



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: 2023-0070

TO: Mayor and City Council Members

FROM: Mike Viazanko, Director Building/Ordinance/Facilities
Gary Nauts, Facilities Manager

DATE: February 27, 2023

SUBJECT: LED Lighting Project – Department of Public Services Garage

REQUEST:

City Council is requested to authorize a contract/blanket purchase order for the LED lighting project at the Department of Public Services Garage to Tech-Electric Company, Macomb, MI in the amount of \$106,936.68 with a 10% project contingency in the amount of \$10,693.67 for a total not-to-exceed project amount of \$117,630.35 and further authorize the Mayor to execute a contract on behalf of the City.

REASON FOR PURCHASE:

The City issued a Request for Proposals for LED Lighting project at the Department of Public Services Garage utilizing the MITN system. Three (3) proposal responses were received. Of the three (3) proposal responses received, one proposal was deemed non-responsive for failing to submit their proposal based on the proposal requirements and did not utilize the City provided forms. The remaining two (2) proposals were evaluated by a committee consisting of staff from the facilities department and the city's DTE representative as a non-voting member. Interviews with the two firms were requested. Based on the interviews and information received during those discussions, the committee determined that Tech Electric was the most qualified firm and had the best understanding of the project. Additional discussion and negotiations were undertaken by the Purchasing Division with Tech Electric to clarify proposed lighting solutions, finalize lighting count, and scope of work to be completed. Based on these negotiations and discussion, Tech Electric was requested to submit a Best and Final Supplement Proposal Offer. After review of the proposed lighting equipment, verification of references, review of qualifications and experience, including familiarity with DTE Rebates to be offered, allowing Tech Electric to work with the City's DTE Representative to ensure we are taking advantage of all available rebate programs, along with their comparable projects completed, the City recommends award to Tech Electric Company as the best value proposer.

With the proposed energy upgrades the city should expect an annual savings of \$24,000 that will provide the city a payback of about four (4) years by completing these upgrades. There are a few key factors for the City to do these upgrades. The first is the cost savings the City will realize with a reduction in their electrical usage. The second, is that the existing lighting components are becoming more difficult to find the parts to perform necessary repairs. This is mainly due to the transitioning of the industry to LED and many upgrades of lighting in commercial/industrial buildings being transitioned to LED. This is resulting in forcing manufactures to phase out certain products and making them harder to locate. Finally, in reviewing work order requests by all City departments, the city's Facility team has responded to approximately 400 service requests for electrical repairs. With the retrofitting of the current lighting fixtures to LED retrofit

kits, the lights will last longer than the current fluorescent bulbs, and will also be much easier to replace, which will reduce time related to the management of work order requests from departments, free of additional staff time by reducing replacement time of the bulbs, and also reduce costs related to fixture purchases as the cost for LED bulbs are less expensive than the current fluorescent bulbs the City purchases.

PROCESS:

Vendor Name and Address:

Tech Electric Company
16177 Leone Drive
Macomb, MI 48042

Reason for Selection:

Best Value

Method of Purchase:

Contract/Blanket Purchase Order

BUDGET:

Funding is included in the FY 2023 Adopted Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.929000	City-Wide: LED Lighting Upgrades	\$350,000.00	\$117,630.35	\$232,369.65

RECOMMENDATION:

It is recommended that City Council authorize a contract/blanket purchase order for the LED lighting project at the Department of Public Services Garage to Tech-Electric Company, Macomb, MI in the amount of \$106,936.68 with a 10% project contingency in the amount of \$10,693.67 for a total not-to-exceed project amount of \$117,630.35 and further authorize the Mayor to execute a contract on behalf of the City.

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

Contract Reviewed by City Attorney Yes N/A