



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2014-0157

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., DPS Director
DATE: April 28, 2014
SUBJECT: DTE Energy Street Light Agreement for Foxboro Subdivision

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 installation of two (2) public street lights within platted streets for Foxboro 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 \$6,217.62.

REASON FOR PURCHASE:

The homeowner association (HOA) for Foxboro Subdivision contacted City staff in September, 2013 inquiring about the process for the installation & upgrade of 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 March 25, 2014, the HOA agreed to move forward with the installation & upgrade of the requested street lights and above payment. The new equipment to be installed consist of two (2) twelve (12) foot fiberglass mainstreet posts with 100 watt high pressure sodium dual "acorn" style glass luminaries. This equipment is to be installed by the Detroit Edison Company at the final cost of \$6,217.62 per the terms of the AGREEMENT (copy attached). This AGREEMENT includes the removal and replacement of two (2) older existing DTE colonial style posts with single luminaries.

Since DTE does not directly enter into streetlight AGREEMENTS with HOAs, the AGREEMENT is formally agreed upon between the CITY and DTE. Upon approval of the AGREEMENT, the City will require the HOA to enter into a separate Street Lighting Agreement 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 \$6,217.62 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 twenty (20) percent administrative fee, to the HOA.

PROCESS:

Vendor Name and Address:

The Detroit Edison Company
Attn: Tim Miller
15600 19 Mile Road, Clinton Twp. MI. 48038

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 2nd Quarter Budget Amendment shall be prepared to increase both the 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	\$6,217.62	(\$6,217.62)

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 installed along Foxboro Drive, north of Walton Blvd., Foxboro 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 \$6,217.62.

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