



CITY of NOVI CITY COUNCIL

Agenda Item F
October 9, 2017

SUBJECT: Approval of a Street Light Purchase Agreement with DTE Energy (Detroit Edison Company) for the installation and ongoing operation cost of two street lights on Normandy Court near Eight Mile Road; and approval of an agreement with Normandy Hills Estates Condominium Association, a Michigan non-profit corporation, for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$ 3,043.83 (Installation paid by City) \$ 321.77 (Annual Operating Costs paid by City) \$ 2,856.68 (Developer paid cost) \$ 265.10 (Street Light Reimbursement)
AMOUNT BUDGETED	\$ 70,000.00 (Street Light Installations) \$152,000.00 (Street Light Operations)
LINE ITEM NUMBER	101-442.10-924.050 (Street Light Installation) 101-442.20-924.000 (Street Light Operations) 701-000.00-255.100 (Developer Paid Costs) 101-442.20-924.001 (Street Light Reimbursement)

BACKGROUND INFORMATION:

The Normandy Hills Condominium Association is requesting installation of two (2) Granville Acorn LED light fixtures, each mounted on a single black fiberglass Mainstreet post, on Normandy Court north of Eight Mile Road.

The Resolution for Amended Street Light Policy adopted September 24, 2012 states that the City will provide one single, standard overhead street light in the public right-of-way at major road entrances of residential developments to enhance public safety. The policy also states that when lighting requests include upgraded decorative or additional street lights, the petitioner shall bear the additional cost of installation beyond the cost for a single standard light. The Association is requesting two lights decorative style lights, therefore, the additional installation cost shall be the responsibility of the Association. Similarly, the policy states that the City will pay the on-going operation and energy costs for one standard street light at the entrance, and on-going operation and energy costs for additional lighting will be paid by the Association.

Engineering staff worked with DTE and the Association to determine the appropriate locations for the street light posts, and obtained an estimate of the installation and ongoing operation costs for one single standard light and for the two Acorn style lights. The new street lights will be underground fed dual Acorn style LED fixtures on a single 14 foot black fiberglass pole, consistent with the style of street lighting the City has approved at other residential entrances.

In order to facilitate installation of the street lights, DTE Energy is requesting approval and execution of the attached Purchase Agreement. The DTE agreement requires the City to pay the total installation cost of \$5,900.51 and an ongoing annual lamp charge of \$586.96 for operation and maintenance of the street lights. As with all other street light installations, the City requires payment by the applicant for all reimbursable charges and the City pays DTE directly.

The following table summarizes the cost sharing for the requested streetlights:

Description	City Share	Association Share	Total
Installation Costs	\$3,043.83	\$2,856.68	\$5,900.51
Annual Operating Costs	\$321.77	\$265.19	\$586.96

A second agreement between the City and Normandy Hills Condominium Association is also provided for consideration to formalize the cost sharing and payment arrangement for the installation and operation of the light. Normandy Hills has paid to the City its portion of the installation cost.

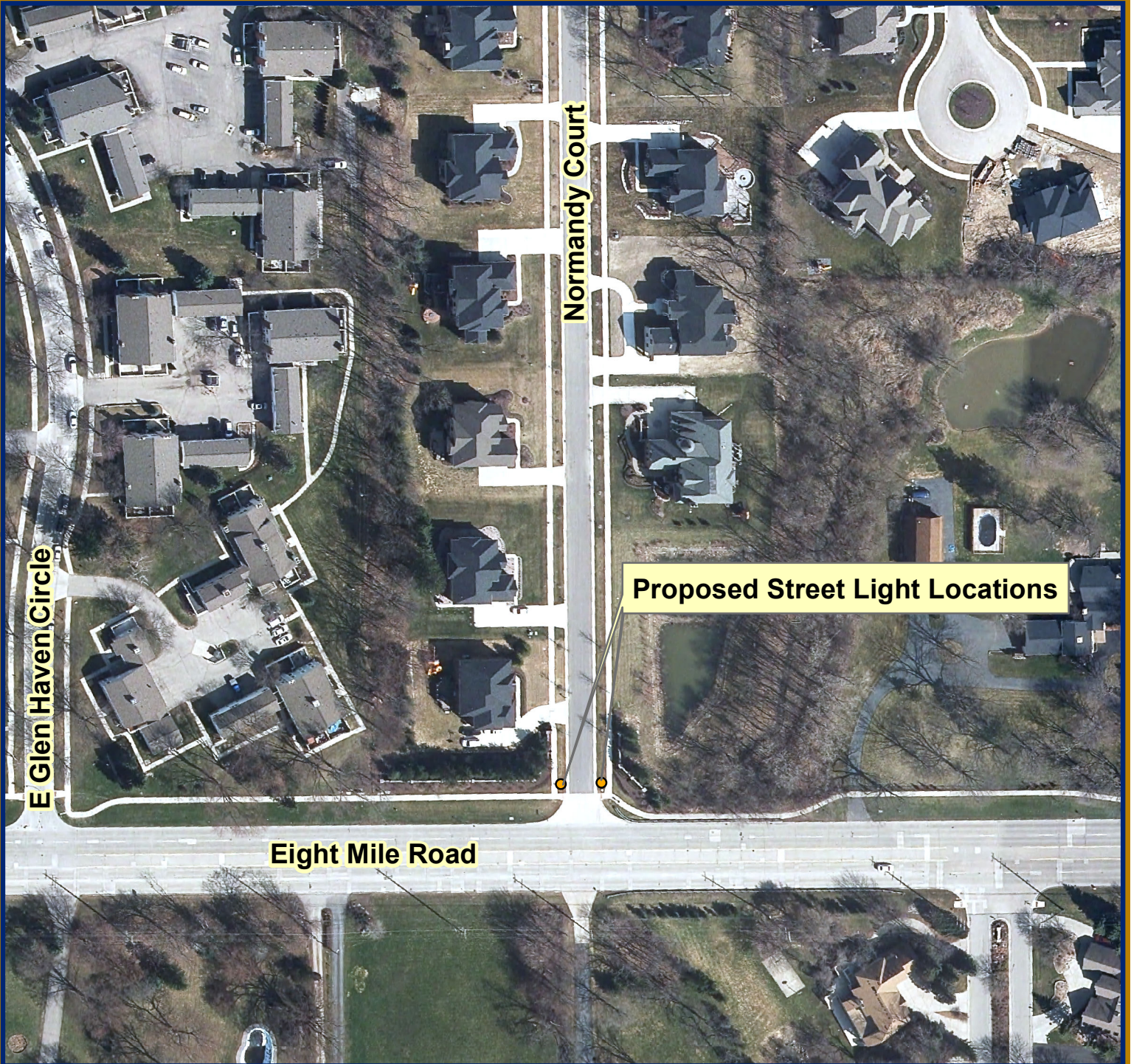
The proposed agreements have been reviewed and recommended for approval by Engineering staff and the City Attorney.

RECOMMENDED ACTION: Approval of a Street Light Purchase Agreement with DTE Energy (Detroit Edison Company) for the installation and ongoing operation cost of two street lights on Normandy Court near Eight Mile Road; and approval of an agreement with Normandy Hills Estates Condominium Association, a Michigan non-profit corporation, for the sharing of installation and ongoing operation costs per the City's Street Lighting Policy.

DTE Street Light Installation

Normandy Court north of Eight Mile Road

Location Map



Map Author: J. Mathias
Date: 10/02/2017

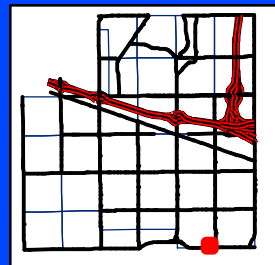
Project:
Version #:

Amended By:
Date:
Department:

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.

Installation scheduled



City of Novi

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

Feet
0 25 50 100 150
1 inch = 131 feet





JOHNSON ROSATI SCHULTZ JOPPICH PC

27555 Executive Drive Suite 250 ~ Farmington Hills, Michigan 48331
Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
esaarela@jrsjlaw.com

www.jrsjlaw.com

September 28, 2017

Darcy Rechten, Plan Review Engineer
City of Novi
Public Services
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

**Re: Street Lighting Agreement and DTE Purchase Agreement
*Normandy Hills***

Dear Ms. Rechten:

We have received and reviewed the City's Agreement with the Normandy Hills Estates Condominium Association to install two (2) decorative street lights at the intersection of Normandy Court and Eight Mile Road within the Normandy Hills Estates Condominium Subdivision. While the City will pay the ongoing energy costs relating to a single street light at major road entrances of residential developments, the Association will be required to pay the costs of the second decorative street light. Additionally, the Association will be required to pay the "Non-DTE" cost of installing the decorative street lights. Even though the street lights will be installed along Normandy Court and Eight Mile, which is a private road intersection with public road, DTE requires the City to be billed directly for the energy costs. The Association will reimburse the City annually for the ongoing energy costs for the second street light. The Agreement is a standard agreement prepared by the City which has been modified to fit with the particular development. We see no legal impediment to entering into the Agreement as proposed.

Additionally, we have received and reviewed the Purchase Agreement for Municipal Street Lighting (Work Order 48162052) for the decorative street lights. The Purchase 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.

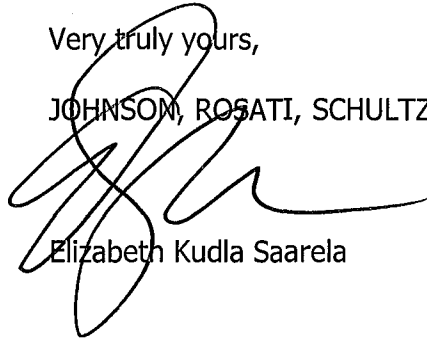
We have no objection to the terms of the Master Agreement or the corresponding Purchase Agreement for this project.

We see no legal impediment to entering into the Agreements, as proposed for the installation of the two decorative street lights as shown in the proposed Exhibit to the Purchase Agreement.

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.



Elizabeth Kudla Saarela

EKS

Enclosures

C: Cortney Hanson, Clerk (w/Enclosures)
George Melistas, Senior Engineering Manager (w/Enclosures)
Joey Mathias, Graduate Engineer (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)

AGREEMENT

This Agreement is entered into this 29th day of September, 2017, by and between the CITY OF NOVI, a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi, Michigan 48375 (the "City"), and NORMANDY HILLS ESTATES CONDOMINIUM ASSOCIATION, a Michigan Non-Profit Corporation, ("Association") whose address is 20950 Normandy Court, Northville, MI 48167.

RECITATIONS:

The Association has requested the City to assist it in making a certain local public improvement consisting of the installation of 2 decorative street lights at the entrance to the subdivision on Normandy Court off of Eight Mile Road, as depicted on the attached Exhibit A hereto.

The Board of the Association has authorized the president of the Association to execute this Agreement.

The City has obtained from the Detroit Edison Company ("DTE") an estimate for the installation and annual operation of said streetlights, requiring a charge for the decorative streetlights of **\$5,900.51** and an operating cost for the first year in the amount of **\$586.96** ("Annual Operating Cost").

The City has agreed to assist the Association in facilitating the installation and operation of said street lights with DTE.

DTE requires that the City be billed for the Annual Operating Cost. The parties desire to enter into this Agreement to provide for the payment to the City by the Association of the Annual Operating Cost, for which the City will be billed by DTE directly.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. To the extent that DTE may require, the City shall contract with DTE for the installation and operation of the proposed decorative streetlight.

2. Upon execution of this Agreement, the Association shall pay directly to City of Novi, its share of the installation cost in the amount of \$2,856.68, plus an administrative fee in the amount of 10% for a total of **\$3,142.35** for installation of the proposed decorative street lights. The City will pay the installation costs to DTE Energy per the terms of a separate agreement between the City and DTE.

3. When invoiced by the City of Novi, the Association shall pay to the City the amount of \$265.19, representing its share of the estimated Annual Operating Cost for the decorative street light for the first year, plus an administrative fee in the amount of 10%, for a total of **\$291.71**. If the Association fails to pay such costs within thirty (30) days of the Due Date, the City shall have a lien for the amount due and owing, plus interest and penalties, and shall be collected pro rata as to each unit in the Condominium, and shall be deemed delinquent real property taxes according to the laws made and provided for the collection of delinquent property taxes.

4. The parties acknowledge that the payments are based upon estimates of charges imposed by DTE for the lighting service provided, and that the charges imposed by DTE may increase due to unforeseen circumstances and due to the increase of energy costs over time. The Association hereby agrees to pay the Annual Operating Cost as it may be revised due to such increases. The Association agrees that the Annual Operating Cost shall be a debt to the City from the Association. To account for cost increases imposed by DTE, the Annual Operating Cost shall increase a minimum of \$10.00 per year for each year of the existence of the Agreement.

5. The execution of this Agreement by the President of the Association constitutes affirmative representation of the members of the Board of the Association that he has been granted the power by the by-laws of the Association to act on behalf of the co-owners of the condominium to enter into this Agreement.

6. This Agreement contains the entire agreement between the parties, and to statement, promises, or inducement made by either party or agent of either party that is not contained in this written contract shall be valid or binding; and this contract may not be enlarged, modified or altered except in writing signed by both parties and endorsed hereon.

7. The term of this Agreement shall be for twenty (20) years, and shall automatically renew for additional five (5) years periods thereafter, until such time as either party shall notify the other in writing of its intent not to renew. Such notice of intent not to renew shall be given not less than one year prior to the expiration of the original and any renewal terms. If the Association decides to terminate the agreement, the City may direct the removal of the street light and the Association shall pay all costs associated with the removal.

8. This Agreement shall be binding on all heirs, executors, administrators, successors and assigns of the parties hereto.

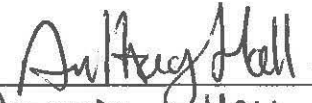
IN WITNESS WHEREOF, the parties have executed this agreement the day and year first written above.

[SIGNATURES BEGIN ON THE NEXT PAGE]

CITY OF NOVI, a Michigan municipal Corporation

NORMANDY HILLS ESTATES
CONDOMINIUM ASSOCIATION, a
Michigan non-profit corporation

By: Robert J. Gatt
Its: Mayor


By: ANTHONY HALL
Its: BOARD MEMBER.

By: Cortney Hanson
Its: Clerk


Exhibit A to Master Agreement

Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of September 27, 2017 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 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:	48162052	
	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:	At the entrance to Normandy Hills located at 8 Mile Rd & Normandy Ct, as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	2	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	Install (2) stock 39 watt Granville acorn LED fixtures with black housings mounted on (2) stock black fiberglass fluted Mainstreet posts with concrete foundations.	
5. Estimated Total Annual Lamp Charges	\$586.96	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$7,661.39
	Credit for 3 years of lamp charges:	\$1,760.88
	CIAC Amount (cost minus revenue)	\$5,900.51
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 <p align="right">Signature:  10/21/17</p>	
10. Customer Address for Notices:	City of Novi 26300 Lee Begole Dr Novi, MI 48375	

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 N/A posts and N/A 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 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 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 B 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:

Customer:

The Detroit Edison Company

City of Novi

By: _____

By: _____

Name: _____

Name: _____

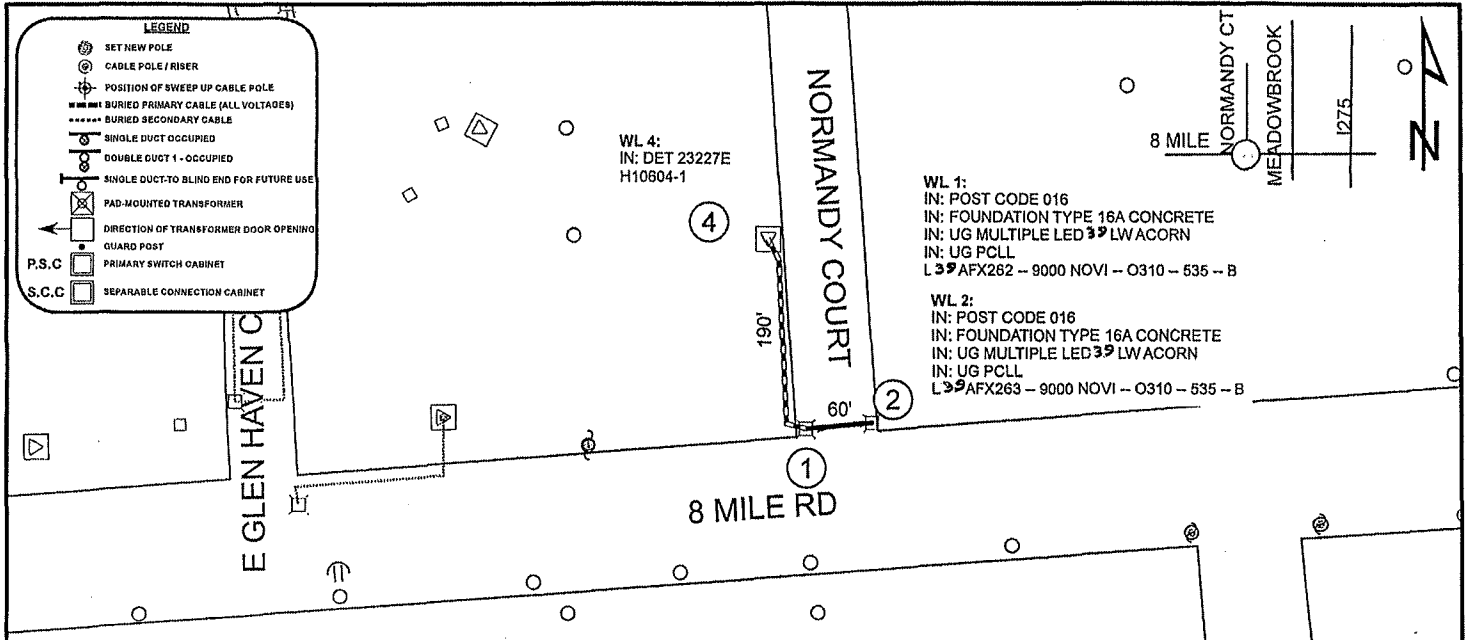
Title: _____

Title: _____

Attachment 1 to Purchase Agreement

Map of Location

[To be attached]



Trench-Bore Summary		
Type	Occupants	Length
ST LT - BORE - IN CONDUIT	E	60
ST LT - TRENCH-IN CONDUIT	E	190
Total		= 250

Cable Summary		
Type	Legacy Stock # /SAP #	Length
IN #2 ALX2 - #4 ALX1	713-0878/100075024	274

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Streetlight Billing Summary	
0310 - NOVI CITY OF	
9000 NOVI	IN 2 +495

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DTE Electric - Distribution Engineering and Planning									
Service Planner		Work Order Description							
O'Dea, Charlotte A		SI - NBUS - 2 UG - Normandy Hills - 8 Mile & Normandy Ct - Novi							
Phone		Work Order #	GIS-DSN	COH	CUL	CUG	PLC		
734.397.4307		48297546							
Supervisor		Circuit #1		Circuit #2		PH	SCMAT		
Brian R Kinnick		HAGER9425							
Phone		Service Center	Worksite City	Worksite Twp		County			
734.397.4024		WWS	NOVI	NOV		Oakland			
Planning Engineer		JU Work to be Performed		JU		RSD			
		JU Company	Contact	Email		Phone			
		JU Company	Contact	Email		Phone			
Phone		CUE Number	Ver	Plot Date	Scale	Town	Range	Section	Qr
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