



CITY OF NOVI CITY COUNCIL
AUGUST 8, 2022

SUBJECT: Approval of a Street Light Purchase Agreement with DTE Energy (Detroit Edison Company) for the installation and ongoing operation cost of eight (8) standard street lights at the intersection of Taft Road and 9 Mile Road.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

| | |
|-------------------------------|----------------------------------------------------------------------------------------------------------------|
| EXPENDITURE REQUIRED | \$ 22,495.24 Installation cost \$ 2,127.36 Annual operating cost \$ 24,622.60 Total |
| AMOUNT BUDGETED | \$ 2,327,529.00 ENG073 Taft Rd & 9 Mile Rd \$ 165,000.00 Street Light Operations |
| APPROPRIATION REQUIRED | \$ 0 |
| LINE ITEM NUMBER | 202-202.00-865.271 ENG073 Taft Rd & 9 Mile Rd 101-442.20-924.000 Street Light Operations |

BACKGROUND INFORMATION:

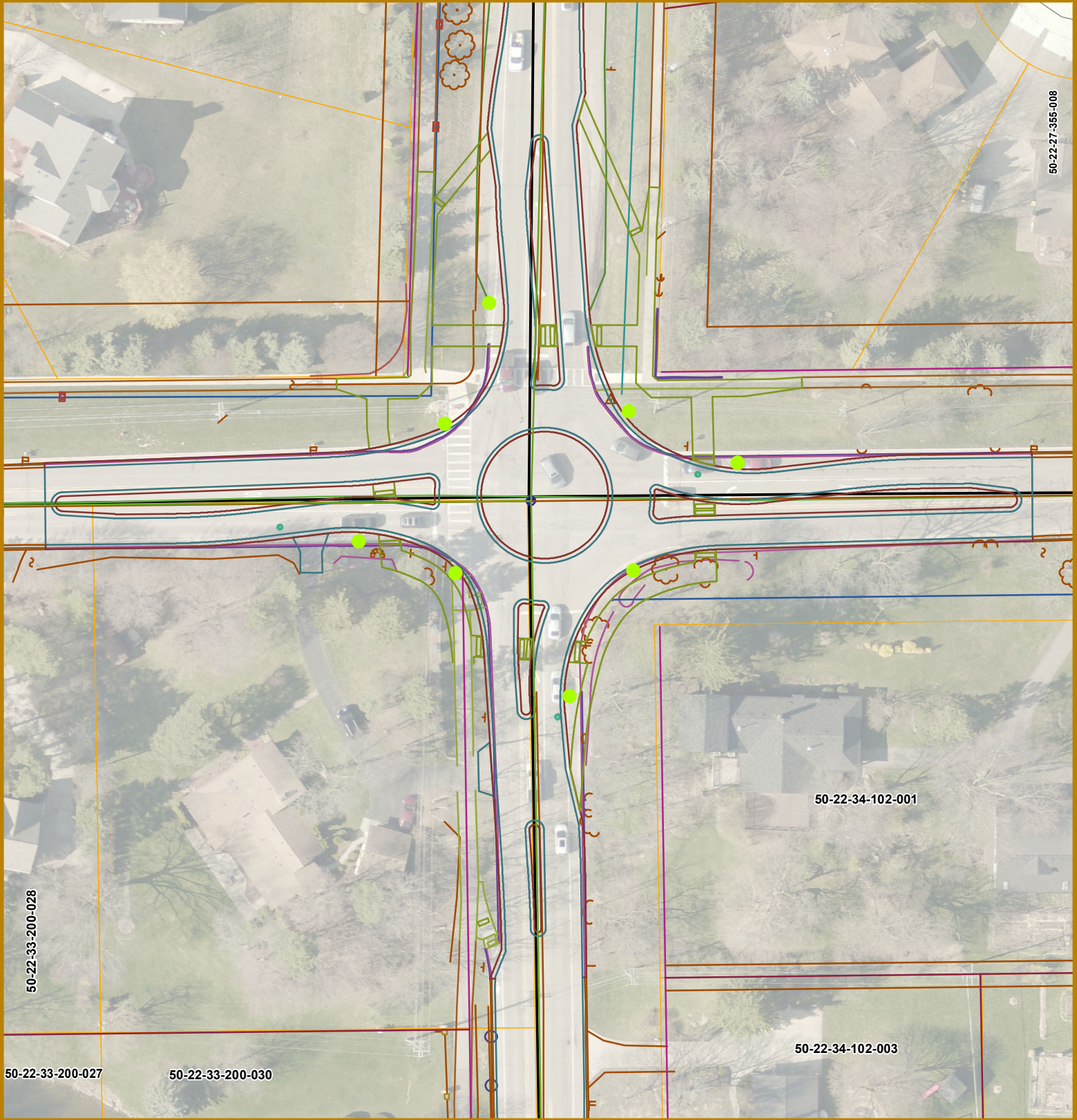
The City will be constructing a roundabout at the intersection of Taft Road and Nine Mile Road. Engineering staff worked with DTE Energy (Detroit Edison Company) to determine appropriate locations for street lights and obtained an estimate for the installation and ongoing operation cost for eight (8) standard street lights. The street lights will consist of 58-watt LED lights in black housing on 30-foot direct buried fiberglass posts.

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 \$22,495.24 and an ongoing annual lamp charge of \$2,127.36 for 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, July 28, 2022).

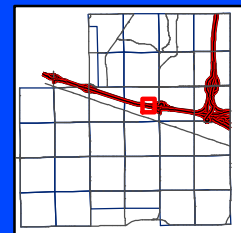
RECOMMENDED ACTION: Approval of a Street Light Purchase Agreement with DTE Energy (Detroit Edison Company) for the installation and ongoing operation cost of eight (8) standard street lights at the intersection of 9 Mile Road and Taft Road, to provide lighting for the planned roundabout.

Taft Road & 9 Mile Road Roundabout Streetlighting



Map Author: Runkel
 Date: 7/28/22
 Project: Taft/9 Street lights
 Version #: 1.0

● Proposed Street Light Locations



City of Novi

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



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.

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ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

July 28, 2022

Rebecca Runkel, Project Engineer
City of Novi
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

Re: Nine Mile and Taft Roundabout– Master Agreement for Municipal Street Lighting, DTE Energy Purchase Agreement

Dear Ms. Runkel:

We have received and reviewed the following documents for the installation of eight (8) standard street lights at the Nine Mile and Taft Roundabout:

- Master Agreement for Municipal Street Lighting dated April 11, 2022,
- Purchase Agreement (Work Order Number 65798339).

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 Master Agreement is DTE’s standard agreement and typically cannot be changed. Generally, there are no objectionable provisions in the Agreement. To the extent that the Master Agreement limits DTE’s liability to the City for damages to no greater than the CIAC amount for the particular agreement – in this case, the CIAC amount is only \$22,495.24, this only limits DTE’s liability with respect to the City and not third parties, therefore if anyone is injured by DTE’s actions, the provision will not preclude them from recovering from DTE directly. As such, the City risk is low with respect to injured third parties.

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.

Rebecca Runkel, Project Engineer
City of Novi
July 28, 2022
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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. We see no legal impediment to entering into the Purchase Agreement as proposed for the Nine Mile and Taft Roundabout.

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

Very truly yours,

ROSATI SCHULTZ JOPPICH
& AMTSBUECHLER PC



Elizabeth Kudla Saarela

EKS

Enclosures

C: Cortney Hanson, Clerk (w/Enclosures)
Jeff Herczeg, DPW Director (w/Enclosures)
Megan Mikus, Deputy DPW Director (w/Enclosures)
Ben Croy, City Engineer (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)



July 18, 2022

City of Novi
26300 Lee BeGole Dr
Novi, MI 48375

Re: City of Novi- 9 Mile and Taft Roundabout-DTE Streetlighting

Attached is the agreement for the work to be performed at the 9 Mile and Taft roundabout. 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 **\$22,495.24** is also required at this time. Please return **BOTH** signed agreements (as well as check 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 July 18, 2022 between DTE Electric 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 April 11, 2022 (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 Company to furnish, install, operate and maintain street lighting equipment as set forth below:

| | | |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1. DTE Work Order Number: | 65798339 | |
| | 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: | [9 Mile and Taft Roundabout], as more fully described on the map attached hereto as <u>Attachment 1</u> . | |
| 3. Total number of lights to be installed: | 8 | |
| 4. Description of Equipment to be installed (the " <u>Equipment</u> "): | Install (8) 30' direct buried fiberglass posts and (8) 58w LED with black housing. | |
| 5. Estimated Total Annual Lamp Charges | \$2,127.36 | |
| 6. Estimated Total Annual Post Charges if selected | \$0.00 | |
| 7. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ") | Total estimated construction cost, including labor, materials, and overhead: | \$28,877.32 |
| | Revenue credit: | \$6,382.08 |
| | CIAC Amount (cost minus revenue) | \$22,495.24 |
| | Credit for Post Charge, if selected | \$0.00 |
| 8. Payment of CIAC Amount: | Due promptly upon execution of this Agreement \$22,495.24 | |
| 9. Term of Agreement | <p>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.</p> <p>If Post Charge "box" is checked the Customer agrees to following term:</p> <p>10 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.</p> | |

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|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
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| <p>10. Does the requested Customer lighting design meet IESNA recommended practices?</p> | <p>(Check One) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices</p> <p>_____ </p> |
| <p>11. Customer Address for Notices:</p> | <p>City of Novi 26300 Lee BeGole Dr Novi, MI 48375</p> |

12. 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 as provided in Section B below. When replacement equipment or spare parts are installed from Customer’s inventory, Company will credit Customer in the amount of the then-current material cost of Company standard street lighting equipment in lieu of which the SOM is being used.

B. Customer will maintain an inventory of at least _0_ posts and _0_ luminaires and any other materials agreed to by Company and Customer, and will replenish the stock by ordering materials no later than thirty (30) calendar days after the materials are drawn from inventory. Costs of initial inventory are included in this Agreement. 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 its costs (including the labor costs associated with Company’s management of the supply chain for the SOM) no later than thirty (30) calendar days after receipt of Company’s invoice 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 Customer’s 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. If Company is unable to access the site during such hours for any reason, Company (i) shall be relieved from any obligation or commitment to complete the work as scheduled, and (ii) may, at its option, procure the inventory itself and have Customer to reimburse Company’s costs for doing so. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to Company:

Name: _____ N/A _____ Title: _____ N/A _____
Phone Number: _____ N/A _____ Email: _____ N/A _____

Customer will immediately notify Company of any changes in the Authorized Customer Representative. Customer must comply with SOM manufacturer’s recommended inventory storage guidelines and practices. Damaged SOM will not be installed by Company.

D. In the event that SOM is damaged by a third party, Company may (but is not required to) pursue a damage claim against such third party for all of Company’s costs incurred because of the claim, including all labor and replacement materials. Company will notify Customer as to whether Company will pursue such claim within a reasonable time of the SOM being damaged.

E. In the event that SOM becomes obsolete, discontinued, or incompatible with Company’s infrastructure, Customer shall select new alternate SOM that is compatible with Company’s then-existing infrastructure. If Customer does not select compatible alternate SOM, Company reserves the right to select compatible SOM that is, in its reasonable judgment, substantially similar, or replace the SOM with standard materials, in either case being entitled to reimbursement from Customer for Company’s costs in providing such transition of supply (including internal overhead and labor costs).

F. Should Customer experience, in Company's reasonable judgment, excessive LED equipment failures that are not supported by LED manufacturer warranties, Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of Customer.

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

Company:

DTE Electric Company

By: _____

Name: _____

Title: _____

Date: _____

Customer:

City of Novi

By: _____

Name: _____

Title: _____

Date: _____



Attachment 1 to Purchase Agreement

Map of Location

