



Legislation Details (With Text)

**File #:** 18-1380      **Version:** 1      **Name:** 9/4/18 - DTE Street Lighting Purchase Agreement  
**Type:** Resolution      **Status:** Passed  
**File created:** 9/4/2018      **In control:** City Council  
**On agenda:** 9/4/2018      **Final action:** 9/4/2018  
**Enactment date:** 9/4/2018      **Enactment #:** R-18-353

**Title:** Resolution to Authorize a Municipal Street Lighting Purchase Agreement with DTE Energy and to Appropriate Funds for the Conversion of 378 - DTE Owned Mercury Vapor Street Lights to LED (\$65,354.00) (8 Votes Required)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. City of Ann Arbor Budget Letter for 2018 MV Conversion Project New Fixture.pdf

Date	Ver.	Action By	Action	Result
9/4/2018	1	City Council	Approved	Pass

Resolution to Authorize a Municipal Street Lighting Purchase Agreement with DTE Energy and to Appropriate Funds for the Conversion of 378 - DTE Owned Mercury Vapor Street Lights to LED (\$65,354.00) **(8 Votes Required)**

Please find attached for your consideration a resolution that will authorize the municipal street lighting agreement with DTE Energy (DTE) to convert 378 Mercury Vapor Street Lights within the City limits to LED. The estimated costs for the City’s share of this work is \$65,354.00.

Of the 378 streetlights:

- 4 overhead DTE owned and maintained street lights on wood poles will be converted from 100 watt Mercury Vapor to 58 watt LED
- 367 overhead DTE owned and maintained street lights on wood poles will be converted from 175 watt Mercury Vapor to 58 watt LED
- 1 overhead DTE owned and maintained street lights on wood poles 250 watt Mercury Vapor will be converted to a 136 watt LED
- 1 overhead DTE owned and maintained street lights on wood poles will be converted from 400 watt Mercury Vapor will be converted to a 136 watt LED
- 3 underground DTE owned and maintained street lights fed by underground cable will be converted from 400 watt Mercury Vapor to a 136 watt LED
- 2 underground DTE owned and maintained street lights fed by underground cable will be converted from 1000 watt Mercury Vapor to a 238 watt LED

In order to convert the above lights to the appropriate LED, the City of Ann Arbor will need to pay a portion of the construction costs, but will then reap the financial value associated with lower energy consumption from the more efficient lights. The estimated financial breakdown is:

Project Cost: \$88,790.00

Less DTE Labor Contribution:	\$23,436.00
<b>Total Upfront Cost:</b>	<b>\$65,354.00</b>
EO Rebate Issued After Construction:	\$11,362.00
<b>Final Cost to Convert After Rebate:</b>	<b>\$53,992.00</b>
Current Annual Invoice:	\$89,382.76
Future Annual Invoice:	\$55,620.19
<b>Annual Savings:</b>	<b>\$33,762.57</b>
<b>Payback:</b>	<b>1.60 years</b>

The prices quoted are only estimates. Final costs will be calculated after field verification of streetlights is completed.

**Budget Impact:** Funding for the project was not included in the approved FY 19 General Fund street lighting operations and maintenance budget. Therefore, an appropriation for the General Fund, fund balance is being requested.

**Sustainability Framework:**

Converting these remaining streetlights to LEDs would advance multiple sustainability framework goals, including: energy conservation, safe community, and transportation options. Importantly, this action would help the city make headway in its goals of reducing greenhouse gas emissions community-wide by 25% by 2025 and 80% by 2050.

Prepared by: Joshua MacDonald, Sustainability Analyst  
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Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The City received a proposal from DTE Energy for the conversion of 378 Mercury Vapor Street Lights to LED;

Whereas, The conversion of the streetlights results in reduced energy costs and an annual savings estimated to be \$33,762.57; and

Whereas, Funding for this project was not included in the approved FY 19 General Fund street lighting operations and maintenance budget;

RESOLVED, That City Council appropriates \$65,354.00 from the General Fund, fund balance, increasing both the Engineering General Fund revenue and expenditure budgets for the purpose of the conversion of 378 Mercury Vapor Street Lights;

RESOLVED, That City Council approves a Municipal Street Lighting Purchase Agreement with DTE Energy;

RESOLVED, That a contingency in the amount of \$6,500.00 (10%) be established and the City

Administrator be authorized to approved an amendment to the agreement with DTE in an amount not -to-exceed \$6,500.00;

RESOLVED, That the funding for the agreement and the contingency amount be made available without regard to fiscal year;

RESOLVED, That the City Administrator be authorized and directed to execute the agreement for services after approval as to substance and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.