City of Birmingham
A Walkable Community

MEMORANDUM

Engineering Dept.

DATE: **November 21, 2014**

TO: **Joseph Valentine, City Manager**

FROM: **Paul T. O'Meara, City Engineer**

SUBJECT: **2300 Cole Ave. Building Renovation**
DTE Energy Street Light Agreement

The building at the southwest corner of Cole Ave. and Commerce St. is currently undergoing renovation. As a part of the site plan review process, the owner is required to pay for the installation of new pedestrian scale street lights along their frontages. In this case, three lights will be installed on the south side of Cole Ave., and three lights will be installed on the west side of Commerce St. The proposed lights will match other lights installed in the Rail District, such as on E. Lincoln Ave.

DTE Energy has prepared the attached contract for the installation of the lights by their contractor. The agreement is identical to those authorized for other street light agreements. The language has been reviewed and approved by the City Attorney's office. Once the agreement has been signed, we will return it to DTE for their signature and execution. Once the work has been completed to our satisfaction, we will invoice the owner for the full amount being charged ($32,076.08). A final Certificate of Occupancy will not be issued until payment has been received. We expect after the work is complete, we will in turn be invoiced for the value of the work from DTE Energy, which will be charged to the streetscape account 401-901.009-981.0100, in the Capital Projects Fund.

It is recommended that the Commission authorize the Mayor to sign the attached Agreement for Municipal Street Lighting presented by DTE Energy relative to 2300 Cole Ave. All costs relative to this agreement will be charged to the owner and developer of the property.

SUGGESTED RESOLUTION:

To approve the street light agreement between the City of Birmingham and DTE Energy regarding the installation of street lights at 2300 Cole Ave. Further, to direct the Mayor to sign the agreement on behalf of the City. All costs relative to this agreement will be charged to the adjacent owner.

Exhibit A to Master Agreement

Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of November 18, 2014 between The Detroit Edison Company ("Company") and City of Birmingham ("Customer").

This Agreement is a "Purchase Agreement" as referenced in the Master Agreement for Municipal Street Lighting dated October 17, 2012 (the "Master Agreement") between Company and Customer. All of the terms of the Master Agreement are incorporated herein by reference. In the event of an inconsistency between this Agreement and the Master Agreement, the terms of this Agreement shall control.

Customer requests the Company to furnish, install, operate and maintain street lighting equipment as set forth below:

1. DTE Work Order Number:	41960726	
	If this is a conversion or replacement, indicate the Work Order Number for current installed equipment: N/A	
2. Location where Equipment will be installed:	2300 Cole at corner of Cole & Commerce, as more fully described on the map attached hereto as Attachment 1.	
3. Total number of lights to be installed:	6	
4. Description of Equipment to be installed (the "Equipment"):	6 Rockford Harbor posts all with single sheperds crook arms & 100 watt Glaswerks LED's. The 3 posts along Commerce will have GFI's and the 3 posts along Cole will not have GFI's. The color will be Q015543 Tiger Drylac.	
5. Estimated Total Annual Lamp Charges	$1,822.50	
6. Computation of Contribution in aid of Construction ("CIAC Amount")	Total estimated construction cost, including labor, materials, and overhead:	$37,543.58
	Credit for 3 years of lamp charges:	$5,467.50
	CIAC Amount (cost minus revenue)	**$32,076.08**
7. Payment of CIAC Amount:	Due promptly upon execution of this Agreement	
8. Term of Agreement	5 years. Upon expiration of the initial term, this Agreement shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) days prior written notice to the other party.	
9. Does the requested Customer lighting design meet IESNA recommended practices?	(Check One) ☐ YES ☒ NO If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices _____	
10. Customer Address for Notices:	City of Birmingham 151 Martin St, PO Box 3001 Birmingham, MI 48012 Attn: Paul O'Meara	

11. Special Order Material Terms:

All or a portion of the Equipment consists of special order material: (check one) ☒YES ☐NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. Customer acknowledges that all or a portion of the Equipment is special order materials ("SOM") and not Company's standard stock. Customer will purchase and stock replacement SOM and spare parts. When replacement equipment or spare parts are installed from Customer's inventory, the Company will credit Customer in the amount of the then current material cost of Company standard street lighting equipment.

B. Customer will maintain an initial inventory of at least 1 post and 1 luminaire and any other materials agreed to by Company and Customer, and will replenish the stock as the same are drawn from inventory. Costs of initial inventory are included in this Agreement. The Customer agrees to work with the Company to adjust inventory levels from time to time to correspond to actual replacement material needs. If Customer fails to maintain the required inventory, Company, after 30 days' notice to Customer, may (but is not required to) order replacement SOM and Customer will reimburse Company for such costs. Customer's acknowledges that failure to maintain required inventory could result in extended outages due to SOM lead times.

C. The inventory will be stored at City of Birmingham DPW Yard. Access to the Customers inventory site must be provided between the hours of 9:00 am to 4:00 pm, Monday through Friday with the exceptions of federal Holidays. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to the Company:

Name: Paul O'Meara Title: City Engineer

Phone Number: 248-530-1840 Email: pomeara@bhamgov.org

The Customer will notify the Company of any changes in the Authorized Customer Representative. The Customer must comply with SOM manufacturer's recommended inventory storage guidelines and practices. Damaged SOM will not be installed by the Company.

D. In the event that SOM is damaged by a third party, the Company may (but is not required to) pursue a damage claim against such third party for collection of all labor and stock replacement value associated with the damage claim. Company will promptly notify Customer as to whether Company will pursue such claim.

E. In the event that SOM becomes obsolete or no longer manufactured, the Customer will be allowed to select new alternate SOM that is compatible with the Company's existing infrastructure.

F. Should the Customer experience excessive LED equipment failures, not supported by LED manufacturer warrantees, the Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at the Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of the Customer.

12. Experimental Emerging Lighting Technology ("EELT") Terms:

All or a portion of the Equipment consists of EELT: (check one) ☒YES ☐NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. The annual billing lamp charges for the EELT equipment has been calculated by the Company are based upon the estimated energy and maintenance cost expected with the Customer's specific pilot project EELT equipment. .

B. Upon the approval of any future MPSC Option I tariff for EELT street lighting equipment, the approved rate schedules will automatically apply for service continuation to the Customer under Option 1 Municipal Street Lighting Rate, as approved by the MPSC. The terms of this paragraph B replace in its entirety Section 7 of the Master Agreement with respect to any EELT equipment purchased under this Agreement.

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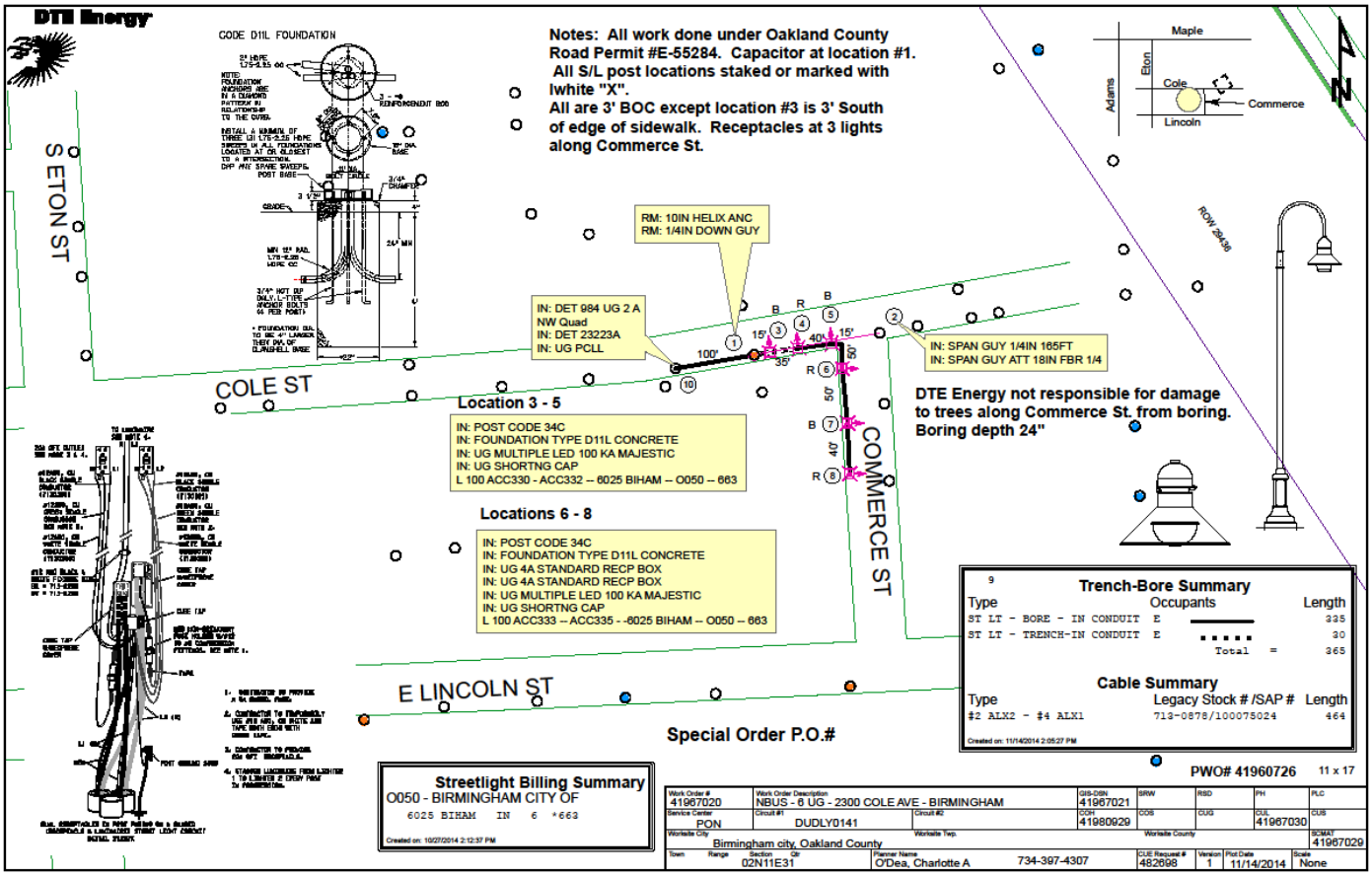
Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:	Customer:
The Detroit Edison Company	City of Birmingham
By: _____	By: _____
Name: _____	Name: _____
Title:_____	Title:_____

Attachment 1 to Purchase Agreement

Map of Location