



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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Legislative File No: 2011 - 0275

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E. – DPS Director
DATE: June 6, 2011
SUBJECT: Energy Street Light Agreement for Clear Creek Subdivision No. 4

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 eleven (11) “acorn” style fixtures with 100 watt high pressure sodium lamps mounted on 11’-6” decorative style fiberglass support posts within the Clear Creek Subdivision No. 4 for Traceky, Passive & Petosky; 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 \$33,624.21.

REASON FOR PURCHASE:

The developer (Elro Corporation) for Clear Creek Subdivision No. 4 has requested the installation of municipal street lighting within the existing subdivision. This request is based upon a recent increase in the percentage of new home occupancies. City staff requested a cost AGREEMENT from DTE and forwarded it to the developer for review. On May 20, 2011 the developer submitted a payment in the amount of \$33,624.21 and agreed to move forward with the installation of the requested street lights. Street lights will be installed by the Detroit Edison Company at the final cost of \$33,624.21 per the terms of the AGREEMENT (copy attached) and for total annual lamp charges of \$3,753.39.

Since DTE does not directly enter into streetlight AGREEMENTS with home owner associations, the AGREEMENT is formally agreed upon between the CITY and DTE. A separate Street Lighting Agreement (copy attached) exists between the City and Clear Creek HOA to ensure that proper funding, operations, and maintenance of the street lighting is followed. Upon receipt of payment by the developer to the City in the amount of \$33,624.21, the City then remits 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 the twenty (20) percent administrative fees, to the HOAs.

PROCESS:

Vendor Name and Address:
The Detroit Edison Company
P. O. Box 630795
Cincinnati, OH 45263

Reason for Selection:

Homeowner Association Selected

Method of Purchase:

Cost Participation Agreement

BUDGET:

Costs associated with its installation are “pass through” in nature with corresponding revenues to offset any costs.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Local Roads	474.921000	Street Lighting	\$104,000.00	\$33,624.21	\$70,375.79

- Pending 2nd Quarter Budget Amendment

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 street light installations within the Clear Creek Subdivision No. 4 for Traceky, Passive & Petosky; 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 \$33,624.21.

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