



CITY OF NOVI CITY COUNCIL
SEPTEMBER 9, 2024

SUBJECT: Consideration of approval to award the contract to Long Mechanical, the low bidder, for Novi Ice Arena replacement of existing HVAC units in the amount of \$733,560 and amend the budget.

SUBMITTING DEPARTMENT: Parks, Recreation & Cultural Services

KEY HIGHLIGHTS:

- Replacement of the original (1998) Novi Ice Arena HVAC units is necessary due to age and mechanical failures.
- The project scope consists of replacement of the dehumidification unit, locker room make up air unit and a pair of duct furnaces serving the ice rinks.
- The project will require a 2-week shutdown to complete repairs in spring 2025.

	FY 23/24	FY 24/25	Total
EXPENDITURE REQUIRED	\$ 0	\$ 733,560	\$ 733,560
BUDGET			
1. Dehumidification project rollover into FY 2024-2025 (570-000.00-976.221)	\$ 167,505	\$ 167,505	\$ 167,505
2. HVAC Replacement (570-000.00-976.221)	\$	\$ 0	\$
APPROPRIATION REQUIRED	\$	\$ 566,055	\$ 566,055
FUND BALANCE IMPACT	\$	\$ (566,055)	\$ (566,055)
• 20% contingency is included in expenditure requirement • Use of fund balance/reserves of \$566,055. • Current balance of reserves is just over \$900,000			

BACKGROUND INFORMATION:

The City of Novi accepted proposals from qualified firms for the replacement of existing HVAC units at the Novi Ice Arena, located at 42400 Nick Lindstrom Dr, Novi, MI 48375.

The project includes demo and disposal of old units, all gas and electrical connections, delivery and rigging of new equipment, new duct work, and all required permits.

Long Mechanical was the lowest responsible bidder for this project. Long Mechanical has satisfactorily completed similar scale projects for southeast Michigan facilities. Long Mechanical provided a voluntary alternate in the amount of \$11,300 for the replacement of the entire roof of the mechanical area roof. Staff and our consultant, OHM Advisors recommends award of this contract and accepting the voluntary alternate to Long Mechanical in the amount of \$611,300 for the project. Staff is also recommending a 20% contingency be approved for unanticipated expenses that may occur during the project. The City's previously budgeted project of the replacement of dehumidification units will be rolled over to assist with the costs of the HVAC replacement. The rollover amount is \$167,505.

It is important to note, the Ice Arena's last debt service payment was made during fiscal year 2024. The Ice Arena is now debt free. Annual debt service payments were approximately \$500,000.

RECOMMENDED ACTION: Consideration of approval to award the contract to Long Mechanical, the low bidder, for Novi Ice Arena replacement of existing HVAC units in the amount of \$733,560 and amend the budget.