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OUR MISSION is to improve,
modernize and maintain the
street lighting system in Detroit.

PUBLIC LIGHTING AUTHORITY
Board of Directors Special Meeting
April 23, 2018

MINUTES

Board Members in Attendance
via Teleconference:

Dr. Lorna Thomas, Chair
Donnell White, Vice Chair
Patrick Padgett, Secretary
David W. Jones, At Large
Beau Taylor, Executive Director

Resolution:

Resolution 2018-01
Resolution 2018-02
Resolution 2018-03
Resolution 2018-04

Motions Carried/Failed):

Resolution 2018-01 Carried
Resolution 2018-02 Carried
Resolution 2018-03 Carried
Resolution 2018-04 Carried

Legal Representative(s)

George Pitchford

CALL TO ORDER

The Special Board Meeting of the Public Lighting Authority (PLA) was held via teleconference on April 23, 2018 at the PLA, 65 Cadillac Square, Suite 3100, Detroit, MI 48226. Dr. Lorna Thomas, Chair of the Board, called the meeting to order at 6:06 p.m.

ROLL CALL

Roll call was taken by George Pitchford (Legal Counsel) and members in attendance via teleconference included: Dr. Lorna Thomas, Chair; Donnell White, David W. Jones, At Large, Beau Taylor, Executive Director.

APPROVE AGENDA

Motion made to approve the Agenda by: David Jones
Motion seconded by: Donnell White
Motion Carried

ACTION ITEM(S)

Resolution 2018 -01 – Approving Construction Contract Freeway Bridge Lighting – LeCom Utility Contractors.

Executive Director, Beau Taylor explains this Contract is for lighting over the bridges in the City of Detroit. He explains there was some confusion as to who was responsible for paying for the cost as well as waiting on MDOT's decision regarding rebuilding bridges in the city. It was concluded that it was the City of Detroit's lighting system as opposed to the freeway lighting system.

Dr. Thomas mentioned to the board members that they were given the impression that anything having to do with the freeway was MDOT domain. So this did come as a surprise to her. But after doing some research, it appears it should have been in PLA's original lighting plan.

Beau continues by saying the contract went out for complete bid, and PLA received five (5) responses. We went with Le Com, a Detroit Based business, which came in at \$191,000. The next lowest bids were \$202,000 and \$247,000 all the way up to \$789,000, which was a great variation of the bids submitted. Beau mentions for transparency, Le Com is mentoring a second DBB, that's minority owned because they are trying to foster their relationship with minority businesses in Detroit – both for us (PLA) as well as with DTE. He told them as long as they underwrite the work and have proper management, I would be open to them working with a subsidiary of theirs - being a minority owned vendor. Beau then asks if there are any questions.

David Jones asks, how was it determined that PLA were ultimately responsible for the lighting? Beau answers by saying MDOT has always told us we were responsible, but if you look at the old system (PLD) historically, all lights on the city's circuits. There was one overpass that MDOT modernized on I-94 and Van Dyke. It would be no way to tie those into the freeway circuits, because all freeway circuits are underground on the freeway going one way, and the overpass lights are perpendicular going the other so there would be no way to do this that going to MDOT and trying to do something legally to get them to pay us for it; but it would still be them paying us for the lights on our circuit.

Dr. Thomas added, someone just missed it. They are and always have been on PLD circuit.

Beau added, there were some other issues as well. The underground infrastructure on the freeways is MDOT property and they told us we cannot use it. When they told us that, there was some confusion as to who was responsible for it. It's essentially a temporary fix. When they replace the bridges, they'll pay for the cost of new lights/system. It's currently providing relief for these areas. In the grand scheme of things, it's not a huge expense for us.

David Jones: Will the minority company assist with installing lights on the bridges?

Beau Taylor: Yes they will.

Dr. Thomas: We're really trying to use as much leverage as we can to create new Detroit based minority businesses. We put that out there as a requirement of our contractors to share that mission with us.

Beau Taylor: They're not going to charge us 8% mark-up on it. So, it's a pass-thru. The bid the contract outright and came to us afterward, which was a great idea.

Dr. Thomas: I thought it was a really great price, excellent.

Dr. Thomas then asked if there were any more questions. Hearing none, Dr. Thomas asks for a motion to approve.

Motion made to approve by: David Jones

Seconded by: Donnell White

Motion Carried

Resolution 2018-02 – Approving Construction Contract West Jefferson/Motor City Casino - J. Ranck Electric, Inc.

Beau states J. Ranck won 2 contracts – both similar, both underground. West Jefferson is around Joe Louis Arena. He explains that he cannot tell the board why this area did not get done. J. Ranck came in not only the lowest, but the lowest by a factor of 10% and the way we did the procurement was low bid unless a DBB came within 10% of a non-DBB. We thought the spirit of the Best Value contracting was to give that extra push to Detroit based firms, but in respect to the amount in which we do that, we thought if we went above 10% that it would not be in the best interest of the tax payers. So we did go with J. Ranck on this one. They are a firm headquartered in Mt. Pleasant, Michigan, with a lot of work in and around Metro Detroit. Beau goes further to state that from his experience, J. Rank is very skilled in the underground, so we will get quality work and recommends the Board approves this contract.

Patrick Padgett, Secretary joined the conference call at 6:20 p.m.

Dr. Thomas acknowledges Patrick Padgett and bring him up to speed on what resolution we are currently discussing.

Dr. Thomas then refreshes the Board's memory by saying this was the 40 poles left when PLA closed out the lighting project at December of 2017. These 40 poles could not be completed because Comcast was still working with their wiring underground. So the lighting project was finished with the exclusion of these 40 poles.

Beau mentions that Dr. Thomas covered part one of the resolution; part two was Motor City Casino. J. Ranck was the winner bidder as well. Dr. Thomas then asks if there are any questions regarding this resolution. Hearing none, Dr. Thomas asks for a motion to approve.

Motion made to approve by: Donnell White
Seconded by: Patrick Padgett

Motion Carried

Donnell White asks: Out of the companies that we're looking at, how many bids did we receive from Minority Owned and Women Owned companies?

Beau: Energy Group was previously minority owned but were bought out by their non-minority partner about a year ago. They are a Detroit based business. Le Com is Detroit based, non-minority owned but they are going to work with a partner to ensure they do have representation. Stateline bid, however they do not have the capacity to do the work. Rauhorn and J. Ranck are neither Detroit businesses nor minority owned businesses. Beau goes on to say in this industry there are not a lot of minority owned firms. That is why it is attractive for Le Com to be willing to work with and foster a new firm, because there really are not any firms out there that are minority based and Detroit based other than Stateline.

Donnell White: I'm glad you brought that up Beau, and we hopefully we can continue to encourage that kind of participation with Detroit owned and minority owned companies, particularly some of the larger contracts that we're putting out there. I think it will continue to grow from these other companies and put them into position to be able to onboard larger contracts, not only with us, but with other projects as well.

Dr. Thomas: I think it's very well known that we are very sincere in our desire to make this not only a good project, but also a project that allows minority and DBB's to grow. And clearly we do—even in our scoring system, we do give a higher score to someone who is Detroit based or is willing to work to mentor another firm. With Stateline, they are at absolute capacity now. They are having trouble keeping up with our daily maintenance requirements. So I think they are not in position to bid on any of this. They don't have the person power to do it. They're just barely keeping with our day to day maintenance. So we hope in the coming years they will grow.

Beau: We are looking at all of our remaining vendors and seeing where we can hopefully change out some that are not Detroit based minority owned. I'm looking specifically at suppliers of the actual fixtures, I don't think they have any connection with the City, and I wouldn't have considered them to have done any bang-up job, so I see no reason why we can't go to market, put our and RFP and revisit that contract as well. I think that would be a topic for the next Board Meeting, but it's something that we're absolutely looking at.

Donnell White thanks Dr. Thomas for the opportunity to keep that point in the conversation. Dr. Thomas acknowledges, if we don't do it, who will?

Resolution 2018 -03 – Approving Construction Contract GSA Complex, W. Grand Blvd., and City-Wide Pole Removal – Energy Group, Inc

Beau mentions all three contracts. The first being the GSA Complex downtown, is the Mac Namara Federal building, there's a campus with cordoned off streets that are not accessible so there was some consideration for the security as well as the planning that put this off. They couldn't do this with the assembly line approach, so we had to come back and do this after the project was over. It's all underground fed. Energy Group was not the lowest bid, but they were within 5% of the lowest bid so we wanted to go with a Detroit Based business. They are the ones that maintained the underground for PLD they're qualified, they know the city, they know the underground infrastructure, and should not have a problem with it. West Grand Boulevard is an overhead job. It is just west of Henry Ford Hospital, where they have two medians on both sides of the road. The lights outside of both medians and is not providing enough light for the side of W. Grand Blvd. that people drive on, so we are going to move the poles to the middle of the median and put a separate arm on it, so it comes off both sides. We will put one up and go out and see how it looks first. The last one is the City-Wide steel and pole removal. Again, Energy Group came within 1% so we went with them as a DBB. The total value of this contract is an estimate—it's more unit based. We don't know how many abandoned poles are still out there, so we gave a rough estimate. We're just going to have the Energy remove the base and saw cut the poles when identified. There's a lot of blight, with residual poles; particularly the Lodge Service drive near Clairmount, as well as LaSalle Gardens and the far west side on the Grand River corridor, as far as Greenfield near Telegraph.

Dr. Thomas: I drove all the city except one small section on the east side over the last week and a half and there are a ton of poles. So when the estimate was done as to the money, how many poles were figured in? Or was not a number assigned, because I bet it was too low.

Beau mentioned he guesses it was between 700 and 1000.

Dr. Thomas asked are there any more questions.

Patrick Padgett asks if the poles will be saw cut?

Beau states he misspoke, they will not be sawcut. They will physically remove the poles and back fill the holes. He also states the removal of the base will be an extensive part of this contract for the ones that need them removed.

Dr. Thomas asks for any other questions.

Patrick Padgett asks if Energy Group will do all these contracts in parallel? As they are different areas of work.

Beau mentions they are different skill sets as well. He believes the GSA complex will be priority. The steel and wood poles, Energy can take a crew and go out and pick up poles on their way in, and integrate that with other work they're doing, not necessarily PLA but their work with the city. They have crews all over the city, so he imagines they will pick up poles as part of their scheduled work during the day once locations have been identified.

Donnell White adds that he works in the New Center Area and he knows that intersection is major for accidents and downed poles are a thorn in the side and asks Beau if we can get any information as to where those accidents are happening and extra thought to where poles are placed.

Dr. Thomas says that's an excellent point.

Beau: Asks what intersection Mr. White refers?

Donnell White: The median between the north bound and south bound Lodge service drive at W. Grand Blvd.

Dr. Thomas: Where you're waiting to make your turn to go onto the Lodge.

Donnell White: Exactly.

Beau: If we need to add an extra light there, we can go ahead and do that. Beau adds that he will go out and survey the area in question. Drive it at night to see.

Donnell White: I don't know if it's a lack of lighting, as much as it is...

Dr. Thomas: Pole placement.

Donnell White: Almost every other day I see a car or two cars up on the curb into a pole. That's a major accident intersection. I just want to make sure that we put some extra thought in terms of where the poles are located given that.

Dr. Thomas asks if Beau will send Ben or the other Engineers to go to that location and adjust the pole placement so that they weren't in the direct arc of a car out of control making that turn.

Beau agrees to make sure he goes out after dark with staff to check the area.

Patrick Padgett has a quick question: Did we explore a different head a larger throw, versus adding more poles?

Beau: If we go with option one, moving the pole to the median and adding an arm to both sides, it would effectively be the same number of poles, if we did go and have the ones in the median, I don't think if you look at the width of W. Grand Blvd., including

the Service Drive, there really is a light that can throw directionally that much forward. We didn't go that direction. I think it would probably be higher wattage must likely a HPS (high pressure sodium) because of the direction of the beam coming out.

Dr. Thomas asks for a motion to approve.

Motion made to approve by: David Jones

Seconded by: Donnell White

Motion Carried

Resolution 2018 -04 – Approving License Agreement between PLA/PLD and New Cingular Wireless

Dr. Thomas introduces resolution, but before it's is described, she discloses that AT&T is her son Buzz's client. However, she has reviewed this agreement with counsel, and found there is no conflict of interest, as this is a City of Detroit agreement that is open to all wireless providers.

David Jones: What is the relation between Singular and AT&T?

George Pitchford: AT&T purchased Singular some time ago.

Beau: Beau wants to propose for future Board meetings to have a blanket resolution for all agreements, as this is a PLD issue. The City wanted the PLA to vote on this to dot their I's and cross their T's.

David Jones: Can you expound on this Beau? If this is not a PLA issue, what's the reason for us approving it?

Beau: It's an issue in a sense that we need to be able to look at the operational component of it – make sure that the poles are able to take whatever asset they are attaching to it, it may be an esthetic issue, it may be a weight issue, from that aspect we absolutely have to be involved on the operational side. But on the business side of it, the contract is between the City of Detroit and the provider, and the revenue goes to the City. So from that perspective, we're not an enabling body, per se that approves the contract that allows them to do this. We are the operational component that allows them to go on and inspects the pole, and what have you. The City has put together a rate structure that is for everybody. It's a blanket rate structure. So that is why I'd like to put together a resolution that encompasses all of it, since all of them are effectively the same, there's no reason why one would have an advantage of the other in terms of approvals, I think that a blanket resolution could cover it, if that could be a legal option. So we wouldn't have to do this every time a resolution comes up.

David Jones: Since we aren't technically approving it, can we change one word in the language of the resolution? Take out "approve" the agreement between the City and AT&T? We not going to approve it, that's going to be executed by the city, correct? Can we say support?

George Pitchford: I would recommend that we leave approve. Because I believe on the agreement, the PLA is a signatory to the agreement. So, to Beau's point, for the PLA this is effectively to us just an attachment agreement, which we typically wouldn't bring before the board to approve, and we certainly wouldn't have a separate agreement. It would just operate under our usual policy for anyone who wants to attach things to the poles. However, in this case, this is obviously a little bit different in terms of what they want to attach. For us, in this contract, the most important thing is that we have the ability to review what is going to be attached to the

pole, and quite frankly, to reject and modify how those attachments will be carried forth to make sure that we can protect the poles. So we are a signatory to the contract, because it's effectively an attachment agreement, it's probably arguable on whether we need to approve it. To Beau's point of having some blanket resolution that allows us to proof these so they're not coming up at every board meeting, that probably is something we should look at. But I would leave the word approve in the resolution.

Dr. Thomas: I'm comfortable with the language to approve. Because the pole is our asset, and that would give us future say as to what is attached to it.

David Jones: I don't fundamentally have a major problem with it but, ...when someone says we don't really need you to sign, approve, or authorize this, but I want you to do it...If I don't need to do it, I would prefer not to do it. And I'm not saying this is the issue on this matter, but words and contracts and signatures matter when there's an issue later. That's all. Not that this is.

Donnell White: Madam Chair, I would offer an additional question, maybe Beau could speak to it. Has there been any thought, as we've had this conversation about people attaching on to the asset a shared expense or a surcharge that also goes toward downed poles, not only for that particular pole, but the overall expense that we're covering?

Beau: No. And there's a specific reason. The pole attachment fee that the City generates, seems to be at a pretty good rate and that is to cover, in fact, such expenses. The city would then give that money to us through our contract, it's capped at a certain amount, but they would use that to offset their general fund contribution to the PLA contract. So it's a way to help pay us.

Donnell White: In a downed pole scenario that has a third-party equipment attached to it, and that equipment becomes damaged as well, where does it speak to who is responsible for that equipment?

Beau: That is a very intuitive question. I don't have an answer for you as to equipment itself is damaged.

Donnell White: Can the contractor speak to that issue?

George Pitchford: It does, and I have to apologize because it was a little while ago when I read this, I cannot Donnell point to exactly where it is, but any damage to theirs, it's not the PLA has to pay to fix, a vendor's asset.

Beau: I am looking at the Indemnity Section – 7.01, just by glance, it appears there is indemnification. So, I don't believe, and George please correct me 100% if I'm speaking too quickly, that there would be a quick scenario where they could hold PLA liable....

George Pitchford: Oh no.

Beau: Unless we damaged it ourselves, when we were doing maintenance on it. I don't believe that they would have any recourse to come after PLA from a legal standpoint if a third party hit the pole.

Dr. Thomas: The way I read it, it specifically agrees that it's supposed to indemnify, and hold harmless the City of Detroit, the Public Lighting Authority and both their offices, employees and maintenance against and from any and all liability...I think that point is covered pretty well. That's 7.01

Donnell White: Madam Chair, I just have one final one for George. So if we are a signatory on a contract, what does it obligate us to do and what are we entitled to George?

George Pitchford: Well, let me answer what are we entitled to. So there's references throughout the contract that talks about the PLA's right to reject attachments to inspect attachments, to change where attachments are put, and take them down if they have to, to move them, so it gives us full rights.....

Donnell White: So we have sole discretion to do that, make that decision? Or is it joint?

George Pitchford: No. It's not joint in this case with Singular. No, it is our discretion.

Donnell White: Okay

George: In terms of what obligates us to do, to be frank with you, that's why to Beau's earlier point, it's almost to a point of why we are approving this, but it really doesn't obligate us to do a whole lot, because we're not involved in the money transaction side of it. That's really more so between the City and the vendor in this particular case. I guess it obligates us from a standpoint of, we can't just rip things off without giving them notice; they're certain notice provisions in here; before you want to do things to the vendor's asset. But, quite frankly, there's being nothing you would kind of anticipate in this type of relationship.

Dr. Thomas asks are there any other questions. Hearing none, Dr. Thomas asks for a motion to approve.

Motion made to approve by: David Jones

Seconded by: Donnell White

Motion Carried

PUBLIC COMMENT

Dr. Thomas asks if there is any public comment. Greg Clark, AT&T. Mr. Clark addresses the Chair and Board and acknowledges his colleague, Mr. Bob Jones and thank the body for their work with this agreement; and look forward to the partnership and stand to be a long partner with the organization and Gen Networks that will reside on City assets and looking forward to an overall great relationship going forward. They stand to assist any and all parties moving forward.

Dr. Thomas thanked the gentlemen for coming out. And looks forward to talking with them in the future.

ADJOURNMENT

Dr. Thomas adjourned the meeting at 6:55 pm.

The next Board of Directors meeting is scheduled for Wednesday, May 16, 2018