



CITY OF NOVI CITY COUNCIL
FEBRUARY 27, 2023

SUBJECT: Approval of a Purchase Agreement with Detroit Edison Company (DTE) for the installation and ongoing operation cost of three (3) GFI outlets on the existing street light posts at the entrance of Andelina Ridge subdivision, and approval of an amendment to the Streetlight Agreement with the Andelina Ridge Association.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

BACKGROUND INFORMATION:

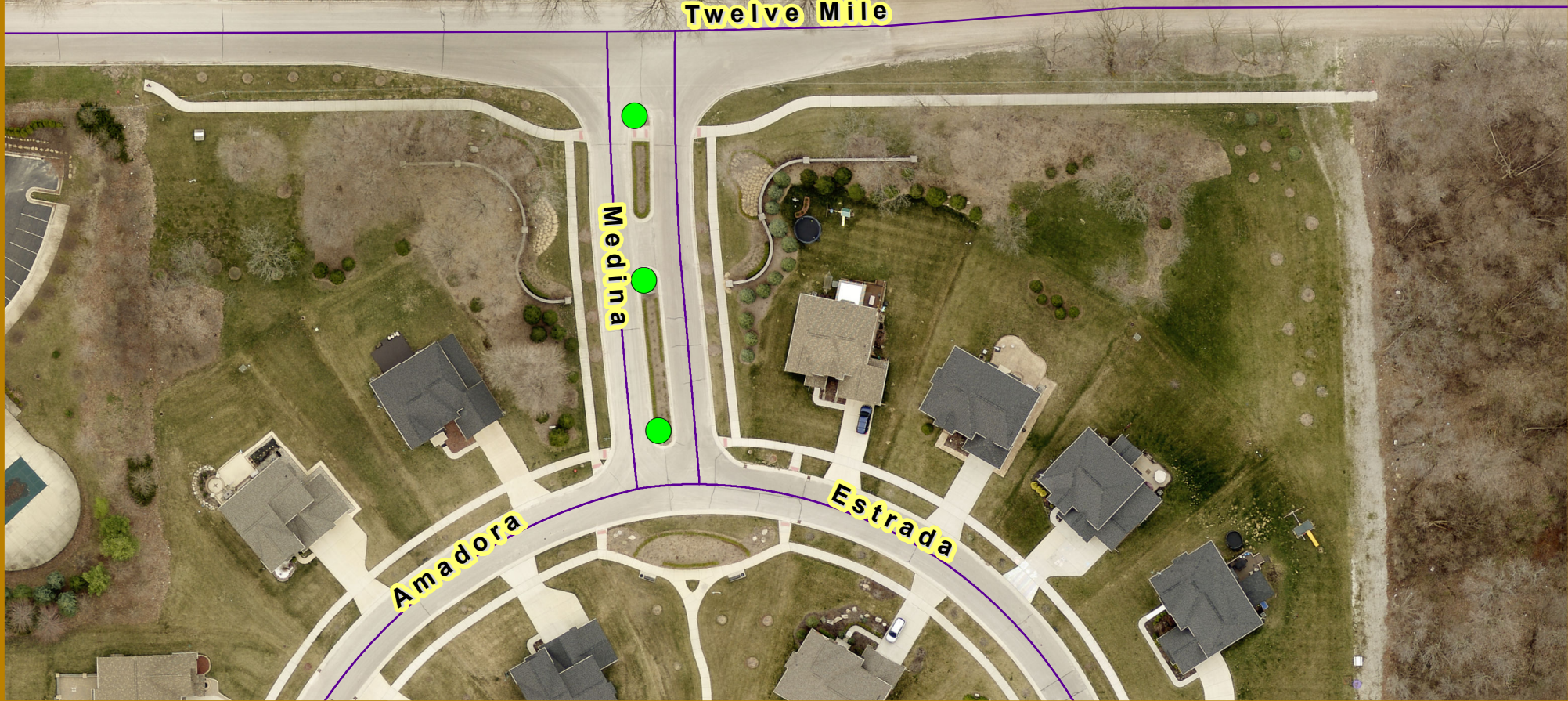
The Andelina Ridge Homeowner's Association (HOA) is requesting the addition of GFI outlets to its three (3) existing entrance lights at 12 Mile Road and Medina Boulevard. The outlets will be used October through January for holiday lighting.

In order to install the outlets, DTE is requesting approval and execution of the attached Purchase Agreement. The Andelina Ridge HOA will be responsible for the cost of installing the outlets and the additional annual charges resulting from the use of the outlets. The existing Streetlighting Agreement between the City and the HOA (January 21, 2014) was amended to reflect the additional annual charges. The Purchase Agreement and amended Streetlighting Agreement have been reviewed and are recommended for approval by Engineering staff and the City Attorney (Beth Saarela, February 16, 2023).

RECOMMENDED ACTION: Approval of a Purchase Agreement with Detroit Edison Company (DTE) for the installation and ongoing operation cost of three (3) GFI outlets on the existing street light posts at the entrance of Andelina Ridge subdivision, and approval of an amendment to the Streetlight Agreement with the Andelina Ridge Association.

Andelina Ridge Streetlight Outlets


Location Map

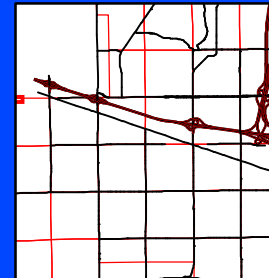


Map Author: Rebecca Runkel
Date: 2/15/23
Project: Andelina Outlets
Version #: 1.0

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.

 Existing streetlights where outlets will be installed



City of Novi

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



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ROSATI | SCHULTZ
JOPPICH | AMTSBUECHLER

February 16, 2023

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

Re: Andelina Ridge GFI Receptacles – Master Agreement for Municipal Street Lighting, DTE Energy Purchase Agreement and Addendum to Association Agreement

Dear Ms. Runkel:

We have received and reviewed the following documents for the installation of three (3) GFI receptacles on existing poles located at the Medina Boulevard entrance to the subdivision:

- Master Agreement for Municipal Street Lighting dated April 11, 2022,
- Purchase Agreement (Work Order Number 67347927).

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 \$750.00 for this project - 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

Rebecca Runkel, Project Engineer
City of Novi
February 16, 2023
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the Master Agreement. However, the Andelina Ridge Association will be responsible for the installation charges and annual electric costs attributable to the installations. An Addendum to the Association's existing Street Lighting Agreement has been prepared and signed by the Association accepting responsibility for additional annual costs relating to the GFI's. The Addendum should remain in the City's file for reference.

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 Andelina Ridge GFI installation.

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)



January 4, 2023

City of Novi
26300 Lee BeGole Dr
Novi, MI 48375

Re: City of Novi- Andelina Ridge-GFI Installation

Attached is the agreement for the work to be performed at Andelina Ridge. 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 **\$750.00** 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

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 January 4, 2023 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:	67347927	
	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:	[Andelina Ridge], as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	3 GFI Receptacles	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	Install (3) GFI receptacles with weatherproof covers on existing DTE streetlights poles.	
5. Estimated Total Annual Lamp Charges	\$37.05	
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:	\$750.00
	Revenue credit:	\$0.00
	CIAC Amount (cost minus revenue)	\$750.00
	Credit for Post Charge, if selected	\$0.00
8. Payment of CIAC Amount:	Due promptly upon execution of this Agreement \$750.00	
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>	

<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: _____

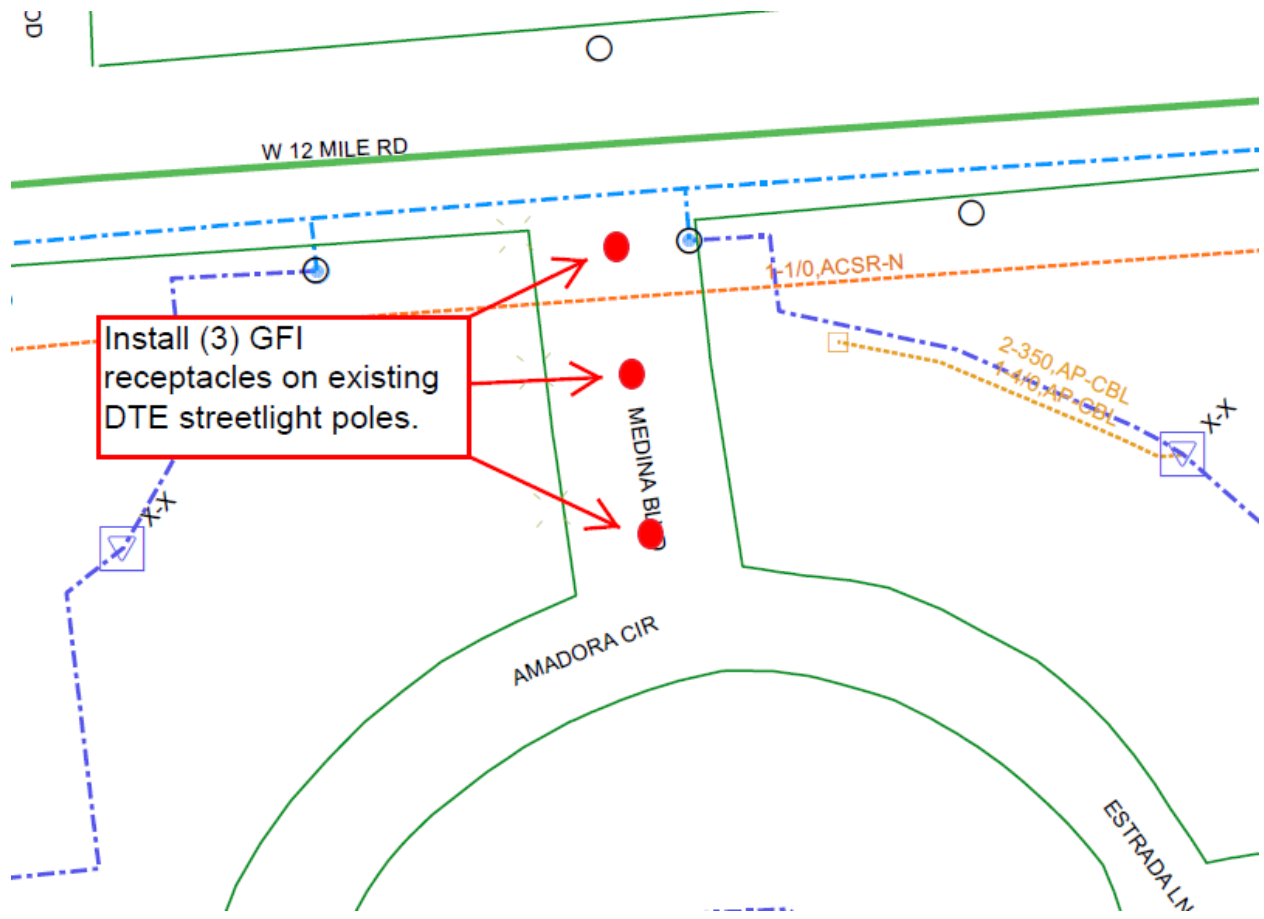
Title: _____

Date: _____



Attachment 1 to Purchase Agreement

Map of Location



ADDENDUM TO
STREET LIGHTING AGREEMENT
FOR NEW SUBDIVISIONS

The Street Lighting Agreement ("Agreement"), dated _____, 20____, by and between the City of Novi, a Michigan municipal corporation, whose address is 45175 Ten Mile Road, Novi Michigan, 48375 (hereinafter referred to as "City"), and Pinnacle-Novu 12, LLC as developer on behalf of the Andelina Ridge Condominium Association, a Michigan non-profit Corporation, whose address is 13486 Canal Rd, Sterling Heights, MI 48313 (hereinafter referred to as "Association"), is hereby amended as follows:

1. Paragraph 3 is amended to state:

3. Upon execution of this Agreement, or when requested by the City, the Association shall pay to the City the amount of \$586.56, plus any and all additional charges for 1 (3) GFI receptacles with weatherproof covers on existing DTE streetlights, representing the estimated Annual Operating Cost for the additional streetlights beyond the first streetlight allowed under the Street Light Policy for the first year, plus an administrative fee in the amount of 10%. 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 as, and shall be deemed delinquent real property taxes according to the laws made and provided for the collection of delinquent property taxes.

All other terms and conditions shall remain the same.

CITY OF NOVI, a Michigan
municipal Corporation

By: Robert J. Gatt
Its: Mayor

By: Cortney Hanson
Its: Clerk

ANDELINA RIDGE CONDOMINIUM'
ASSOCIATION, a Michigan non-profit corporation



By:

Its: Ponraj Sivasubramaniam
President
Andelina Ridge Condominium Association.