



CITY of NOVI CITY COUNCIL

**Agenda Item F
September 14, 2015**

SUBJECT: Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of four street lights at the intersection of Grand River Avenue and Beck Road in the amount of \$9,744 for installation and ongoing annual costs of \$1,318.

BTC RA

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 9,744 (Installation) \$ 1,318 (Annual Operating Costs)
AMOUNT BUDGETED	\$ 229,000 (Grand River-Beck Dual Left Turn) \$ 146,000 (Street Lighting)
LINE ITEM NUMBER	204-204.00-863.512 (Grand River-Beck Dual Left Turn) 101-442.00-924.000 (Street Lighting)

BACKGROUND INFORMATION:

The City of Novi was awarded a Federal Safety Grant in late 2013 to add a dual left turn lane to eastbound Grand River Avenue at Beck Road. The construction of a dual left turn at this intersection was identified as a crash mitigation improvement in the 2012 report that evaluated the high crash intersections within the City of Novi. This project was also recommended as an operational improvement in the 2011 I-96 Area Transportation Improvement Plan report. Staff included street lighting at the intersection as part of the grant application to improve safety for motorists and pedestrians at the intersection. Therefore, Detroit Edison will install four new 30-foot poles at the intersection with LED fixtures to illuminate the intersection.

In order to facilitate installation of the street lights, Detroit Edison Company is requesting approval and execution of the attached Purchase Agreement. The Detroit Edison agreement requires the City to pay the total installation cost of \$9,744 and an ongoing annual lamp charge of \$1,318 for operation and maintenance of the four street lights. The proposed agreement has been reviewed and recommended for approval by Engineering staff and the City Attorney (Beth Saarela's letter is attached).

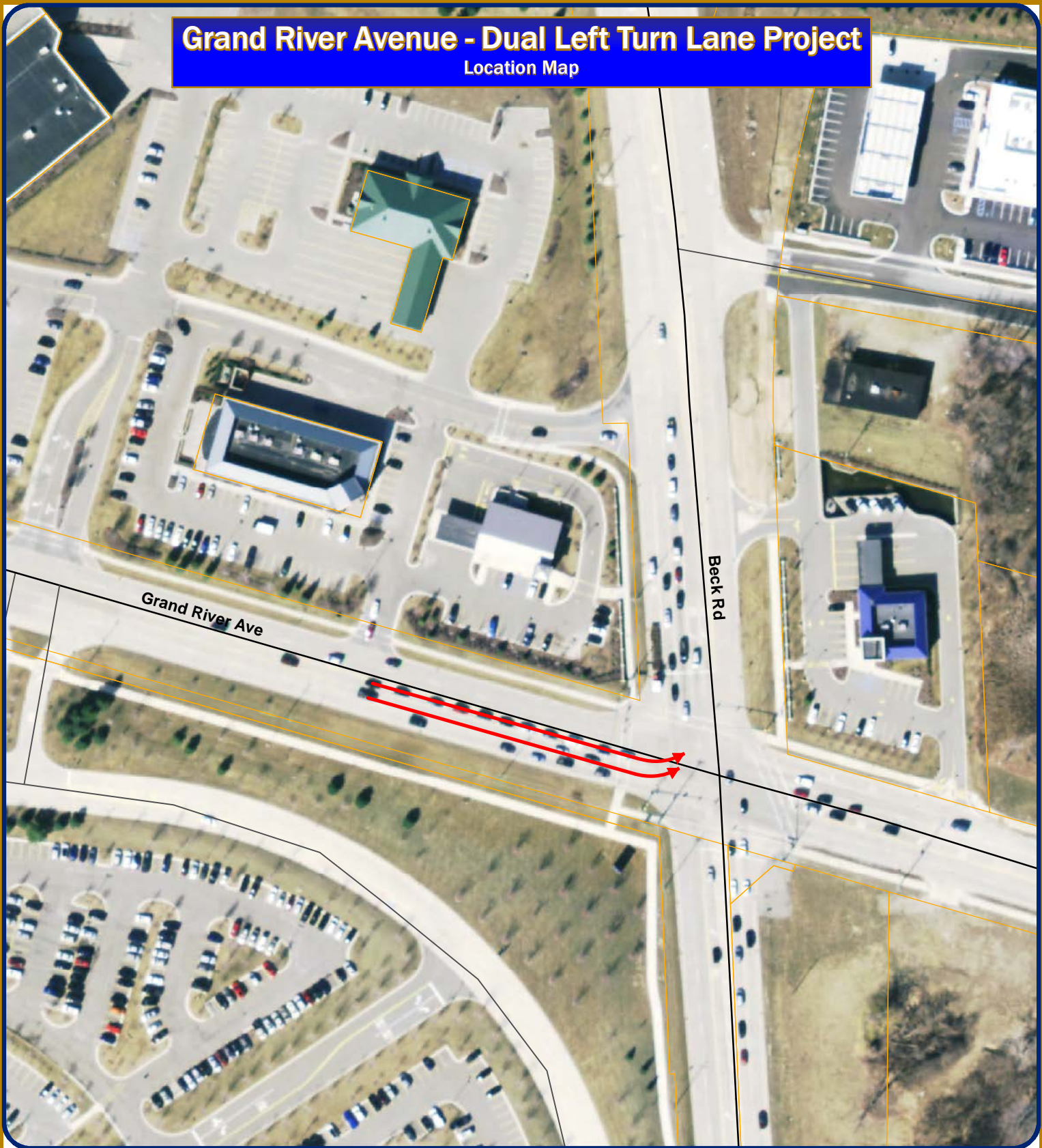
RECOMMENDED ACTION: Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation costs of four street lights at the intersection of Grand River Avenue and Beck Road in the amount of \$9,744 for installation and ongoing annual costs of \$1,318.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

Grand River Avenue - Dual Left Turn Lane Project

Location Map



Map Author: Croy
 Date: 7/28/14
 Project: Grand River Dual Left Turn Lanes
 Version #: v1.0

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.



1 inch = 125 feet



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



JOHNSON ROSATI SCHULTZ JOPPICH PC

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Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
esaarela@jrsjlaw.com

www.johnsonrosati.com

September 8, 2015

Brian Coburn, Engineering Manager
City of Novi
Public Services
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

**Re: DTE Energy - Purchase Agreement for Municipal Street Lighting
*Grand River Dual Left***

Dear Mr. Coburn:

We have received and reviewed the Purchase Agreement for Municipal Street Lighting (Work Order 42374177) for the installation of four (4) street lights near the intersection of Grand River Avenue and Beck Road in connection with the Grand River Dual Left Project. The project has been initiated at the City's request and the installation will be completed at the City's cost.

The Agreement is a standard form agreement prepared by The Detroit Edison Company ("DTE") for use in projects for installation and maintenance of new street lighting. It references and incorporates the terms of the Master Agreement for Municipal Street Lighting entered into between the City and DTE Energy on March 4, 2013. 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 terms of the Master Agreement apply to each Purchase Agreement for individual projects. The Master Agreement was previously revised to satisfactorily address an issue we raised with the liability provisions in the Agreement.

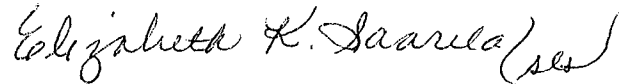
Brian Coburn, Engineering Manager
September 8, 2015
Page 2

The Purchase Agreement and Master Street Lighting Agreement are in DTE's standard format and we see no legal impediment to approval of the Agreements.

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

Very truly yours,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.

A handwritten signature in cursive script that reads "Elizabeth K. Saarela" followed by a stylized flourish.

Elizabeth Kudla Saarela

EKS

Enclosures

C: Maryanne Cornelius, Clerk (w/Enclosures)
Rob Hayes, Public Services Director (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)

Exhibit A to Master Agreement

Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of [August 17, 2015] between The Detroit Edison Company ("Company") and [City of Novi] ("Customer").

This Agreement is a "Purchase Agreement" as referenced in the Master Agreement for Municipal Street Lighting dated [March 4, 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:	[42374177]	
	If this is a conversion or replacement, indicate the Work Order Number for current installed equipment: [##### or N/A]	
2. Location where Equipment will be installed:	[Beck and Grand River, As more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	[Four]	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	[Install four 135w stock LED fixtures on three Code 06B post and and one existing pole.]	
5. Estimated Total Annual Lamp Charges	\$1,318.00	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$13,250.00
	Credit for 3 years of lamp charges:	\$3,506.00
	CIAC Amount (cost minus revenue)	\$9,744.00
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 twelve (12) months 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:	[26300 Lee Begole Drive] [Novi, MI 48375] [Ben Croy]	

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 _____.
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: _____ Title: _____

Phone Number: _____ Email: _____

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.

12. Experimental Emerging Lighting Technology ("EELT") Terms:

All or a portion of the Equipment consists of EELT: (check one) YES NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. The annual billing lamp charges for the EELT equipment has been calculated by the Company are based upon the estimated energy and maintenance cost expected with the Customer's specific pilot project EELT equipment. .

B. Upon the approval of any future MPSC Option I tariff for EELT street lighting equipment, the approved rate schedules will automatically apply for service continuation to the Customer under Option 1 Municipal Street Lighting Rate, as approved by the MPSC. The terms of this paragraph C replace in its entirety Section 7 of the Master Agreement with respect to any EELT equipment purchased under this Agreement.

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: _____

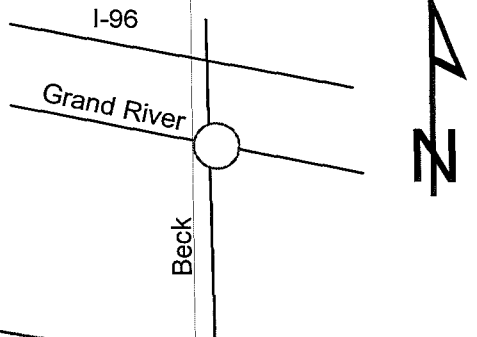
Name: _____

Title: _____

Attachment 1 to Purchase Agreement

Map of Location

[To be attached]



CITYGATE DR

IN: POST CODE 06B
 IN: FOUNDATION TYPE 005 CONCRETE
 IN: UG MULTIPLE LED 135 LY COBRA
 IN: UG PCLL
 L 135 AEK164 -- 9000 NOVI -- O310 -- 703 -- B

IN: POST CODE 06B
 IN: FOUNDATION TYPE 005 CONCRETE
 IN: UG MULTIPLE LED 135 LY COBRA
 IN: UG PCLL
 L 135 AEK165 -- 9000 NOVI -- O310 -- 703 -- R

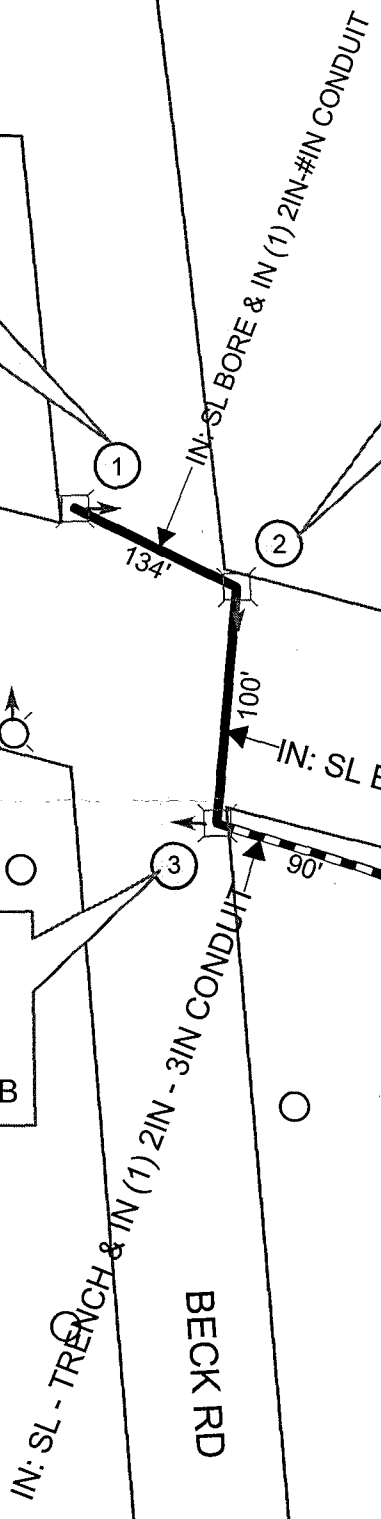
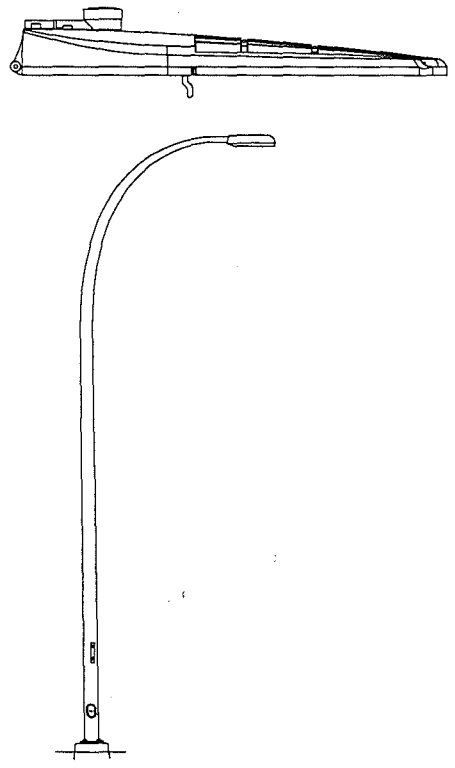
IN: MULTIPLE LED 135 LT COBRA
 IN: OH CODE S46
 IN: PCLL
 L 135 AEK167 -- 9000 NOVI -- O310 -- 701

IN: POST CODE 06B
 IN: FOUNDATION TYPE 005 CONCRETE
 IN: UG MULTIPLE LED 135 LY COBRA
 IN: UG PCLL
 L 135 AEK166 -- 9000 NOVI -- O310 -- 703 -- B

IN: DET 984 UG 2 A
 IN: DET 23227B

Streetlight Billing Summary			
O310 - NOVI CITY OF			
9000 NOVI	IN	1	*701
9000 NOVI	IN	3	*703
Created on: 3/19/2015 11:47:09 AM			

Trench-Bore Summary			
Type	5	Occupants	Length
ST LT - BORE - IN CONDUIT	E	—————	234
ST LT - TRENCH-IN CONDUIT	E	- - - - -	90
Total =			324
Cable Summary			
Type	Legacy Stock # /SAP #	Length	
IN #2 ALX2 - #4 ALX1	713-0878/100075024	345	
Created on: 3/19/2015 11:47:17 AM			



PWO# 42374177 11 x 17

Work Order # 42406613	Work Order Description NBUS -3 (2OH &1UG) Beck and Gd. River - Novi	GIS-DSN 42406616	SRW	RSD	PH	PLC
Service Center VWS	Circuit #1 TAHOE8928	COH 42406623	COS	CUG	CUL 42406625	CUS
Worksite City Novi city, Oakland County		Worksite Twp.		Worksite County		SCMAT 42406624
Town 01N08E16	Range 01N08E16	Section 01N08E16	Qtr	Planner Name O'Dea, Charlotte A	734-397-4307	CUE Request # 506113
Version 1		Plot Date 4/2/2015	Scale None			