

**MEMORANDUM**

**DATE:** October 8, 2024  
**TO:** Melissa R. Marsh, City Manager  
**FROM:** Sean P. Ballantine, Director of Public Services  
**SUBJECT:** Bid Award – Police Department HVAC Replacement Phase 2

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In the FY 2022-23 Budget, funding was accumulated for the replacement and optimization of the HVAC system at the Police Department. A single bid was received by the deadline, and was significantly higher than the budgeted amount, resulting in the city, our energy consultant Energy Sciences, and the sole responsive bidder developing a phasing plan. Phase 1, involving the replacement of the rooftop air handlers, radiant heaters in the security garage, HVAC unit for the tunnel, the integration of a digital control system, and the engineering for the future Phase 2 has recently been completed.

As Phase 1 was being undertaken, additional funds were programmed in the budget for a future Phase 2. Staff also applied for a grant from State Representative Mike McFall to help us complete the project in a more timely manner, and to mitigate the impact on the General Fund. We were awarded this grant in the amount of \$500,000, and it has been confirmed by Denny's Heating and Cooling, the successful bidder on Phase 1 as well as the projects at the Civic Center Campus, Court, Library, and former Active Adult Center that they are able to hold the pricing from the original 2022 bid.

Phase 2 will complete the Police Department HVAC project, increasing the building's energy efficiency by replacing the failing electric reheat variable volume air boxes with a hot water natural gas boiler system. Further, all boxes will be converted to reheat capability which will greatly increase occupant comfort; the building is currently configured to only have heat on the very outermost zones.

Staff therefore recommends that Council consider two motions:

To approve a Budget Amendment in the amount of \$500,000 to account 101-301-987-0000, reflecting the awarded grant funds.

To award the Police Department HVAC Replacement, Phase 2 to Denny's Heating and Cooling, of Troy, in the amount of \$611,815. This represents the base cost, acceptance of the option to replace the 8 rooftop fans, and an allowance to replace the broken and worn diffusers. Funding is budgeted and available.

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**Department of Public Services**  
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