### CITY of NOVI CITY COUNCIL



Agenda Item H March 18, 2019

**SUBJECT:** Approval of a Street Light Purchase Agreement with DTE Energy for the installation and ongoing operation cost of twenty-three (23) street lights at twenty (20) intersections and convert street lights at 5 intersections to LED Lighting to enhance motorist and pedestrian safety as part of the 2019 Novi Intersection Improvements project.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

CITY MANAGER APPROVAL:

<b>EXPENDITURE REQUIRED</b>	\$ 59,999.06 Street Light Installations
	\$ 5,805.74 Street Light Operating Costs
	\$ 65,804.80 TOTAL City share
AMOUNT BUDGETED	\$ 70,000 Street Light Installations
	\$ 152,000 Street Light Operations
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 twenty (20) intersections that would benefit from overhead lighting. DTE Energy's attached proposal enhances intersection safety by adding twenty-three (23) new LED street lights and convert existing sodium halide street lights to LED street lights at five (5) intersections. The costs shown in the DTE Energy proposal are based upon 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 cost to be paid by the City, which is in the amount of \$76,466.87. As part of this project, DTE Energy will issue to the City an upfront credit based on three years of projected lamp charges, in the amount of \$16,467.81. The three-year revenue credit lowers the total contribution from the City to \$59,999.06.

In order to facilitate installation of the street lights, DTE Energy is requesting approval and execution of the attached Purchase Agreement. The agreement requires the City to pay the total installation cost of \$59,999.06 and an ongoing annual operating cost of \$5,805.74 for the operation and maintenance of the street lights. As with all other street light installations, the City pays DTE Energy directly.

The proposed agreement has been reviewed and is recommended for approval by Engineering staff and the City Attorney (Beth Saarela, March 5, 2019).

**RECOMMENDED ACTION:** Approval of a Street Light Purchase Agreement with DTE Energy for the installation and ongoing operation cost of twenty-three (23) street lights at twenty (20) intersections and convert street lights at 5 intersections to LED Lighting to enhance motorist and pedestrian safety as part of the 2019 Novi Intersection Improvements project.

## **Phase 3 Street Lighting Improvements Location Map** Fourteen Mile Rd W Pontiac Trl East Lake Dr South Lake Dr Thirteen Mile Rd West Rd° -0 Twelve Mile Rd Grand River Ave Haggerty Rd Eleven Mile Rd Napier Ten Mile Rd Nine Mile Rd **Eight Mile Rd** Map Author: Joseph Akers Date: January 23, 2019 **City of Novi** Project: Phase 3 Street Lighting //ersion: 1 Engineering Division Department of Public Works 26300 Lee BeGole Drive Novi, MI 48375 cityofnovi.org Proposed Street Light Amended By: Rebecca Runkel Date: 3/5/19 Installations MAP INTERPRETATION NOTICE Proposed Street Light Conversions

1 inch = 4,293 feet

City of Novi: 2019 Phase III Street Lighting

DDIODITY	0 D 0 0	R LOCATION DESCRIPTION PR	PROPOSED OH/UG	WATTAGE	# OF	COST	RCOC	ANNUAL	3 YEAR REVENUE	UP-FRONT	NOTES
PRIORITY	CHILD WORK ORDER				LIGHT	<b>ESTIMATE</b>	PERMIT	<b>OPERATING COST</b>	CREDIT	CIAC TOTAL	
1	Conversion	Novi Rd & I-96	n/a								
2	Conversion	Novi Rd & Cottisford	n/a								
3	52259542	Novi Rd & Gen-Mar	Overhead	136	1	\$2,303.62	\$500.00	\$172.98	\$518.94	\$2,284.68	
4	52259500	Novi Rd & Trans-X	Underground	238	1	\$8,238.05	\$500.00	\$365.27	\$1,095.81	\$7,642.24	
5	52259500	Novi Rd & Post Office (24875 Novi Rd)	Underground	136	1	\$3,256.89	\$500.00	\$316.47	\$949.41	\$2,807.48	
6	Conversion	Novi Rd & Flint/Main	n/a								
7	52259500	Novi Rd & 12 1/2 Mile	Underground	136	1	\$7,395.50		\$316.47	\$949.41	\$6,446.09	
8	52259500	Novi Rd & Ledgeview	Underground	136	1	\$5,839.58		\$316.47	\$949.41	\$4,890.17	
9	Conversion	Novi Rd & 13 Mile	n/a								
10	Conversion	Novi Rd & 14 Mile	n/a								
11	52259542	Novi Rd & Citation Dr	Overhead	136	1	\$838.27		\$172.98	\$518.94	\$319.33	
12	52259500	Grand River & Main St/Town Center	Underground	136	2	\$3,936.59		\$632.94	\$1,898.82	\$2,037.77	
13	52259500	Grand River & Portico Ln	Underground	136	1	\$4,674.65	\$500.00	\$316.47	\$949.41	\$4,225.24	
14	52259500	Grand River & Providence Pkwy	Underground	136	1	\$8,059.74	\$500.00	\$316.47	\$949.41	\$7,610.33	
15	52259542	Grand River & W. Market Square	Overhead	136	1	\$1,471.46		\$172.98	\$518.94	\$952.52	
16	52259542	Grand River & 12 Mile	Overhead	136	1	\$838.27		\$172.98	\$518.94	\$319.33	
18	52259542	Taft Rd & Emerald Forest	Overhead	58	1	\$794.36		\$141.58	\$424.74	\$369.62	
20	52259500	Taft Rd & 11 Mile	Underground	136	1	\$4,472.85		\$316.47	\$949.41	\$3,523.44	
21	52259500	Taft Rd & Andes Hills Ct	Underground	58	1	\$4,888.03		\$260.90	\$782.70	\$4,105.33	
22	52259542	Beck Rd & 11 Mile	Overhead	136	2	\$3,278.19		\$345.96	\$1,037.88	\$2,240.31	
23	52259542	8 Mile & Haggerty (NWC & NEC)	Overhead	136	1	\$1,612.66		\$172.98	\$518.94	\$1,093.72	
34	52259500	12 Mile & Haggerty (NWC & SWC)	Underground	136	2	\$7,657.82	\$500.00	\$632.94	\$1,898.82	\$6,259.00	
35	52259542	13 Mile & Haggerty (NWC & SWC)	Overhead	136	1	\$1,965.73	\$500.00	\$172.98	\$518.94	\$1,946.79	
42	52259542	10 Mile West of Haggerty	Overhead	136	1	\$1,018.61		\$172.98	\$518.94	\$499.67	
43	52259500	Beck and Ashley Blvd	Underground	136	1	\$426.00		\$316.47	\$0.00	\$426.00	
				Total =	23	\$72,966.87	\$3,500.00	\$5,805.74	\$16,467.81	\$59,999.06	

Added Priority 43 to list per G. Melistas on 2/4/19

#### ELIZABETH KUDLA SAARELA

esaarela@rsjalaw.com

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March 5, 2019

Rebecca Runkel, Engineering Technician City of Novi Field Services Complex 26300 Lee BeGole Drive Novi, Michigan 48375

## Re: DTE Phase III 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 52235818) for the City's Phase III 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, Engineering Technician City of Novi March 5, 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)

Thomas R. Schultz, Esquire (w/Enclosures)



March 1, 2019

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

Re: City of Novi- Phase III DTE Street Lighting

Attached is the agreement for the work to be performed in the budget letter was sent on February 8, 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 \$59,999.06 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

Account Manager

Community Lighting

Brandon R. Faron

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

#### **Purchase Agreement**

This Purchase Agreement (this "<u>Agreement</u>") is dated as of March 1, 2019 between DTE Electric Company ("<u>Company</u>") and 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 the Company to furnish, install, operate and maintain street lighting equipment as set forth below:

1. DTE Work Order	52235818					
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:	[20 various intersection locations in 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:	23					
4. Description of Equipment to be installed (the "Equipment"):	Overhead (OH) Install nine (9) 136w and one (1) 58w stock LED fixtures with gray or black housing mounted on existing or new wood poles.  Underground (UG) Install one (1) 238w, eleven (11) 136w, and one (1) 58w stock LED fixtures with gray or black housing on stock black 30' direct buried fiberglass posts					
5. Estimated Total Annual Lamp Charges	\$5,805.74					
<ol><li>Computation of Contribution in aid of</li></ol>	Total estimated construction cost, including \$76,466. labor, materials, and overhead:					
Construction ("CIAC	Credit for 3 years of lamp charges: New Installations Only \$16,467.81					
Amount")	CIAC Amount (cost minus revenue)	\$59,999.06				
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 sha continue on a month-to-month basis until terminated by mutua 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)					
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) TES 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 <u>N/A</u> posts and <u>N/A</u> 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 Access to the Customers inventory site must pm, Monday through Friday with the excepauthorized representative to contact regarding provide the following contact information to	st be provided between otions of federal Holic ng inventory: levels, a	en the hours of 9:00 a lays.   Customer shall	m to 4:00 name an
Name:N/A	Title:	N/A	
Phone Number:N/A	Email:	N/A	
The Customer will notify the Com Representative. The Customer must compl			

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.

storage guidelines and practices. Damaged SOM will not be installed by the Company.

- 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.

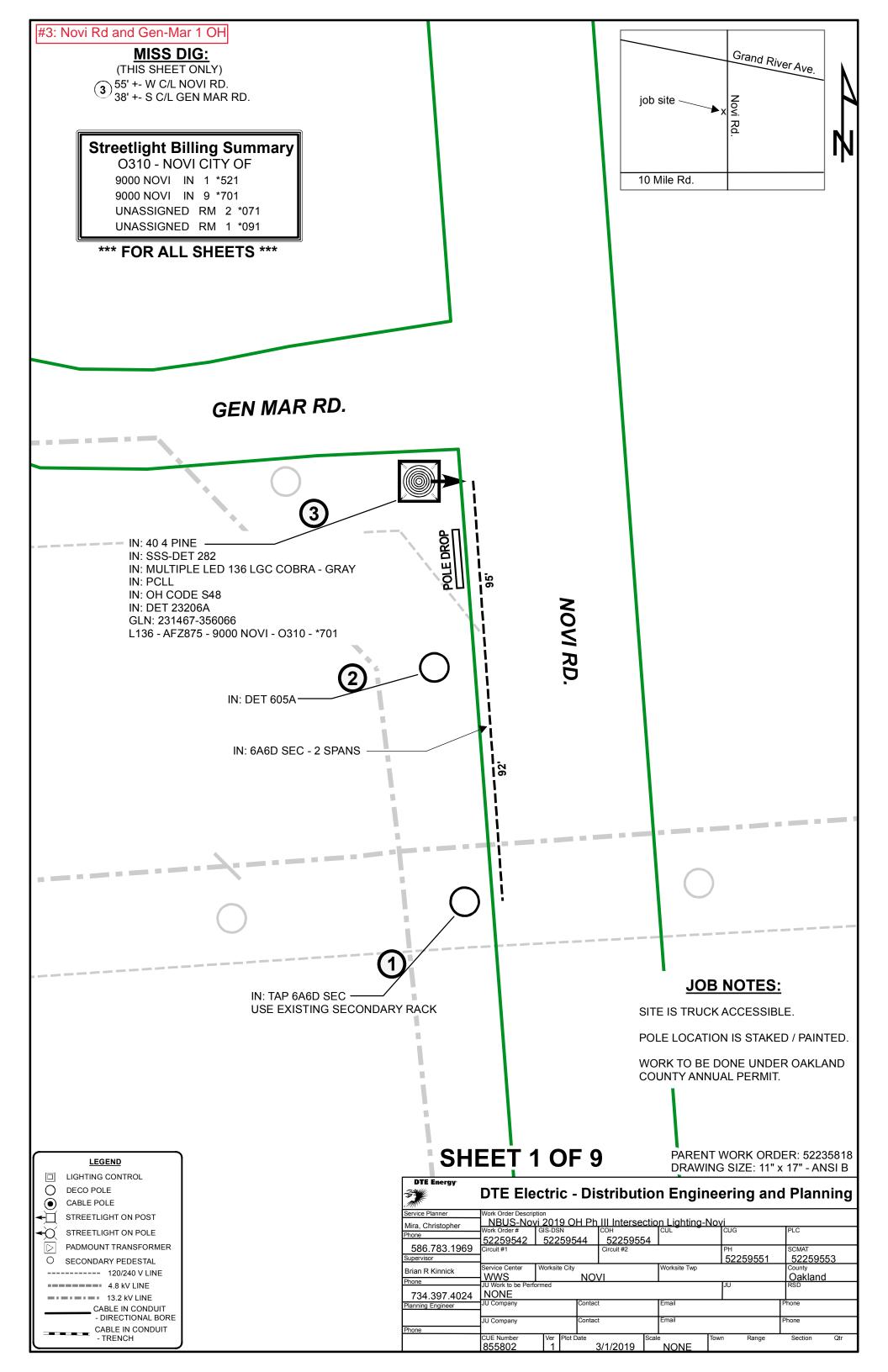
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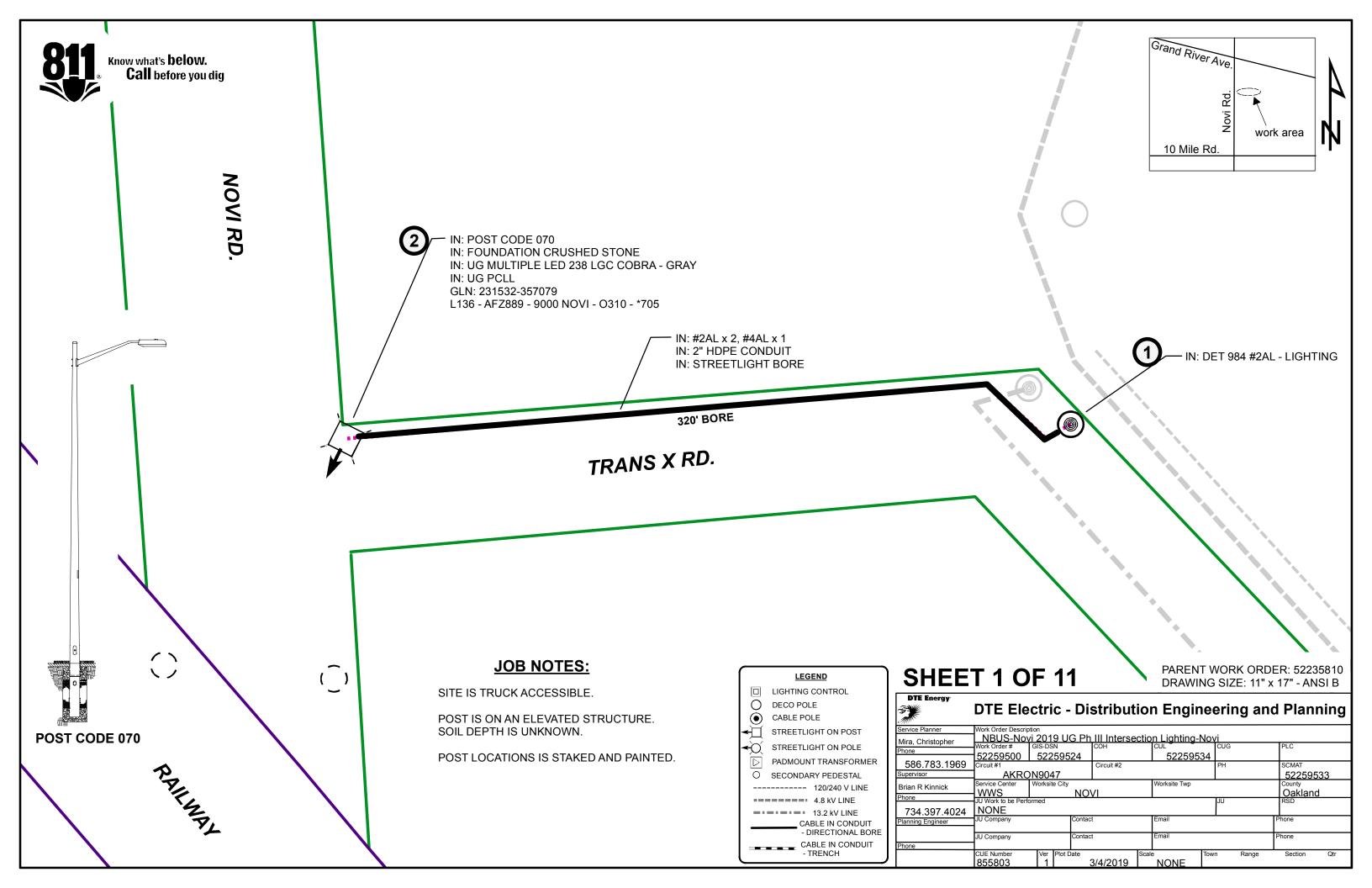
Company and Customer have executed this Purchase Agreement as of the date first

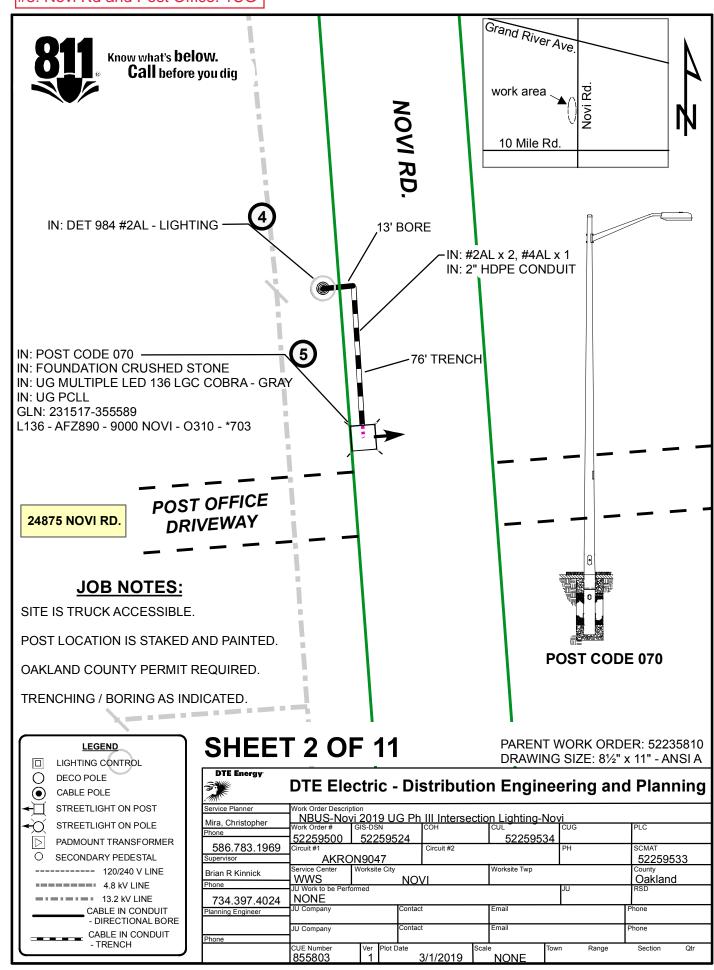
written above.		
Company:	Customer:	
DTE Electric Company	City of Novi	
Ву:	By:	SIGNIHERE

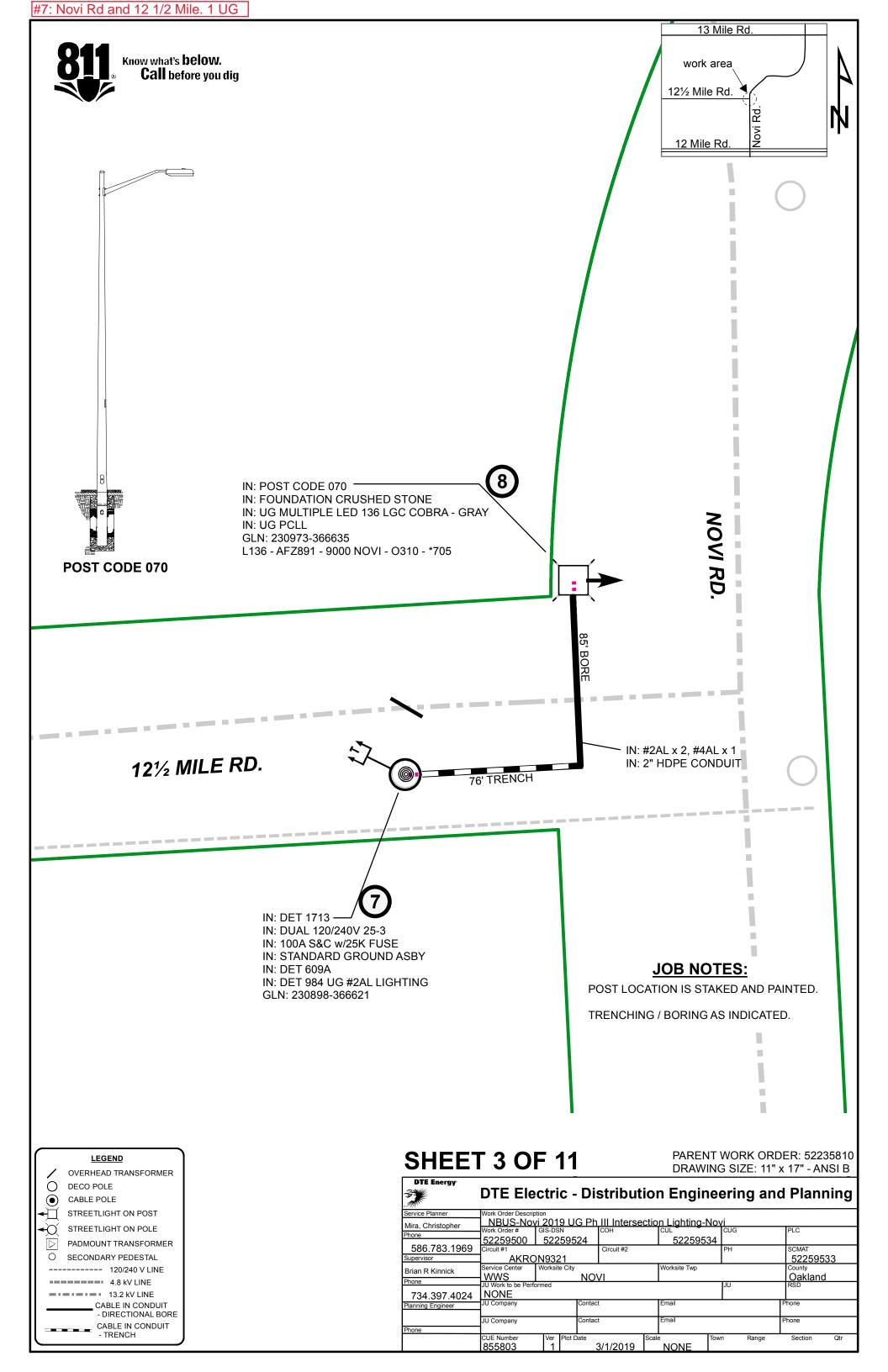
# Attachment 1 to Purchase Agreement Map of Location

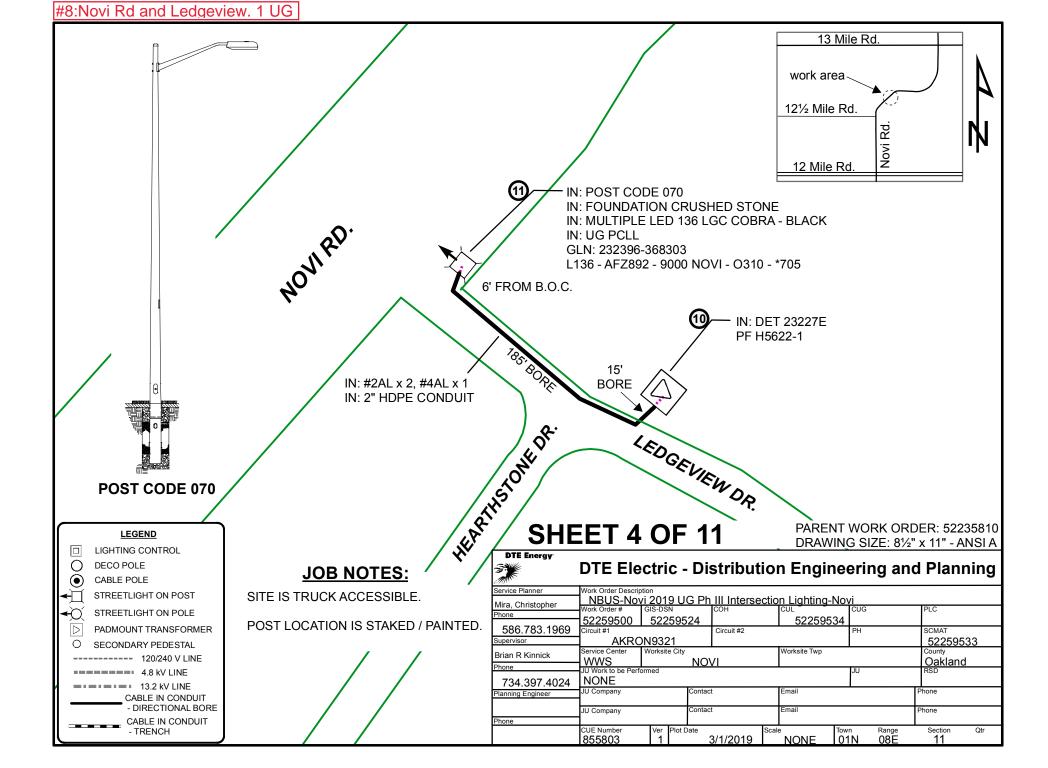
[To be attached]

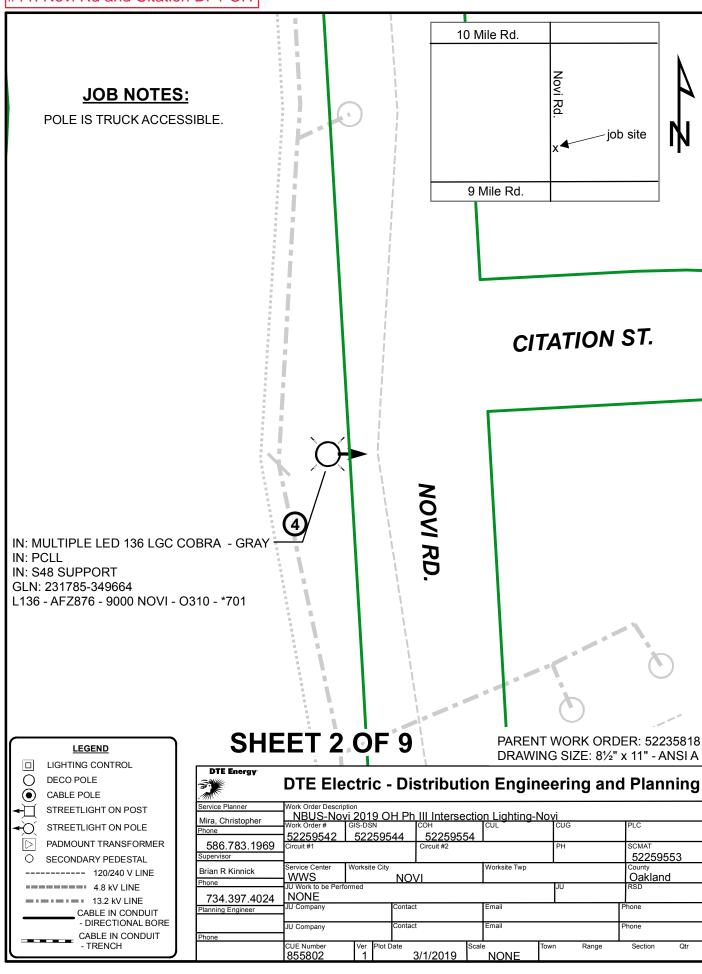












#### #12: Grand River and Main St/Town Center. 2 UG Meadowbrook Rd 'OWN CENTER DR. work area Grand River Ave. Novi Rd IN: #2AL x 2, #4AL x 1 IN: 2" HDPE CONDUIT (13) IN: TAP STREETLIGHT CABLE IN POST IRRERESER. SERIAL #: AAL198 ST CIR 7011 NOVI 55' (14) 29' BORE BORE IN: POST CODE 081 - GRAY IN: FOUNDATION CRUSHED STONE IN: MULTIPLE LED 136 LGC COBRA - GRAY IN: UG SHORTING CAP IN: MULTIPLE LED 136 LGC COBRA - GRAY **POST CODE 081** IN: UG SHORTING CAP GLN: 233078-358180 L136 - AFZ893 - 7011 NOVI - O310 - \*703 GRAND RIVER AVE. L136 - AFZ894 - 7011 NOVI - O310 - B703 **SHEET 5 OF 11** LEGEND PARENT WORK ORDER: 52235810 DRAWING SIZE: 81/2" x 11" - ANSI A LIGHTING CONTROL DTE Energy 0 DECO POLE **DTE Electric - Distribution Engineering and Planning** (•) CABLE POLE STREETLIGHT ON POST Service Planner Work Order Description NBUS-Novi 2019 UG Ph III Intersection Lighting-Novi Nork Order # GIS-DSN | COH | CUL | C Mira, Christopher STREETLIGHT ON POLE 52259500 52259524 52259534 PADMOUNT TRANSFORMER 586.783.1969 Circuit #2 AKRON8971 **JOB NOTES:** ST CIR 7011 NOVI SECONDARY PEDESTAL 52259533 Norksite Twp Service Center ---- 120/240 V LINE Brian R Kinnick SITE IS TRUCK ACCESSIBLE. WWS NOVI Oakland ---- 4.8 kV LINE NONE ---- 13.2 kV LINE 734.397.4024 POST LOCATION IS STAKED / PAINTED. CABLE IN CONDUIT ontact hone Planning Engineer mail - DIRECTIONAL BORE JU Company Contact Phone CABLE IN CONDUIT OPERATING MAP REQUIRED. Phone - TRENCH Ver Plot Date CUE Number Range 08E 855803 3/1/2019 NONE 01N

