

**MEMORANDUM**

**DATE:** March 17, 2026  
**TO:** Melissa R. Marsh, City Manager  
**FROM:** Sean P. Ballantine, Director of Public Services  
**SUBJECT:** Bid Award – Fire Station 1 HVAC Replacement

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The FY 2025-26 budget includes accumulated phase-funding for the replacement of the HVAC system at Fire Station 1. The system is original to the building, and at 22 years of 24/7 service, is in poor overall condition, and warrants replacement.

This project was originally planned for the 2026-27 budget year, but was brought forward due to the overall condition of the system, and the unexpected availability of additional funding. The second phase of the recent Police Department HVAC project was covered by a grant, and it was determined that it would be in the City's best interest to utilize the originally budgeted funds to accelerate the timeline on the fire department project. To that end, Staff and our consultant, Energy Sciences, prepared Request For Proposal 1085 for the complete replacement of the HVAC system, and installation of the City's Carrier i-Vu direct digital control (DDC) system.

Although six people attended the mandatory pre-bid walkthrough, only one bid was received by the deadline, from Denny's Heating and Cooling. Denny's is our current HVAC maintenance contractor, and has been the successful low bidder on all of the City's HVAC projects, including the original Active Adult Center, the Library, City Hall lower level, Court, City Hall Renovation, Fire Station 2 renovation, and most recently, the Police Department. They continue to be a highly skilled and valued contractor, providing quality work at a cost-effective price point.

Fire Station 1 has a history of HVAC issues. Shortly after the building was commissioned, it was discovered that the system had not been properly engineered, resulting in ongoing humidity and temperature control issues in both the living areas and administrative offices. Despite continuous efforts and adjustments, these issues still remain, although to a much lesser extent. This project is designed to properly mitigate them. With this consideration, and the fact that there was only one responsive bidder, Staff conducted an extensive due diligence period, including a follow-up meeting with the prospective contractor and our consultant to identify and address any concerns. Any remaining questions have been answered to our satisfaction, and we are confident that this proposal is sound, and provides the best value to the City.

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**City of Madison Heights**  
**Department of Public Services**  
801 Ajax Drive  
Madison Heights, Michigan 48071

**MEMORANDUM**

Staff therefore requests that Council consider two motions:

To approve a Budget Amendment to account 101-336-987-0000 in the amount of \$206,200. This represents originally budgeted funding for the Police HVAC Phase 2.

To award the Fire Station 1 HVAC Replacement project, including Alternate 1 to Denny's Heating and Cooling, of Troy, for a total project amount of \$361,200.

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