

CITY of NOVI CITY COUNCIL

**Agenda Item 6
April 1, 2019**

SUBJECT: Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation cost associated with twenty-five (25) LED street lights along Crescent Boulevard (NW Ring Road) and the Industrial Spur Road off of Crescent Boulevard between Novi Road and Grand River Avenue.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 102,510.74	082-03 Crescent Blvd
	\$ 7,911.75	Street Light Operating Costs
	\$ 110,422.49	Total City share
AMOUNT BUDGETED	\$ 1,818,820	Major Street Fund
	\$ 3,966,256	Corridor Improvement Authority (CIA)
	\$ 5,785,076	082-03 Crescent Blvd
	\$ 152,000	Street Light Operations
APPROPRIATION REQUIRED	\$ 0	
LINE ITEM NUMBER	202-202.00-865.260	082-03 Crescent Blvd – Major Street Fund
	246-202.00-865.260	082-03 Crescent Blvd – CIA
	101-442.20-924.000	Street Light Operations

BACKGROUND INFORMATION:

The City is requesting the installation of twenty-five (25) Autobahn 135w LED streetlight fixtures mounted on twenty-five (25) black 30' tapered square posts. Of which, twenty (20) streetlights will be placed on Crescent Boulevard and five (5) streetlights will be placed along the industrial spur road off of Crescent Boulevard between Novi Road and Grand River Avenue. This motion item is in relation to the Crescent Boulevard (NW Ring Road) and Industrial Spur Road off of Crescent Boulevard that is being awarded elsewhere on this agenda.

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 \$102,510.74 and an ongoing annual lamp charge of \$7,911.75 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, March 19, 2019).

RECOMMENDED ACTION: Approval of a Street Light Purchase Agreement with Detroit Edison Company for the installation and ongoing operation cost associated with twenty-five (25) LED street lights along Crescent Boulevard (NW Ring Road) and the Industrial Spur Road off of Crescent Boulevard between Novi Road and Grand River Avenue.

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

March 19, 2019

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

**Re: DTE Street Lighting– Purchase Agreement for Municipal Street Lighting -
*Crescent Blvd***

Dear Ms. Runkel:

We have received and reviewed the Master Agreement for Municipal Street Lighting dated September 16, 2013, and Purchase Agreement (Work Order 52548422) for the City's Crescent Boulevard 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. It should be noted that since the City has requested the installation of "non-standard" street lighting, additional terms have been added to this Purchase Agreement regarding the obligation for the City to maintain replacement parts on-site.

Additionally, 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 19, 2019
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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)



January 2, 2019

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

Re: City of Novi- Crescent Blvd

Attached is the agreement for the work to be performed in the budget letter was sent on January 2, 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 **\$102,510.74** 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 February 25, 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:	52548422	
	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 Ring Road-Crescent Blvd], as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	25	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	Install twenty-five (25) 30', special order material tapered square posts with black finish, twenty-five (25) special order material luminaire brackets with black finish, and twenty-five (25) special order material 135w LED Autobahn roadway luminaires with black finish. Streetlights to be fed by underground cable. Upon failure of the 135w LED Autobahns, DTE will replace with standard stock luminaires (of similar wattage/lumen package) with black finish. If the City of Novi does not want the standard stock luminaire, then the City of Novi will be required to purchase and maintain inventory of the 135w LED Autobahn.	
5. Estimated Total Annual Lamp Charges	\$7,911.75	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$126,249.99
	Credit for 3 years of lamp charges:	\$23,735.25
	CIAC Amount (cost minus revenue)	\$102,510.74
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 2 posts and 2 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 City of Novi DPW: 26300 Lee BeGole Dr, Novi. 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: Chris Stanley

Title: Dept. of Public Works

Phone Number: 248-735-5640

Email: cstanley@cityofnovi.org

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:

The Detroit Edison Company

By: _____

Name: _____

Title: _____

Customer:

City of Novi

By: _____

Name: _____

Title: _____

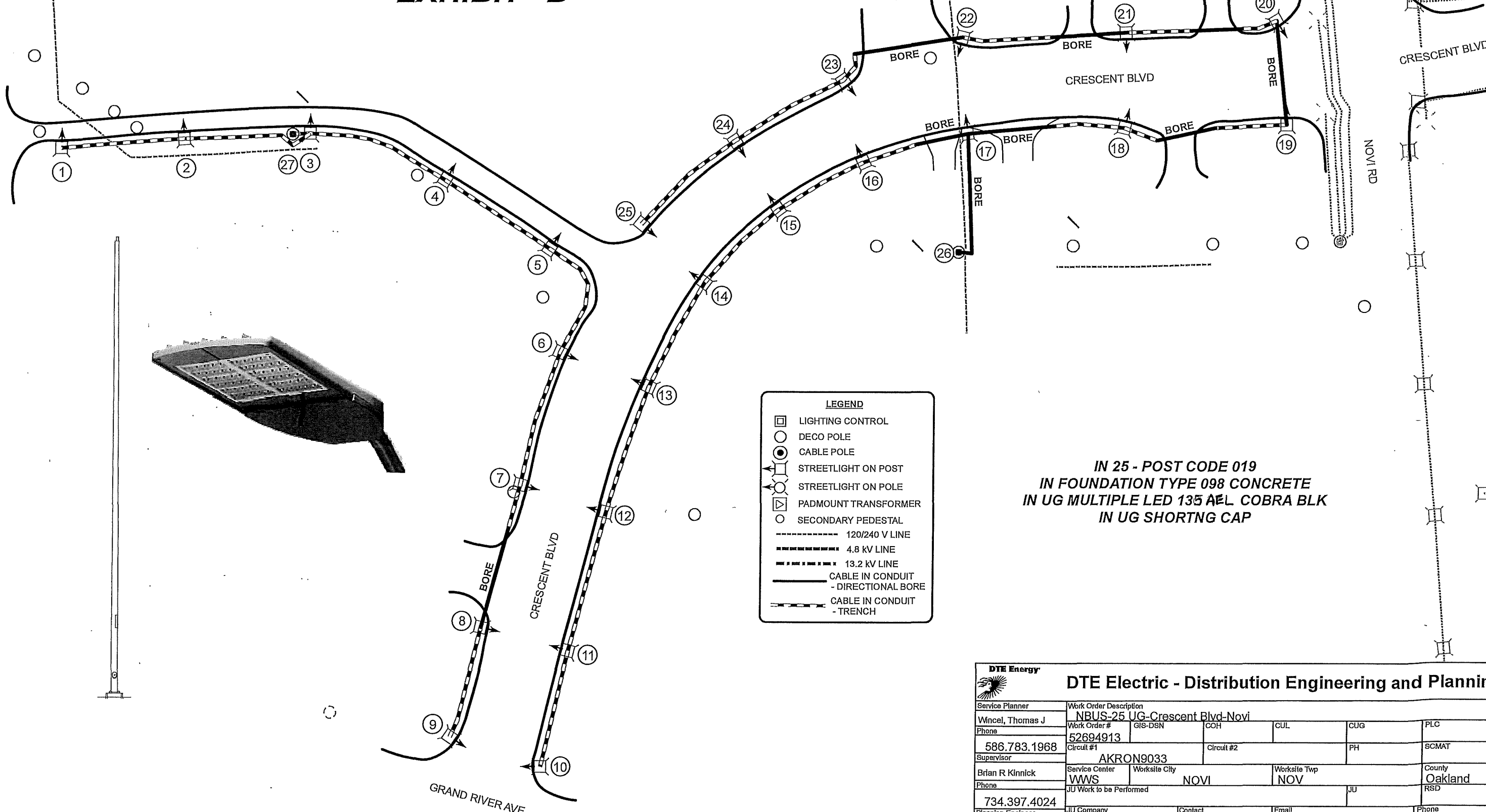
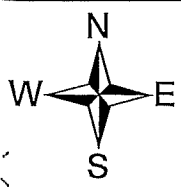


Attachment 1 to Purchase Agreement

Map of Location

[To be attached]

EXHIBIT "B"



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

**IN 25 - POST CODE 019
IN FOUNDATION TYPE 098 CONCRETE
IN UG MULTIPLE LED 135 AEL COBRA BLK
IN UG SHORTNG CAP**

DTE Energy							
DTE Electric - Distribution Engineering and Planning							
Service Planner		Work Order Description					
Wincel, Thomas J		NBUS-25 UG-Crescent Blvd-Novl					
Phone		Work Order #	GIS-DSN	COH	CUL	CUG	PLC
586.783.1968		52694913					
Supervisor		Circuit #1		Circuit #2		PH	SCMAT
		AKRON9033					
Brian R Kinnick		Service Center	Worksite City	Worksite Twp		County	
734.397.4024		WWS	NOVI	NOV		Oakland	
Phone		JU Work to be Performed			JU	RSD	
Planning Engineer		JU Company	Contact	Email	Phone		
		JU Company	Contact	Email	Phone		
Phone							
CUE Number		Ver	Plot Date	Scale	Town	Range	Section
873103		1	12/31/2018		01N	08E	14