

July 27, 2026

Brian Weber
Plante Moran Realpoint (PMR)
3000 Town Center, Suite 100
Southfield, MI 48075

RE: City of Novi - Fire Station 2 & 3
"Scope-to-Budget" VE Process & Assessment

Dear Mr. Weber:

Following completion of the 35% Schematic Design cost estimate for Fire Stations No. 2 and No. 3, the City of Novi Police and Fire Department Chiefs, Plante Moran Realpoint (PMR), The Christman Company, and the entire AEC design team initiated a comprehensive Value Engineering (VE) assessment per the approach outlined herein to identify opportunities to reduce project costs to both sites and restore alignment with the City's original targeted construction budget objective of \$8.5 million per station. The assessment was conducted as a collaborative and disciplined review of every major building system, site improvement, and civil infrastructure component. Rather than focusing solely on first-cost reductions, the evaluation emphasized preserving the long-term operational performance, firefighter safety, durability, and public value expected of these critical public safety facilities while identifying opportunities to improve construction efficiency and reduce unnecessary project costs.

While there are still some outstanding items listed on the CMar's VE log that have yet to be priced and tracked that have been identified as potential added cost savings, HED still believes that the two fire station projects are now much closer to within the 10% threshold of the city's targeted construction budget. It's important to note that this goal can be further achieved through continued design refinements, in addition to the city's relaxation of targeted design standards, as well as maximizing the contractors subtrade bidding environment. HED is committed to continue working to identify and explore additional cost reduction opportunities while still protecting the Public Safety Departments operational needs, program and design integrity of each station.

Comprehensive Evaluation

The Value Engineering effort that was completed represents a comprehensive review of the project, evaluating more than sixty individual value creation opportunities across all major project disciplines, including civil engineering, site development, utilities, landscape architecture, structural systems, building envelopes, interior construction, mechanical, electrical, plumbing, and specialty systems. The evaluation focused on the highest-cost components identified in the 35% estimate, where meaningful cost reductions could be achieved without compromising the core mission of the facilities.

Balanced Decision-Making

Each value creation opportunity was evaluated using a consistent set of criteria extending well beyond initial construction cost. Recommendations were assessed for their impact on firefighter operations, emergency response capability, public safety, long-term maintenance requirements, durability, life-cycle value, constructability, schedule, and code compliance. This disciplined approach ensures that cost reductions are considered within the broader context of the City's long-term investment rather than solely on short-term budget impacts.

The assessment also distinguishes between recommendations that can be implemented administratively by the project team and those requiring operational direction from the Novi Fire Department or policy decisions by the City. Several site-related recommendations, including modifications to screening walls, landscape requirements, stormwater management strategies, and other ordinance-driven site improvements would require review and approval through the City's Community Development team and waivers provided to allow relaxation from city design ordinances and standards.

Balanced Value-Based Approach

The assessment intentionally prioritizes recommendations that simplify construction, reduce architectural complexity, optimize building systems, and improve construction efficiency before considering measures that could affect operational capability or service delivery. Opportunities such as simplifying exterior materials, optimizing structural systems, refining site improvements, reducing unnecessary architectural enhancements, and selecting alternative building systems offer meaningful cost reductions while preserving the operational integrity, civic character, and long-term durability of the facilities.

Only after these opportunities are fully considered does the assessment identify alternatives that may affect building program, operational flexibility, or future expansion potential. These items are clearly identified for additional discussion with City leadership and Fire Department representatives to ensure that any decisions involving operational impacts remain policy decisions rather than purely financial decisions.

Meaningful Progress Toward Budget Alignment

The completed Value Creation Log created and managed by The Christman Company demonstrates that the collaborative evaluation and has identified **approximately \$2.34 million in potential combined savings** across Fire Stations No. 2 and No. 3, providing a realistic pathway toward substantially reducing the current budget variance while maintaining the City's operational objectives. Many of these opportunities can be implemented through design refinement, material selection, system optimization, and construction efficiency, while others remain subject to City approvals, operational decisions, market conditions, and continued design development.

Although additional refinement will continue throughout Design Development and Construction Documents, the assessment confirms that meaningful progress can be achieved through thoughtful optimization of the current design rather than fundamental wholesale changes that impact the operational program or mission of either fire station.

Conclusion

The Value Engineering assessment should not be viewed as a cost-cutting exercise, but rather as a strategic value optimization process that balances fiscal responsibility with the City's commitment to providing safe, durable, resilient, and efficient public safety facilities. The recommendations contained within this assessment provide City leadership with a structured framework for evaluating project priorities, making informed policy decisions, and responsibly managing public investment while preserving the operational excellence and long-term service life expected of Fire Stations No. 2 and No. 3.

Ultimately, the objective of this effort is to deliver two high-quality fire stations that support the operational needs of the Novi Fire Department, provide exceptional long-term value to the community, and reflect the City's commitment to responsible stewardship of public resources through informed, collaborative, and value-based decision making.

Should you have any questions regarding this information, or if you wish to discuss any other aspects of the project, please contact the HED leadership team directly.

Sincerely,

Steve Jackson
Assoc. Sr. Project Manager

CITY OF NOVI: FIRE STATIONS No. 2 & No. 3 VALUE CREATION ASSESSMENT

DESIGN PHASE

- 35% Schematic Design

PROJECT OBJECTIVE

- Restore Fire Stations No. 2 and No. 3 to the City's original construction budget target of \$8.5 Million per station while preserving firefighter safety, operational readiness, long-term durability, and responsible stewardship of public investment.

PROJECT STATUS

	Fire Station 2	Fire Station 3
Original Construction Budget	\$8.50M	\$8.50M
35% SD Construction Estimate, dated May 29, 2026	~\$12.2M	~\$12.6M
Budget Status	Over Target	Over Target
Projected Value After Current VE Log, per revised CMaR estimate dated 7/23/2026	≈ \$10.5M	≈ \$10.7M
• Additional refinement during Design Development and market pricing may further improve budget alignment.		

VALUE CREATION PROCESS

Comprehensive Evaluation

- More than 60 value creation opportunities were evaluated across every major discipline to maximize value while minimizing operational impacts.

Discipline	Primary Focus
Site & Civil	Utilities, grading, paving, detention, retaining walls
Landscape	Plantings, irrigation, screening, berms
Architecture	Exterior materials, roofing, glazing, finishes
Structure	Foundations, framing systems, roof structure
Mechanical	HVAC systems, controls, plumbing
Electrical	Generator, lighting, security, low-voltage
Interiors	Finishes, casework, specialty equipment

GUIDING PRINCIPLES

Preserve What Matters Most

- ✓ Firefighter Safety
- ✓ Emergency Response Readiness
- ✓ Code Compliance
- ✓ Operational Functionality
- ✓ Long-Term Durability
- ✓ Public Investment Value

Reduce Cost Through Better Value

- ✓ Simplify Construction
- ✓ Eliminate Unnecessary Complexity
- ✓ Optimize Building Systems
- ✓ Improve Constructability
- ✓ Reduce Life-Cycle Maintenance
- ✓ Maintain Civic Character

HIGHEST VALUE OPPORTUNITIES

Opportunity	Value Potential	Operational Risk
Exterior Material Simplification	★★★★★	Low
Site & Civil Optimization	★★★★★	Low-Medium
Roofing Simplification	★★★★☆	Low
Structural Optimization	★★★★☆	Low
Mechanical & Electrical Optimization	★★★★☆	Low-Medium
Interior Finish Optimization	★★★☆☆	Low
Landscape Optimization	★★★☆☆	Low

DECISION FRAMEWORK

Ready for Design Team Implementation

- **No policy changes required**
- Material substitutions
- Structural optimization
- Interior finish simplification
- HVAC optimization
- Electrical optimization
- Lighting revisions
- Constructability improvements

Requires City Review / Ordinance Relief

- Alternative stormwater strategies
- Berm removal
- Screen wall revisions
- Landscape reductions
- Sidewalk modifications

Requires Fire Department / Owner Direction

- Apparatus Bay Modifications
- Program reductions and/or modifications
- Generator use: existing vs. new. Capacity sizing to be determined to provide clarity of each option for informed decisions.
- Security system reductions
- Snowmelt system revisions
- Apparatus door alternatives

EXPECTED OUTCOME

- The Value Creation Assessment demonstrates a practical pathway toward substantially reducing the current budget variance while maintaining:
 - Firefighter operational readiness
 - Public safety performance
 - Long-term facility durability
 - Community architectural quality
 - Sustainable maintenance costs
 - Responsible stewardship of City Resources

Conclusion

The Value Creation Assessment is not simply a cost-cutting exercise. It is a strategic evaluation intended to maximize long-term value by balancing fiscal responsibility with firefighter safety, operational effectiveness, durability, maintainability, and architectural quality.

The assessment provides City leadership with a structured framework for making informed decisions that preserves the mission of the Novi Fire Department while responsibly managing public investments.

End Of "Scope-to-Budget" / Realignment VE Process