



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2022-0082

**TO:** Mayor and City Council Members  
**FROM:** Allan E. Schneck, P.E. - Director of Public Services  
**DATE:** February 28, 2022  
**SUBJECT:** LED Street Light Conversion - Citywide

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**REQUEST:**

The Department of Public Services requests City Council to approve the Master Agreement for Municipal Street Lighting (Agreement) between the City of Rochester Hills (CITY) and the Detroit Edison Company (DTE) for the conversion of 115 City owned street lights to energy efficient Light Emitting Diode (LED) technology; in the amount not-to-exceed of \$35,939 and further authorizes the Mayor to execute a contract on behalf of the City.

**REASON FOR PURCHASE:**

The CITY currently funds 115 less efficient street lights, including 114 High pressure sodium (HPS) lights and 1 Mercury Vapor light, that are located within public road rights-of-way. These street lights will be converted to LED technology, which is more efficient and provides a crisper and enhanced image at night. This upgrade will also improve both pedestrian and motorist safety by minimizing the back lighting of objects, which is typical of HPS and Mercury Vapor street lights.

Below is a summary of the current and future costs:

- The current annual invoice for the existing non-LED lights is \$38,230.44.
- The total proposed street lighting conversion cost is \$35,939, including DTE's material and labor expenses (agreement attached).
- Estimated rebate from DTE after installation is \$3,158.
- The final conversion cost is \$32,781.
- DTE estimates that the future annual invoice costs after converting to LED is \$30,611.04, thus providing a projected annual savings of \$7,619.40, which translates into a return on investment (ROI) of 4.30 years.

Additionally, the Department of Public Services (DPS) has applied for a Community Energy Management Program (CEM) grant via the Michigan Department of Environment, Great Lakes, and Energy (EGLE) in the amount of \$25,000, and has received notice that it has been recommended for approval. This will reduce the CITY's final implementation costs to \$10,939 upon completion of the project.

**PROCESS:**

**Vendor Name and Address:**

DTE Energy  
8001 Haggerty Road  
Belleville, MI 48111  
140 WWSC- Joseph Burghardt

**Reason for Selection:**

Sole Source Provider

**Method of Purchase:**

Cost participation agreement

**BUDGET:**

Funding is not included in the FY 2022 Adopted Budget. If approved by City Council, a 2<sup>nd</sup> Quarter Budget Amendment will be done to expense the funds from Fund Balance.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Local Street	474.921000	Street Lighting	\$0	\$35,939	(\$35,939)

**RECOMMENDATION:**

The Department of Public Services recommends approval of the Master Agreement for Municipal Street Lighting (Agreement) between the City of Rochester Hills and the Detroit Edison Company for the conversion and installation of 115 various wattage LED lights on existing poles throughout the City; 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 \$35,939

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APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney       Yes       N/A