



**CITY of NOVI CITY COUNCIL**

**Agenda Item G  
August 14, 2017**

**SUBJECT:** Approval to amend the current contact hourly rate with R.W. Mead & Sons, Inc. for heating, ventilation, and air conditioning (HVAC) services.

**SUBMITTING DEPARTMENT:** Integrated Solutions Team- Facilities Management Division

**CITY MANAGER APPROVAL:** 

<b>EXPENDITURE REQUIRED</b>	<b>\$ Estimated 2,500</b>
<b>AMOUNT BUDGETED</b>	<b>\$ 64,000</b>
<b>APPROPRIATION REQUIRED</b>	<b>None</b>
<b>LINE ITEM NUMBER</b>	<b>814- Contractual Services 934- Building Maintenance For Departments 256, 301, 337, and 442</b>

**BACKGROUND INFORMATION:**

The City of Novi contracts HVAC services for the following municipal facilities: Civic Center, Police Station, Indoor Gun Range, Department of Public Services, Fire Stations 1,2,3, and 4. Additionally, we have included an option to allow the Library, Ice Arena, and Meadowbrook Commons to leverage this contract, should they choose, for services not covered by existing warranties. The scope of services provided by the vendor is as follows: scheduled preventative maintenance, general repairs and upgrades, and seasonal start-up/shutdown.

This request is to amend the current contract hourly rate to reflect the following increases:

- Current Regular Rate: \$80.00/hour                      Proposed: \$95.00/hour
- Current Overtime Rate: \$113.00/hour                      Proposed: \$135.00/hour
- Current Sunday/Holiday Rate: \$153.00/hour                      Proposed: \$185.00/hour

This rate increase is due to R.W Mead not receiving monetary help on a per hour basis from the HVAC union. This target money has ceased due to the positive economic construction market. We feel that the increase is fair and reasonable is the current market. If approved, R.W. Mead will hold the current labor rate until the contract renewal in October.

**RECOMMENDED ACTION:** Approval to amend the current contact hourly rate with R.W. Mead & Sons, Inc. for heating, ventilation, and air conditioning (HVAC) services.



*Contractors - Engineers  
Troubleshooters - Maintenance  
of Mechanical Systems*

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A Michigan Corporation

June 20, 2017

City of Novi  
45175 W. Ten Mile Road  
Novi, MI 48375  
Attn: Brandon McCullough

Regarding: Change in Contract Labor Rates

Mr. McCullough,

Per our phone conversation and emails, at the renewal of the contract October 31, 2017 the labor rates will change to \$95.00 per hour. The overtime rate will be \$135.00. The double time rate will be \$182.50. Assuming that this is accepted by your council, we will hold the labor rate at \$80.00 per straight hour until October 31, 2017. We will keep the maintenance contract at the same price until you go out to bid again in 2019.

This rate increase is due to R.W. Mead not receiving monetary help on a per hour basis from the union. We had been receiving target money but that has stopped.

There is a clause in the contract which states a change may be made to the contract as long as both parties agree in writing. This letter serves as our written request for an hourly rate change to the contract.

Please feel free to let me know if you have any further questions.

Sincerely,

R.W. Mead & Sons

Kara Cumming

Construction / Service Dept.



- OUR MISSION -

To provide the highest standard of quality and value with a work force motivated by pride and the confidence in their ability to surpass the expectations of our customers



Award has been made to R.W. Mead & Sons.

CITY OF NOVI  
HVAC MAINTENANCE PROFESSIONAL SERVICES CONTRACT BID TAB

9/13/16  
2:00 P.M.

Base Bid- Inspections	Frequency	Annual Qty	Stuart Mechanical		R.W. Mead		Trane		Miller-Boldt	
			Unit Cost	Annual cost	Unit Cost	Annual cost	Unit Cost	Annual cost	Unit Cost	Annual cost
Civic Center	once per quarter	4	1,339	5,356	1,350	5,400	1,256.25	5,025	3,264	13,056
Police Dept.	once per quarter	4	900	3,600	930	3,720	716.25	2,865	2,706	10,824
Indoor Gun Range	twice per year	2	298	596	310	620	295	590	330	660
DPS	once per quarter	4	824	3,296	850	3,400	1,438.25	5,753	1,851	7,404
CEMS Building	twice per year	2	206	412	230	460	270	540	186	372
Fire Station 1	twice per year	2	515	1,030	540	1,080	632.50	1,265	702	1,404
Fire Station 2	twice per year	2	303	606	322	644	599	1,198	480	960
Fire Station 3	twice per year	2	216	432	235	470	497.50	995	414	828
Fire Station 4	twice per year	2	515	1,030	885	1,770	860	1,720	1,038	2,076
<b>TOTAL</b>				<b>16,358</b>		<b>17,564</b>		<b>19,951</b>		<b>37,584</b>
<b>Alternates</b>										
#1 - Ice Arena	once per quarter	4	412	1,648	425	1,700	607	2,428	2,328	9,312
#2 - Library	once per quarter	4	no bid		1,135	4,540	no bid		2,496	9,984
<b>Repairs/Service/Shutdown/ Startup (Hourly Rates)</b>										
Regular Hours	M-F 8-5pm, DPS 7:30-4 pm		86		80		135		99	
Overtime Hours	M-F after 8, first 8 on Sat		104		113		202.50		128	
Sunday Hours	12 am Sat - 8 am Mon		127		153		270		149	
Holidays	5 pm prior night - 8 am following day		127		153		270		149	
<b>Materials</b>										
Markup from wholesale cost %			15%		25%		Contract Preferred customer pricing		15%	
<b>Other Charges</b>			Rental: cost + 10%; crane: cost + 10%; Electrician: cost + 10%; permits: cost + 10%				Trip Charge: \$75.00/day; Fuel surcharge: \$15.00; Environmental Charge: \$30.00		Combustion Analyzer: \$100.00; Power washer: \$25.00; Hoisting service (crane rental): \$450.00; Manlift rental: \$300.00	
<b>Exceptions to specification</b>					inspection of 30 titus VAV boxes at Novi Public Library					
Acknow. Addendum			Y		Y		Y		Y	



# CITY of NOVI CITY COUNCIL

**Agenda Item I  
October 10, 2016**

**SUBJECT:** Approval to award the contact to R.W. Mead & Sons, Inc. for heating, ventilation, and air conditioning (HVAC) services. The Contract includes scheduled inspection, preventative maintenance and service/repair at an estimated cost of \$64,000.

**SUBMITTING DEPARTMENT:** Information Technology- Facilities Management

**CITY MANAGER APPROVAL:** *[Signature]*

<b>EXPENDITURE REQUIRED</b>	<b>Estimated \$64,000</b>
<b>AMOUNT BUDGETED</b>	<b>\$ 64,000</b>
<b>APPROPRIATION REQUIRED</b>	<b>N/A</b>
<b>LINE ITEM NUMBER</b>	<b>814.000 Contractual Services \$18,000 934.000 Building Maintenance \$46,000 For Departments 256.00, 301.00, 337.00, &amp; 442.00</b>

**BACKGROUND INFORMATION:**

The City of Novi contracts HVAC services for the following municipal facilities: Civic Center, Police Station, Indoor Gun Range, Department of Public Services, Fire Stations 1,2,3, and 4. Additionally, we have included an option to allow the Library, Ice Arena, and Meadowbrook Commons to leverage this contract, should they choose, for services not covered by existing warranties. The scope of services provided by the vendor is as follows: scheduled preventative maintenance, general repairs and upgrades, and seasonal start-up/shutdown.

This request for proposal was posted on the Michigan Intergovernmental Trade Network (MITN). This process resulted in four vendor proposals for this service. A team comprised of City staff reviewed the proposals. The team evaluated the firm's qualifications and costing for annual preventative maintenance/ inspection, hourly rates, and material markup. After careful review it is the recommendation of this team to award the HVAC/Professional Services contract to R.W. Mead & Sons, Inc. The contract will consist for one year with the option of two additional years.

**RECOMMENDED ACTION:**

Approval to award the contact to R.W. Mead & Sons, Inc. for heating, ventilation, and air conditioning (HVAC) services. The Contract includes scheduled inspection, preventative maintenance and service/repair at an estimated cost of \$64,000.

	1	2	Y	N
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Burke</b>				
<b>Council Member Casey</b>				

	1	2	Y	N
<b>Council Member Markham</b>				
<b>Council Member Mutch</b>				
<b>Council Member Wrobel</b>				