

Dear George:

We have received and reviewed the standard Purchase Agreement for the installation of street lights at the Bond Street/Flint Street intersection within the City. The Purchase Agreement incorporates the terms of the Master Agreement between the City and DTE dated September 16, 2013. We have the following comments regarding the Agreements below.

**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.

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.

George Melistas, Senior Engineering Manager  
City of Novi  
June 4, 2019  
Page 2

Very truly yours,

ROSATI SCHULTZ JOPPICH  
& AMTSBUECHLER PC



Elizabeth Kudla Saarela

EKS

Enclosures

- C: Cortney Hanson, Clerk (w/Enclosures)
- Jeffrey Herczeg, Public Works Director (w/Enclosures)
- Rebecca Runkel, Engineering Technician (w/Enclosures)
- Thomas R. Schultz, Esquire (w/Enclosures)



**DTE**

June 3, 2019

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

Re: City of Novi- The Bond/Flint Rd DTE Street Lighting

Attached is the agreement for the work to be performed in the 2<sup>nd</sup> revised budget letter was sent on June 3, 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 **\$55,442.93** 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 June 3, 2019 between The Detroit Edison 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:	52548593	
	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:	[City of Novi-Flint Rd/The Bond], 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 " <u>Equipment</u> "):	Install nineteen (19), stock, 30' direct buried fiberglass posts with black finish, and nineteen (19) 136w LED stock roadway luminaires with black finish.	
5. Estimated Total Annual Lamp Charges	\$6,217.56	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$74,095.61
	Credit for 3 years of lamp charges:	\$18,652.68
	<b>CIAC Amount (cost minus revenue)</b>	<b>\$55,442.93</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: 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 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:

The Detroit Edison Company

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

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

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

Customer:

City of Novi

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

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

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

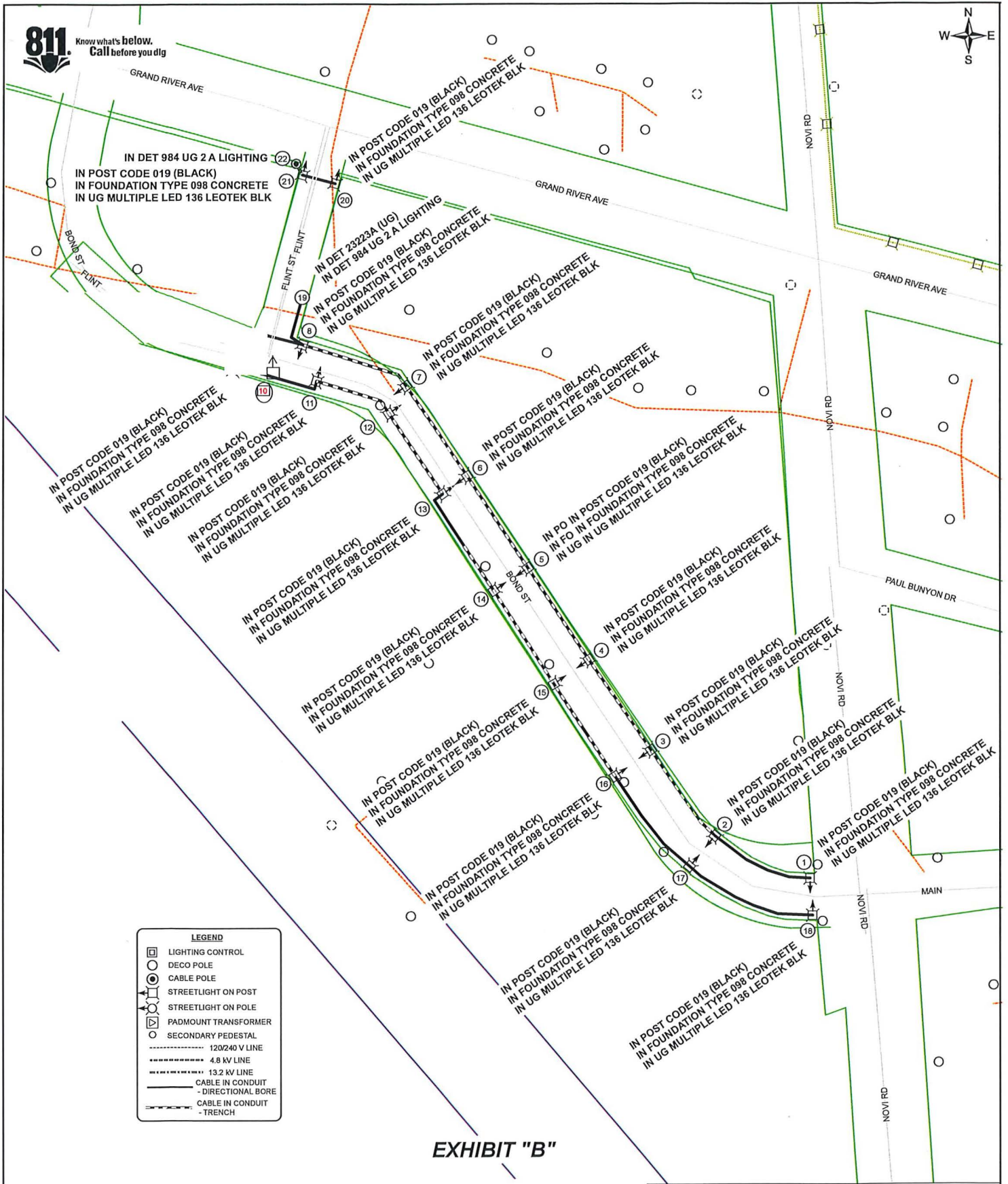


**Attachment 1 to Purchase Agreement**

**Map of Location**

[To be attached]





LEGEND	
	LIGHTING CONTROL
	DECO POLE
	CABLE POLE
	STREETLIGHT ON POST
	STREETLIGHT ON POLE
	PADMOUNT TRANSFORMER
	SECONDARY PEDESTAL
	120/240 V LINE
	4.8 KV LINE
	13.2 KV LINE
	CABLE IN CONDUIT
	DIRECTIONAL BORE
	CABLE IN CONDUIT - TRENCH

**EXHIBIT "B"**

DTE Energy		DTE Electric - Distribution Engineering and Planning					
Service Planner	Work Order Description	NOVUS-22 UG Bond/Flint Rd-Novil	CUL	CUS	PLC		
Wheel, Thomas J	Work Order #	62694565	Group #1	PH	SCM#		
Phone	586-783-1968	AKRON9047	Group #2				
Supervisor	Service Center	Worksite City	Worksite Trp	County			
Brian R Kinnick	WWS	NOVI	NOV	OSD			
Phone	734-397-4024	Work to be Performed	CU	RSD			
Planning Engineer	CU Company	Contact	Email	Phone			
	CU Company	Contact	Email	Phone			
Phone	CU Number	Wv	Plat Date	Scale	Sheet	Range	Section
	885871	1	6/3/2019		01N	08E	