



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2017-0011

TO: Mayor and City Council Members

FROM: Allan E. Schneck, P.E., DPS Director

DATE: January 23, 2017

SUBJECT: DTE Energy Street Light Agreement for Cumberland Hills Subdivision
LED Upgrades - Hamlin Rd at Avonstoke and Cumberland Rd Entrances

REQUEST:

The Department of Public Service requests City Council to approve the Standard Agreement for Municipal Street Lighting (AGREEMENT) between the City of Rochester Hills (CUSTOMER) and the Detroit Edison Company (COMPANY) for the upgrade of (3) public street lights within a platted street of Cumberland Hills Subdivision; and authorize the Mayor to execute the agreement on behalf of the City and to authorize the payment identified in the AGREEMENT, in the amount of \$2,652.00.

REASON FOR PURCHASE:

The homeowner association (HOA) for Cumberland Hills Subdivision contacted City staff in November, 2016 inquiring about the process for the upgrade of existing municipal street lighting within their subdivision. Based upon discussions with the HOA regarding the process, City staff requested a cost AGREEMENT from DTE and forwarded it to the HOA for their review. On December 14, 2016, the HOA agreed, via email, to move forward with the upgrade of the requested street lights and above payment. The proposed work includes the removal of (3) existing 100 watt High Pressure Sodium Colonial fixtures and install (3) new stock 60 watt LED Granville fixtures with black housings. This equipment is to be installed by the Detroit Edison Company at the final cost of \$2,652.00 per the terms of the AGREEMENT (copy attached).

Since DTE does not directly enter into streetlight AGREEMENTS with HOAs, the AGREEMENT is formally agreed upon between the CITY and DTE. A separate Street Lighting Agreement between the City and the HOA already exists between the City and HOA to ensure that proper funding, operations, and maintenance of the street lighting is followed through. The HOA has submitted payment to the City in the amount of \$2,652.00 and the City shall remit payment directly to DTE for costs associated with the street lighting installation. The monthly energy bills are invoiced to and paid by the City as the CUSTOMER and then billed, along with a 10 percent administrative fee, to the HOA.

PROCESS:

Vendor Name and Address:

The Detroit Edison Company
Attn: Lance A. Alley
8001 Haggerty Road
Belleville, MI 48111

Method of Purchase:
 Cost Participation Agreement

BUDGET:

Costs associated with the installation are “pass-through” in nature. Offsetting revenue has already been received in account #203.610003 / Local Street Revenue – Charge for Service: Street Lighting. If approved by City Council, a future 2017 Budget Amendment shall be prepared to increase both the Local Street Fund revenue and expenditure accounts.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Local Roads	474.921000	Traffic Services Street Lighting	\$0.00	\$2,652.00	(\$2,652.00)

RECOMMENDATION:

The Department of Public Service recommends approval of the Standard Agreement for Municipal Street Lighting (AGREEMENT) between the City of Rochester Hills and the Detroit Edison Company (COMPANY) for the above street lights to be upgraded to LED on Hamlin Rd at the Cumberland Hills subdivision entrances at Avonstoke Rd and Cumberland Rd; and authorize the Mayor to execute the agreement on behalf of the City and to authorize the payment identified in the AGREEMENT, in the amount of \$2,652.00.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		