



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: 2015-0298

**TO:** Mayor and City Council Members  
**FROM:** Allan E. Schneck, P.E., DPS Director  
**DATE:** August 10, 2015  
**SUBJECT:** DTE Energy Street Light Agreement for Walnut Creek Subdivision

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**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 one (1) public street light at the entrance to the Walnut Creek 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 \$453.00.

**REASON FOR PURCHASE:**

The homeowner association (HOA) for Walnut Creek Subdivision contacted City staff in June, 2015 inquiring about the process for upgrading the existing municipal street light at their subdivision entrance from high pressure sodium (HPS) to an LED light. 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 July 10, the HOA agreed to move forward with the upgrade of the existing light and above payment. A 135 watt Autobahn LED light will replace the existing 250 watt HPS light. This equipment is to be installed by the Detroit Edison Company at the final cost of \$453.00 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 already exists between the City and HOA ensuring 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 \$453.00 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 ten (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 3rd Quarter Budget Amendment shall be prepared to increase both the revenue and expenditure accounts.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Local Roads	474.921000	Traffic Services Street Lighting	\$0.00	\$453.00	(\$453.00)

**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 light to be installed along Grovecrest Drive in Walnut Creek Subdivision, north of Avon Road; 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 \$453.00.

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		