



**CITY OF NOVI CITY COUNCIL**  
**MARCH 23, 2020**

**SUBJECT:** Approval of a three (3) year contract with two mutually agreed upon one (1) year renewal options with Suburban Arena Management, LLC for the management for the Novi Ice Arena, commencing on July 1, 2020.

**SUBMITTING DEPARTMENT:** Parks, Recreation, and Cultural Services

**BACKGROUND INFORMATION:** The Novi Ice Arena is a 75,000 square foot facility with two 85 x 200 sheets of ice. The Ice Arena is accounted for in the City's Ice Arena Fund (an enterprise fund). The source of funding for this project was through revenue bonds, which are to be paid from the rents received from ice sales at the facility. The City of Novi's management (consulting) contract with Suburban Arena Management expires on June 30, 2020.

In accordance with the City's purchasing policy, a Request for Proposals (RFP) was posted on the Michigan Intergovernmental Trade Network (MITN) website (155 firms received email notice of the RFP). Suburban Arena Management was the only firm that submitted a proposal. The management for this facility requires the operation to be self-sustaining with revenue generated from the operations, including repayment of debt service. For the past twenty years, Suburban Arena Management has been successful in running a high-quality, customer service-oriented, operation with a complete complement of ice skating and hockey programs. The ice arena has made all of its debt service payments and established a capital replacement reserve fund under Suburban's management.

The proposed management fee for Suburban Arena Management is as follows:

		<b>Suburban Arena Management</b>
7/1/20 - 6/30/21	Basic monthly fee	\$ 10,198
7/1/21 - 6/30/22	Basic monthly fee	\$ 10,605
7/1/22 - 6/30/23	Basic monthly fee	\$ 10,605
7/1/23 - 6/30/24 (1st renewal option)	Basic monthly fee	\$ 11,030
7/1/24 - 6/30/25 (2nd renewal option)	Basic monthly fee	\$ 11,030
Additional Incentives		Shared incentive schedule: Suburban shall be paid 25% of the annual growth in operating income from fiscal year to fiscal year, each year of the agreement
Other fees:		None

**RECOMMENDED ACTION:** Approval of a three (3) year contract with two mutually agreed upon one (1) year renewal options with Suburban Arena Management, LLC for the management for the Novi Ice Arena, commencing on July 1, 2020.



February 13, 2020

Sue Morianti, Purchasing Manager  
City of Novi  
City Clerk's Office  
45175 W. Ten Mile Road  
Novi, MI 48375

**RE: RFP – Ice Arena Management Services**

Dear Ms. Morianti & City Officials,

It is with great pleasure that we submit our proposal to renew our agreement with the City of Novi for the management services of the Novi Ice Arena. Over the past twenty (20) years we have taken tremendous pride in our ability to meet and exceed the City's objectives for the facility, and at the same time, develop a business model and relationships that have allowed the Novi Ice Arena to greatly out-perform other municipal and private facilities in the marketplace.

As you know, the ice arena industry is challenging in the best of times. Operational costs such as utilities and maintenance continue to rise and as the building ages there is the additional expense of equipment replacement and upgrades to maintain the vibrancy and efficiency of the facility. At the same time, state-wide youth hockey participation numbers (the largest user group) have continued to erode, adding to the pressures of an ever-changing recreational marketplace and necessitating the finding of new and creative ways to generate revenue.

Suburban Arena Management is uniquely qualified to manage the business, with local marketplace expertise and business relationships that have driven the success of the facility and the programs for the past twenty years. Thank you for the continued opportunity to serve on your behalf in making the Novi Ice Arena a true success story and meaningful contributor to the Novi community.

Sincerely,

LYLE PHAIR

Suburban Arena Management, LLC

Encl.



**Submitted to the City of Novi  
by Suburban Arena Management, LLC  
February 13, 2020**

# PROVEN PERFORMANCE

**“People may doubt what you say,  
but they will believe what you do.”**

- ✓ The Novi Ice Arena is one of very few modern-day, municipally-owned ice arenas in the country that is self-sustaining and operating profitably.
- ✓ More than \$12 million in debt service (principal and interest) has been funded by ice arena operations during Suburban Arena Management’s tenure in the facility.
- ✓ An ice arena funded capital expenditure account created during Suburban’s management has provided the funding to allow the necessary upgrades, improvements and equipment replacement to ensure the Novi Ice Arena’s status as one of the most modern, beautiful and efficiently operated facilities in the country.
- ✓ Our established business relationships have allowed us to successfully host a significant number of hockey tournaments and major events in the facility, attracting thousands of visitors to the community, generating positive publicity for the city and hundreds of thousands of dollars for the local economy annually.
- ✓ Faced with significant state-wide and local youth hockey association declines in participation numbers and ice usage, we have been able to sell or program ice to substantially reduce the negative impact. The local hockey association’s participation numbers have decreased by over 50% in the past ten years and the ice hours utilized have decreased by 37%. On several occasions we have been given extremely short notice that the association would not be able to utilize ice they had previously agreed to and we were able to quickly react to minimize the effect.
- ✓ We have been able to minimize the ice rental fee increases to an annual average of 1.03% over the past 10 years.
- ✓ The Novi Adult Hockey League, managed by the arena management staff, is consistently one of the largest adult hockey leagues in Michigan.
- ✓ The Novi Ice Arena Learn to Skate program, which feeds all recreational and competitive skating and hockey activities in the facility, is consistently one of the largest programs in Michigan and nationally.
- ✓ The internationally renowned Ice Dancing Teams and Coaching Staff has provided a substantial source of non-prime time ice revenue and significant positive exposure for the City of Novi and the Novi Ice Arena.

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# FIRM INFORMATION

**“Here is a simple, but powerful, rule:  
Always give people more than they expect to get.”**

Suburban Arena Management, LLC (Suburban) was founded in 1997 to develop and operate the Suburban Training Center (now known as Suburban Ice – Farmington Hills), a two-rink ice arena in Farmington Hills, Michigan. Since that time, the company has enjoyed incredible success and has developed into the industry leader and one of the most respected ice arena management and consulting firms in the country, operating two facilities for cities (Novi and Royal Oak) along with four company owned facilities.

Suburban Arena Management is best known for its market-leading initiatives in operating successful hockey, figure skating and recreational skating programs that are tailored to meet the needs of the local community. Learn to Skate programs at Suburban-managed facilities are annually among the largest in the country. With a highly experienced staff and nationally renowned leadership team, Suburban has a wealth of experience playing key roles in providing vital support to community based youth organizations such as the Novi Youth Hockey Association and the Skating Club of Novi. The firm is also an industry leader in developing and operating multiple youth hockey and figure skating programs including the internationally acclaimed HoneyBaked Hockey Club and the Onyx Suburban Skating Academy. Additionally, the firm has had great success in attracting prestigious regional and national ice skating and hockey competitions sponsored by United States Figure Skating and USA Hockey.

Suburban Arena Management is among a family of companies that makes up the Suburban Sports Group (SSG). Headquartered in Farmington Hills, Michigan, the company was founded in 1974 in Dearborn, Michigan as a summer hockey school program and over the past 41 years has grown into the premier ice sport specialist in North America.

## **CORPORATE OFFICE** ( located 4 miles from the Novi Ice Arena )

23995 Freeway Park Drive • Farmington Hills, MI 48335 • 248-478-1600 • [www.suburbansportsgroup.com](http://www.suburbansportsgroup.com)

### **Computer Software:**

Arena Management system – MaxGalaxy • Corporate/Arena Accounting – Microsoft Great Plains  
General Productivity – Microsoft Office, Adobe Creative Suite, Constant Contact

## **OUTSIDE SUPPORT**

Our outside management advisors provide tremendous support for management decisions and include the following:

**Jeff Dolowy,**  
**Accountant/CPA**  
Plante Moran, LLP  
Ann Arbor, MI 48104  
734-302-6911

**Corey Cash, Sports and Entertainment**  
**Program Director**  
Safehold Special Risk  
230 Commerce Way, Suite 230.  
Portsmouth, NH 03801.  
1-800-990-7465

**Ryan Baetens,**  
**IT Support**  
BAE Networks  
950 Stephenson Hwy, #204  
Troy, MI 48083  
(248) 707-1040

# PERSONNEL

“The character of a team is reflected in the standards they set for themselves”

An outstanding team of professionals is what makes Suburban Arena Management the industry leader in providing ice sport programming and operational management. We target skilled, intelligent and committed professionals who are passionate about working in the ice sport industry. Staff members take part in ongoing training and professional development in Suburban University, the company's in-house training program. The following are members of the corporate management team that will continue to be involved in the operation of the Novi Ice Arena:



**LYLE PHAIR:** Develops strategies and oversees daily operations of the company. He oversees sales and marketing, finance, customer support and approves all financial obligations. Lyle played collegiate hockey and earned his BA in Business Administration at Michigan State University. After graduating in 1985, he played professional hockey with the Los Angeles Kings and served as an assistant hockey coach with the University of Illinois-Chicago Flames of the CCHA. With over 35 years of experience in ice arena programming, he is one of the country's foremost experts on hockey programming.



**TOM ANASTOS:** Seeks business opportunities and strategic alliances with other companies and organizations and plans, develops and establishes policies and business objectives in accordance with company goals. Tom is a graduate of Michigan State University with a BS in Building Construction Management and has over 35 years of ice programming and operating experience. He has been recognized by *The Hockey News* five times on their list of the 100 most influential people in the sport and served as the Commissioner of Central Collegiate Hockey Association and Michigan State Varsity hockey coach.



**JENNIFER JOHNSON**  
Human Resources  
Team Suburban since 1999  
  
BA in Business  
Detroit College of Business  
  
MS in Human Resources and Organizational Development  
Eastern Michigan University



**AMY PAULEY**  
Controller  
Team Suburban since 1998  
  
Associates Degree in Business Administration - Accounting  
Walsh College



**JEFF MITCHELL**  
Hockey Operations  
Team Suburban since 1993  
Played professional hockey for ten seasons in the Los Angeles Kings, Dallas Stars and Calgary Flames organizations and has over 25 years of experience in arena management and ice sport programming.



**JULIE PARDOSKI**  
Business Development  
Team Suburban since 1999  
  
BS in Kinesiology  
MA in Sports Administration  
University of Illinois at Chicago



**ERIK CARLSON:** Started with Suburban Sports Group in 2001 and has served as General Manager of the Novi Ice Arena since 2017. Under his leadership the facility continues to be one of the most successfully operated municipal ice arenas in the state. Erik oversees the day-to-day operations of the facility and staff. He works closely with all user groups to ensure customer satisfaction and has helped develop the Novi Adult Hockey League and Learn to Skate programs to be two of the largest in the region.



# CLIENTS

“The rink was first-class and the instruction was even better. I couldn’t have enjoyed it more.”

**CURRENT ICE ARENAS UNDER SUBURBAN MANAGEMENT:** We have been very selective over the years as to the projects that we engage in as we take tremendous pride in our history of always delivering on our commitments. The following provides an overview of our current portfolio of facilities:



MANAGED SINCE: 1999

**Novi  
ICE ARENA**

42400 NICK LIDSTROM DRIVE  
NOVI, MICHIGAN  
248-347-1010

**Building History:** Opened in September, 1998. Suburban started management in October, 1999, after facility experienced losses of more than \$300,000. Under Suburban management, the facility has operated profitably since 2002.

## Features:

- Two NHL-sized ice surfaces
- Seating capacity of 750 and 200
- Pro shop (leased to Sooner Sports)
- Performance Training Area
- Concessions
- Skate rental
- Meeting rooms

- Eight locker rooms
- Officials room
- Figure skating dressing room
- 70,000 Square Feet

**Estimated Traffic Flow:**  
600,000 people annually

## Primary Ice Users:

- Novi Learn to Skate Program
- Novi Youth Hockey Association
- Skating Club of Novi
- Novi High School
- Northville High School
- Novi Adult Hockey Leagues
- Suburban Hockey Schools



MANAGED SINCE: 2011

**JOHN LINDELL  
ICE ARENA  
ROYAL OAK**

1403 LEXINGTON BLVD.  
ROYAL OAK, MICHIGAN 48073  
248-246-3950

**Building History:** Originally opened in 1971. Suburban Arena Management began management in 2011.

## Features:

- Two NHL-sized ice surfaces
- Pro shop
- Concessions
- Skate rental
- Ten locker rooms
- Two officials rooms

- 63,000 Square Feet

**Estimated Traffic Flow:**  
500,000 people annually

## Primary Ice Users:

- Royal Oak Learn to Skate program
- New Edge Figure Skating Club
- Royal Oak Hockey Club
- Royal Oak High School Varsity Hockey
- Royal Oak Adult Hockey Leagues
- Bishop Foley High School
- Suburban Hockey Schools



OWNED/MANAGED SINCE: 1998

**SUBURBAN  
FARMINGTON HILLS  
ICE**

23996 FREEWAY PARK DRIVE  
FARMINGTON HILLS, MICHIGAN  
248-888-1400

**Building History:** Opened in April, 1998. Originally built in the 1970's as a tennis facility and then turned into an indoor soccer building. Suburban purchased the building in 1997 and made the transformation into an ice arena and fitness club.

## Features:

- Two NHL-sized ice surfaces
- Pro shop
- Concessions
- Performance Training Area
- Skate rental
- Game room
- Eight locker rooms

- Two officials rooms
- Heated enclosed viewing areas with full sound
- 65,000 Square Feet

**Estimated Traffic Flow:**  
500,000 people annually

## Primary Ice Users:

- Honeybaked Hockey Club
- Suburban FUNdamental Hockey
- BAD Hockey League (men and women)
- Farmington Hills Adult Hockey Association
- Suburban Hockey Schools



# ONYX

ROCHESTER ICE ARENA

52999 DEQUINDRE  
ROCHESTER, MICHIGAN  
248-601-6699

**Building History:** Opened in 1999. The Onyx is one of the nation's busiest and most beautiful recreational ice arenas.

MANAGED SINCE: 1999 OWNED SINCE: 2016

**Features:**

- Three NHL-sized ice surfaces
- Pro shop (Perani's Hockey World)
- Concessions
- Skate rental
- Performance Training Area
- Ballet room
- Game room
- Meeting rooms
- 16 locker rooms

- Three officials rooms
- Figure skating staff locker room
- 115,000 Square Feet

**Estimated Traffic Flow:**  
1,000,000 people annually

**Primary Ice Users:**

- Onyx Learn to Skate Program
- Onyx-Suburban Skating Academy
- Rochester Hockey Club House Program
- Rochester Rattlers Travel Program
- Suburban FUNDamental Hockey
- Oakland University Hockey Team
- Rochester United High School Varsity Hockey
- Stoney Creek High School Varsity Hockey
- Onyx Adult Hockey Leagues
- Suburban Hockey Schools



# SUBURBAN ICE

MACOMB

54755 BROUGHTON ROAD  
MACOMB, MICHIGAN  
586-992-8600

**Building History:** Construction began on October 1, 2004. Opened in August of 2005.

OWNED/MANAGED SINCE: 2005

**Features:**

- Two NHL-sized ice surfaces (200' x 85')
- Pro shop (Perani's Hockey World)
- Performance Training Area
- Center Ice Cafe (concessions)
- Skate rental
- Game room
- Meeting rooms
- Ten locker rooms

- Hockey staff room
- Figure skating staff room
- 70,000 Square Feet

**Estimated Traffic Flow:**  
600,000 people annually

**Primary Ice Users:**

- Macomb Learn to Skate Program
- Onyx-Suburban Skating Academy
- Suburban FUNDamental Hockey
- Macomb Hockey Club
- Macomb Mavericks Travel Hockey
- Utica Eisenhower High School Varsity & Junior Varsity Hockey
- Romeo High School Varsity Hockey
- Macomb Adult Hockey Leagues
- Suburban Hockey Schools



# SUBURBAN ICE

EAST LANSING

2810 HANNAH BLVD.  
EAST LANSING, MICHIGAN  
517-336-4272

**Building History:** Originally opened in 1999. Suburban Arena Management began management in 2004.

MANAGED SINCE: 2004 OWNED SINCE: 2005

**Features:**

- Two NHL-sized ice surfaces
- Pro shop (Perani's Hockey World)
- Performance Training Area
- Concessions
- Skate rental
- Game room
- Fourteen locker rooms
- Two officials rooms

- 90,000 Square Feet

**Estimated Traffic Flow:**  
500,000 people annually

**Primary Ice Users:**

- SIEL Learn to Skate Program
- Lansing Hockey Club
- Lansing Skating Club
- Adult Hockey League
- Suburban FUNDamental Hockey
- Lady Silver Blades
- Okemos High School Varsity Hockey
- Eastside High School Varsity Hockey
- DeWitt High School Varsity Hockey
- Suburban Hockey Schools

# CLIENTS LOST

Suburban Arena Management has never lost a contract/facility.



# REFERENCES

**Mark Papak,  
Owner's Representative/CFO**

Onyx – Rochester Ice Arena  
c/o Blackwell, Inc.  
P.O. Box 1007  
Bloomfield Hills, MI 48303  
248-792-5006

**Aaron Filipski, Director of Recreation  
and Public Services**

City of Royal Oak  
1600 North Campbell Road  
Royal Oak, MI 48067  
248-246-3180

**John Fedele, Recreation Director**

City of Royal Oak  
1600 North Campbell Road  
Royal Oak, MI 48067  
248-246-3180

**Pat Kelleher, Executive Director, USA  
Hockey**

USA Hockey, Inc.  
1775 Bob Johnson Drive  
Colorado Springs, CO 80906  
719-538-1114

**Kevin McLaughlin, Sr. Director of  
Hockey Development**

USA Hockey, Inc.  
1775 Bob Johnson Drive  
Colorado Springs, CO 80906  
719-576-8724

**Jeff Theiler, Chief Operating Officer**

STAR (Serving The American Rinks)  
1775 Bob Johnson Drive  
Colorado Springs, CO 80906  
719-538-1149

**Dave Wescott, President**

All Star Arenas  
941-713-6016

**Susi Werli-McLaughlin,  
Director of Membership**

United States Figure Skating  
20 First Street  
Colorado Springs, CO 80906  
719-228-3423

**Joseph Zayance, Sr. Vice President,  
Commerical Banking**

Huntington Bank  
801 West Big Beaver Road  
Troy, MI 48084  
248.244.3589

## MANAGEMENT/OPERATIONS OF THE NOVI ICE ARENA

Suburban believes strongly in our core purpose and values, and we always manage our facilities with the following focus:

**Core Purpose:** To enrich the lives of people through sport and recreation.

**Core Values:**

- (1) Customer Satisfaction is our highest priority.
- (2) Integrity
- (3) Professionalism
- (4) Respect

Suburban will continue to manage and operate the Novi Ice Arena as we do currently – treating the facility as if it is our own. Suburban implements systems and strategies that cover all phases of operations, including personnel, staff training and development, risk management, preventative maintenance, operations, programming, sales, marketing and finance. Our systems of operation at the Novi Ice Arena have proven to be very successful during our twenty years of management of the facility, and while we always continually evaluate ways to do things better, we are confident that our current mode of operation will continue to ensure its future success.

The proposed budget plan has been submitted to the City for FY 2020/21. The on-site staff includes the general manager, two assistant managers, a skating director, a program administrator, two full-time maintenance staff and several part-time staff members in concessions, maintenance, and customer service. In addition to the on-site staff that operates the facility, our corporate management is engaged daily in the ongoing operations and management of the Novi Ice Arena. This corporate commitment allows the arena management and operational staff to be more efficient and economical. The fact that we are local and “hands on” every day, allow the facility to benefit from a variety of efficiencies. These services include:

**PROGRAMMING** – The most important part of any ice arena operation is its programming, and the Suburban corporate management staff is recognized around the country as one of the best. At Suburban-operated arenas the Learn to Skate, Figure Skating, Youth Hockey and Adult Hockey participation numbers are consistently among the leaders in Michigan and nationally. Our corporate staff works closely with the arena management team to design, implement, administer and support all of the programs that ensure the arena’s success. Current arena-operated programming includes Learn to Skate, Learn to Play - Hockey Development Program, Figure Skating, Adult Hockey Leagues, Tournaments, Open Skate and Drop-In activities.

**FINANCE & ADMINISTRATION** – Our finance and administration team provides vital support to the Novi Ice Arena on a daily basis by implementing cost containment strategies, key policies and procedures, bookkeeping and performance reporting that is critical to the ultimate success of the facility. The finance team is also responsible for all key monthly reporting to the City of Novi.

**HUMAN RESOURCES** – A vitally important part of effective management, operations and program implementation in a “service” business, our corporate management team handles all aspects of HR administration. We make HR an important strategic partner with our Novi Ice Arena staff, providing daily support to the on-site management team. We manage the benefit program, recruitment and hiring, orientation, and our in-house employee training and professional development program called “Suburban University”. There is no other ice arena management company in the country that utilizes such a program, and it provides our clients with a highly trained and motivated staff that enhances our ability to provide excellent customer service as well as most effectively manage risk at the facility.

**SALES & MARKETING** – Another key strategic partner to the arena operations, our corporate office provides ongoing support and leadership in the design and implementation of sales and marketing strategies that have proven to be key contributors to the success of the ice arena operations. The development and execution of annual marketing, sales and public/community relations strategies have led to new deals with a variety of key partners, and have received excellent coverage in a wide range of media throughout the local community and nationally in trade publications. Our newly created Video Production department provides digital marketing content delivered on arena monitors, websites and through social media.

**FACILITIES** – Our corporate facilities staff assists the ice arena staff in providing preventative maintenance support, and provides substantial cost savings where they can over the use of outside contractors. Our corporate staff members are ice arena experts, certified by S.T.A.R. (Serving The American Rinks), and have significant expertise in ice painting, ice maintenance, ice resurfacers maintenance, equipment repair and the like.

# WHY SUBURBAN?

## **PROVEN!**

Over the past twenty years we have taken tremendous pride in our ability to meet and exceed the City's objectives for the facility, and at the same time develop an operating structure and cultivate strategic business relationships that have allowed the Novi Ice Arena to greatly out perform other municipal facilities in the marketplace.

## **LOCAL MARKETPLACE EXPERTISE**

We focus our entire business on being the best in the local market. No other company can compare their history, commitment, performance and investment into our local community. We know the area, we are committed to the area and we focus our energy and resources on being the leaders in the area.

## **EXPERIENCED**

Collectively, our team has over 200 years of experience in every phase of ice arena management and have established industry-leading programs in hockey, figure skating, finance, operations and sales and marketing.

## **CONSISTENT**

Our infrastructure, systems and staff are in place.

**In an increasingly challenging economic climate with rising costs and declining participation in ice sports, can you afford not to have a local, industry-leading ice arena management company with a long history of proven success operating your facility?**



# **Suburban Arena Management, LLC**

A division of **SUBURBAN SPORTS GROUP**



February 13, 2020

Sue Morianti, Purchasing Manager  
City of Novi  
City Clerk's Office  
45175 W. Ten Mile Road  
Novi, MI 48375

**RE: RFP – Ice Arena Management Services Financial Proposal**

Dear Ms. Morianti & City Officials,

It is with great pleasure that we submit our financial proposal to renew our agreement with the City of Novi for the management services of the Novi Ice Arena. The financial proposal is as follows:

**Term:** Three (3) years plus two mutually agreed upon one (1) year renewals

**Base Annual Management Fees:** A base monthly management fee of ten thousand one hundred ninety-eight (\$10,198) for the first year of the agreement. The base monthly management fee for the second year of the agreement shall increase by 4% to ten thousand six hundred and five (\$10,605) and shall remain at that rate for the third year. Upon a mutually agreed one-year renewal, the base monthly management fee will increase by 4% to eleven thousand and thirty (\$11,030) for year four and shall remain at that rate for a mutually agreed upon additional year afterward.

**Shared Incentive Schedule:** It is the common goal of Suburban and the City that the facility is operated to generate sufficient revenues to pay all direct expenses and all required debt service payments. To encourage the generation of revenues, Suburban shall be paid 25% of the annual growth in operating income from fiscal year to fiscal year, each year of the agreement.

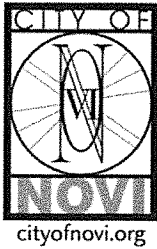
Thank you for the continued opportunity to serve you and the City of Novi.

Sincerely,

LYLE PHAIR

Suburban Arena Management, LLC





CITY OF NOVI  
RFP ICE ARENA MANAGEMENT  
FEE PROPOSAL FORM

We propose to provide all property management services specified for:

	7/1/20- 6/30/21	7/1/21 - 6/30/22	7/1/22 - 6/30/23	7/1/23 - 6/30/24	7/1/24 - 6/30/24
Basic Fee	\$10,198/mo	\$10,605/mo	\$10,605/mo	\$11,030/mo	\$11,030/mo

Additional Incentive(s):

Shared Incentive Schedule:  
Suburban shall be paid 25% of the annual growth in operating income from fiscal year to fiscal year, each year of the agreement.

Other Fees:

NONE

We acknowledge the following addenda:

Cover letter

(please list number, i.e. #1, #2, etc)

**Non-Iran Linked Business:**

By signing below, I certify and agree on behalf of myself and the company submitting this proposal the following: (1) that I am duly authorized to legally bind the company submitting this proposal; and (2) that the company submitting this proposal is not an "Iran linked business," as that term is defined in Section 2(e) of the Iran Economic Sanctions Act, being Michigan Public Act No. 517 of 2012; and (3) That I and the company submitting this proposal will immediately comply with any further certifications or information submissions requested by the City in this regard.

This proposal submitted by:


Company Name: Suburban Arena Management, LLC

Address: 23995 Freeway Park Drive

City Farmington Hills State MI Zip 48335

Agent's Name (please type): Lyle Phair

Agent's Title: Executive Director

Agent's Signature: 

Telephone No. 248.478.1600 Fax No. 248.478.1601

E-mail: lphair@suburbanice.com

Date: February 13, 2020



February 13, 2020

Sue Morianti, Purchasing Manager  
City of Novi  
City Clerk's Office  
45175 W. Ten Mile Road  
Novi, MI 48375

**RE: RFP – Ice Arena Management Services Financial Proposal**

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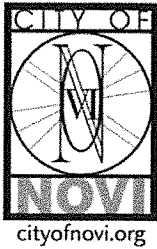
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Thank you for the continued opportunity to serve you and the City of Novi.

Sincerely,

LYLE PHAIR

Suburban Arena Management, LLC



CITY OF NOVI  
RFP ICE ARENA MANAGEMENT  
FEE PROPOSAL FORM

We propose to provide all property management services specified for:

	7/1/20- 6/30/21	7/1/21 - 6/30/22	7/1/22 - 6/30/23	7/1/23 - 6/30/24	7/1/24 - 6/30/24
Basic Fee	\$10,198/mo	\$10,605/mo	\$10,605/mo	\$11,030/mo	\$11,030/mo

Additional Incentive(s):

Shared Incentive Schedule:  
Suburban shall be paid 25% of the annual growth in operating income from fiscal year to fiscal year, each year of the agreement.

Other Fees:

NONE

We acknowledge the following addenda:

Cover letter

(please list number, i.e. #1, #2, etc)

**Non-Iran Linked Business:**

By signing below, I certify and agree on behalf of myself and the company submitting this proposal the following: (1) that I am duly authorized to legally bind the company submitting this proposal; and (2) that the company submitting this proposal is not an "Iran linked business," as that term is defined in Section 2(e) of the Iran Economic Sanctions Act, being Michigan Public Act No. 517 of 2012; and (3) That I and the company submitting this proposal will immediately comply with any further certifications or information submissions requested by the City in this regard.

This proposal submitted by:

Company Name: Suburban Arena Management, LLC

Address: 23995 Freeway Park Drive

City Farmington Hills State MI Zip 48335

Agent's Name (please type): Lyle Phair

Agent's Title: Executive Director

Agent's Signature: L. Phair

Telephone No. 248.478.1600 Fax No. 248.478.1601

E-mail: lphair@suburbanice.com

Date: February 13, 2020

## ICE ARENA MANAGEMENT CONTRACT

This agreement, made this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by and between the CITY OF NOVI, a Michigan Municipal Corporation having its address at 45175 Ten Mile Road, Novi, Michigan 48375 ("CITY"), and Suburban Arena Management, LLC, having its address at 23995 Freeway Park Drive, Farmington Hills, MI 48335 ("MANAGEMENT FIRM").

WHEREAS the CITY is the owner of the Novi Ice Arena, located at 42400 Nick Lidstrom Drive; and

WHEREAS MANAGEMENT FIRM is engaged in the business of managing ice arena facilities; and

WHEREAS the CITY and MANAGEMENT FIRM desire to contract with each other, to provide for the management of Novi Ice Arena

IT IS, THEREFORE agreed by and between the parties hereto, for and in considerations of the mutual covenants, as follows:

1. **Facility and Program Management Responsibilities.** MANAGEMENT FIRM shall provide business administration and management services to operate the Novi Ice Arena in an economically sound manner, consistent with the best interests of the CITY, and MANAGEMENT FIRM will have full authority to do so, to the extent authorized under this Contract. The facility includes the arena, parking lots, grounds, pro shop, concessions, meeting rooms and related spaces.

- a) MANAGEMENT FIRM will hire and supervise all operating personnel, including janitorial, instructional, building and ice maintenance, secretarial, clerical and bookkeepers. All employees hired by MANAGEMENT FIRM

shall be employees of MANAGEMENT FIRM and not employees of the City of Novi. MANAGEMENT FIRM shall be reimbursed for the wages, taxes and fringe benefits for employees at the arena, including the General Manager. Employees of MANAGEMENT FIRM may work at other facilities operated by MANAGEMENT FIRM, provided that the CITY shall provide reimbursement solely for time that is related to the Novi Ice Arena.

- b) MANAGEMENT FIRM shall prepare maintenance and operations programs and supervise day-to-day and long-term maintenance of the facility and grounds.
- c) MANAGEMENT FIRM shall lease ice time and space within the facility, including the operations of the pro shop, and concession areas. MANAGEMENT FIRM shall represent the CITY in efforts to negotiate contracts with major ice users and long-term tenants, shall supervise the rental of miscellaneous ice time to casual users as well as to outside operators of tournaments or instruction programs. MANAGEMENT FIRM shall have the authority to sell advertising at the facility or enter into sponsorship agreements on behalf of the CITY, subject to any existing contracts and obligations. All arena operations shall be in compliance with Internal Revenue Service Revenue Procedure 97-13.
- d) MANAGEMENT FIRM will organize and supervise programs to utilize ice time of the facilities for the benefit of the community. Such programs may include summer day camp instructional programs, adult hockey leagues,

general instructional programs, and on ice or off ice social, recreational or educational programs.

- e) MANAGEMENT FIRM shall assist in the development, operation, and promotion of Novi Youth Hockey and Skating Club of Novi.
- f) MANAGEMENT FIRM shall supervise the maintenance of financial and business record keeping and reporting systems adequate and appropriate for management and oversight of the operations of the facility.
- g) MANAGEMENT FIRM shall attend meetings at the request of the CITY, upon reasonable notice of the same.
- h) MANAGEMENT FIRM may enter into contracts in its own name as necessary in the management and operation of the arena. Contracts as to which the CITY is a party must be approved by the Novi City Council. The City Council hereby grants the authority to execute agreements for the rental of ice time at rental rates consistent with the approved annual budget.

**2. Financial Reporting and Money Management.** MANAGEMENT FIRM will establish timely and accurate accounting and reporting procedures, acceptable to the CITY, for receipt and disbursement of all funds. All funds so received will be deposited daily into a bank account in the name of MANAGEMENT FIRM and from such deposits, based on pre-approved budget, MANAGEMENT FIRM will be authorized to disburse funds for payment of appropriate expenses of the operation. The bank account shall have one designated MANAGEMENT FIRM employee authorized to sign checks. The CITY, through the appropriate person(s), shall also be added as an



additional signatory to the bank account. MANAGEMENT FIRM may retain not more than \$1,000.00 in petty cash at the arena. It shall be the duty and responsibility of MANAGEMENT FIRM, not later than one hundred twenty (120) days prior to the commencement of each fiscal year, to submit to the CITY for approval, a proposed operating budget for the facility, setting forth all estimated receipts and disbursements relating to the facility for the ensuing fiscal year, or in the case of the first proposed budget, for the balance of the current year. The budget shall include the establishment of a reserve account for current and future capital expenses. The operating budget as approved in writing by the CITY is hereinafter referred to as the "approved budget". Except as otherwise provided in this Agreement, MANAGEMENT FIRM shall incur no expenses in connection with the Ice Arena facility that are not provided for in the approved budget. In the event that a submitted budget is rejected by the CITY, MANAGEMENT FIRM shall operate under the last approved budget on an item by item basis until a revised budget is approved in writing by the CITY.

The CITY shall provide sufficient working capital for the arena so that expenses can be paid pending receipt of initial revenues, and is otherwise necessary during the term of this agreement. MANAGEMENT FIRM shall give the CITY at least five (5) days' notice if additional funding will be needed from the CITY to meet the expenses of operating the Arena. MANAGEMENT FIRM shall not be obligated to make any advance to or for the account of the CITY, nor to pay any sums except out of funds in the Operating Account, nor shall MANAGEMENT FIRM be obligated to incur any liability or obligation on behalf of the CITY without the assurance that the necessary funds for the payment thereof will be promptly provided by the CITY as required for payment.

If and when revenues exceed direct expenses, the capital reserve and debt service payments, the CITY shall determine the extent to which surpluses shall be accumulated for future expenses and/or debt services, and the extent to which such surpluses shall be returned to the CITY for purposes of investment, and shall be held in a capital replacement and reserve account. This determination shall be made as a part of the CITY'S annual budget approval process.

In the event of certain emergencies threatening the health or safety of the public or employees, or to protect the City's investment in the building or equipment, MANAGEMENT FIRM shall be authorized to make emergency appropriations without prior approvals in amounts not to exceed five thousand dollars (\$5,000). Subsequent approval of such expenditures by the CITY will have the effect of renewing MANAGEMENT FIRM'S authority to make additional such emergency appropriations.

- a) MANAGEMENT FIRM shall keep books, accounts and records that reflect all revenues and all expenditures incurred in connection with the management and operation of the facility. The books, accounts and records shall be maintained at the Ice arena, or at MANAGEMENT FIRM'S company offices in Farmington Hills, Michigan. MANAGEMENT FIRM shall, during regular business hours, make the books, accounts and records required to be maintained hereunder available to the CITY or the representatives of the CITY FOR examination and audit by appointment of no less than one (1) days' prior notice. All such audits shall be at the expense of the CITY.

- b) MANAGEMENT FIRM shall furnish to the CITY, a detailed statement of all revenues and expenditures. The monthly financial statement shall be submitted within fifteen (15) days after the close of the month. In addition, MANAGEMENT FIRM shall furnish the original copy of all invoices, statements, purchase orders and billings received and paid during a given fiscal year, as well as such other information relating to the operation or management of the Ice Arena, within sixty (60) days of the ending of such fiscal year.
- c) Within sixty (60) days after each fiscal year ending June 30, MANAGEMENT FIRM shall prepare and deliver to the CITY a detailed statement of revenues received and expenditures incurred and paid during the calendar year, that result from operations of the facility. Within thirty (30) days, following the expiration or termination of this agreement, MANAGEMENT FIRM shall deliver to the CITY all books, accounts and records pertaining to the property. MANAGEMENT FIRM may retain copies of such records.
- d) MANAGEMENT FIRM shall provide a fidelity bond in an amount not less than \$200,000 in favor of and for the protection of the CITY. Said fidelity bond shall be issued by a Michigan licensed and admitted property and casualty insurance company and subject to the approval of the CITY. Said fidelity bond shall be maintained in full force and effect throughout the term of this Management Contract and shall be in effect prior to the first day of the receipt of any funds by MANAGEMENT FIRM on behalf of the

CITY. The cost of the fidelity bond shall be deemed a reimbursable expense of operating the arena.

3. **Liability Insurance.** MANAGEMENT FIRM will assume the total cost of providing its own liability insurance coverage, in a form and amount detailed in Attachment A to this Contract, to operate the Ice Arena during the life of this contract.

4. **Compensation for Facility & Program Management.** MANAGEMENT FIRM shall be compensated pursuant to the annual budget approved by the CITY and referenced in Section 2, Paragraph 2, for facility and program management activities set forth above, as follows:

- a) Base Annual Management Fees: The CITY shall compensate MANAGEMENT FIRM a base monthly management fee of **Ten Thousand One Hundred Ninety Eight Dollars** (\$10,198.00) for the first year of this agreement. Any partial month shall be paid pro-rated.
- b) Shared Incentive Schedule: It is the common goal of MANAGEMENT FIRM and the CITY that the facility is operated so as to generate sufficient funds to pay all direct expenses and all required debt service payments. To encourage the generation of funds and in order for MANAGEMENT FIRM shall be paid 25% percent of the annual growth in operating income from fiscal year to fiscal year, the minimum operating income must be equal to or greater than \$750,000 each year of the agreement.

Operating Income Defined as:

-All Proceeds (excluding the cell tower lease, grants, City programs and interest earnings)

-Less: All Operating Expenses (including certain maintenance items that may be capitalized pursuant to the City's policy, and not including depreciation, amortization and debt service) = Operating Income

5. **Contract Term, Escalation and Termination.** The term of this contract shall be three (3) years, commencing on July 1, 2020 and ending on June 30, 2023. The CITY will have the option to renew the contract for two (2) years in one (1) year increments. The CITY may terminate its relationship and this contract with MANAGEMENT FIRM without penalty or cause upon ninety (90) days' notice. Nothing contained in this contract shall be construed to require the payment of a penalty or require cause for this contract to be terminated by the CITY. Prior to the end of the third year of the contract, the CITY shall also have the option to terminate this contract for one or more of the following reasons:

- a). **Failure to Make Revenue Projection:** This contract may be canceled at any time after June 30, 2021 and after advance written notice, for cause or failure to generate sufficient revenues from operations to meet debt service requirements for a given fiscal year. Such cause shall occur when the revenues from the past fiscal year were not sufficient to pay 1) all direct expenses, and 2) all required debt service payments.

The CITY shall provide ninety (90) days advance written notice of intent to terminate this contract. MANAGEMENT FIRM shall have this ninety (90) days "cure period" to remedy any performance deficiencies. If deficiencies

are not cured within said period, then unless the parties agree otherwise, the agreement shall terminate.

- b) **Option to Terminate/Sale, Lease or Closure:** In the event that the CITY determines to sell, lease or close the arena, the CITY shall have the option to terminate this contract without cause. To exercise this option, the CITY shall, to the extent possible, provide not less than one hundred eighty (180) days advance written notice that it has decided to sell, lease or close the arena, where such sale lease or closing will occur at least 180 days prior to the end of the third year of this contract.
- c) **Material Breach:** This contract may be terminated at any time by either party without termination fee or penalty, if the other party commits a material breach of its obligations under the agreement, provided that the party seeking to so terminate gives the other party notice and the opportunity to cure as set forth in paragraph 5(a), above. If the material breach constitutes malfeasance or misfeasance, the CITY shall not be obligated to provide an opportunity to cure. For purposes of this agreement, malfeasance means: evil doing; ill conduct; the commission of some act which is positively unlawful; the doing of an act which is wholly wrongful and unlawful; the doing of an act which the person ought not to do at all or the unjust performance of some act which the party had no right or which he had contracted not to do. It includes any wrongful conduct that affects, interrupts or interferes with the performance of official

duties. For purposes of this agreement misfeasance means the improper performance of some act, which the party may lawfully do.

- d) **Mutual termination:** This Agreement may be terminated at any time without termination fee, penalty or liquidated damages if the parties so mutually agree.

**6. Governing Law.** All actions under this Agreement shall be governed by, subject to, and construed according to the laws of the State of Michigan. Each party agrees, consents and submits to the personal jurisdiction of any competent court in Oakland County, Michigan, for any action brought against it arising out of this Agreement; agrees that service of process at the address and in the manner specified below will be sufficient; agrees that it will not commence any action against the other party hereto, because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Agreement, in any courts other than those of Oakland County, State of Michigan.

**7. Assignment Successors and Assigns.** This Agreement may not be assigned by either party except with the advance written permission of the other party. The parties hereto this Agreement, respectively, bind themselves, their partners, successors, permitted assigns and legal representatives to the other party to this Agreement and to the partners, successors permitted assigns and legal representative of such other party with respect to all terms, covenants and provisions of this Agreement.

**8. Indemnification.**

MANAGEMENT FIRM shall indemnify and hold CITY harmless from and against any and all claims, losses, costs, charges, assessments, liabilities, damages and interest, as well as legal fees arising out of or in connection with negligence, gross negligence or willful misconduct on the part of MANAGEMENT FIRM or any of its employees, agents, or contractors.

To the extent MANAGEMENT FIRM owes a duty to indemnify the CITY, as provided above, there shall be a corresponding duty to defend any action or suit instituted pertaining to such occurrence. To the extent applicable, the defense of governmental immunity shall be asserted on behalf of MANAGEMENT FIRM, as well as the CITY.

MANAGEMENT FIRM shall reimburse the CITY within thirty (30) days of written demand for any payment made or indebtedness incurred by the other with respect to any liability; obligation or claim covered by the foregoing indemnification provisions.

**9. City's Representative.** The Parks, Recreation and Cultural Services Director has been appointed as the initial City's Representative to deal with MANAGEMENT FIRM with respect to the rights and obligations of the parties under this Agreement. CITY may designate a new City's Representative at any time upon notice to MANAGEMENT FIRM. Except as otherwise stated in this Agreement, the City Representative shall be MANAGEMENT FIRM'S contact person at the CITY for purposes of fulfilling its obligations under this Agreement, including the resolution of day-to-day operational issues. In this connection, unless otherwise specifically advised by the CITY, MANAGEMENT FIRM shall make all reports to City's Representative, and



shall have the right to rely upon communications received from the City's Representative with regard to the arena.

**10. Identification of Manager.** MANAGEMENT FIRM may identify itself as the Manager of the Arena, and may include its company logo, in all promotional literature, letterhead, business cards, advertisements, etc., that are prepared or distributed regarding the arena.

**11. Promotion Within Arena.** For each ice surface in the arena, MANAGEMENT FIRM may use two (2) pair of dasher boards to identify itself.

**12. Cooperation by City of Novi Parks, Recreation and Cultural Services Department.** The City of Novi Parks, Recreation and Cultural Services Department shall include information about Novi Ice Arena programs in its promotional materials, at no cost to arena or MANAGEMENT FIRM, to the extent that such space is available.

**13. Disclaimers.** CITY acknowledges and agrees that MANAGEMENT FIRM currently does, and during the term of this Agreement may, simultaneously perform services of the type specified under this Agreement for other persons and parties and shall be disclosed to owner.

City further acknowledges and agrees that MANAGEMENT FIRM or an affiliated entity operates Suburban Ice, located at 23996 Freeway Park Drive, Farmington Hills, Michigan 48335.

City further acknowledges and agrees that MANAGEMENT FIRM may rent ice time at the arena to companies that are affiliated with MANAGEMENT FIRM, including, but not limited to, Suburban Hockey Club and Suburban Hockey Schools, but the fees paid by these related entities must be the same fees charged by the arena to third

parties, and such companies shall not receive preferential treatment for scheduling and reserving ice time.

**14. Irrevocability and Severability.** In the event that one or more provisions of this Agreement, or any instrument or other document delivered pursuant to this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, or shall jeopardize the tax exempt status of the bonds utilized to finance the establishment of the facility, the validity, legality and enforceability of the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected or impaired thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**15. Entire Agreement.** The terms and conditions as contained herein are the entire agreement between the parties. Neither party has made any representations except those expressly set forth herein, and no rights or remedies are or shall be acquired by either party by implication or otherwise unless expressly set forth herein.

**16. No Waiver.** No failure of either party to insist upon strict performance of any term, covenant or provision of this Agreement, or to exercise any right, term or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such term, covenant or provision. No waiver of any breach shall affect or alter this Agreement, but each and every term, covenant or provision of this Agreement shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof.

17. **Notice.** Notice, consents, approvals, requests and other communications required or permitted under this Agreement, shall be given in writing and mailed by registered or certified first class mail, return receipt requested, addressed as follows:

To the CITY: City of Novi  
Jeffrey A. Muck  
Director of Parks, Recreation and Cultural Services  
45175 Ten Mile Road  
Novi, MI 48375

If to MANAGEMENT FIRM: Lyle Phair  
Executive Director  
Suburban Arena Management, LLC  
23995 Freeway Park Drive  
Farmington Hills, MI 48335

18. **Time Given.** All notices shall be deemed given on the day of mailing. Either party to this agreement may change its address for the receipt of Notices at any time by giving notices thereof to the other by delivery of such notice as specified above.

19. **Amendments.** The parties may from time to time consider it in their best interest to change, modify or extend a term, condition or covenant of this Agreement. Any such change, addition, deletion, extension or modification, which is mutually agreed upon by and between the parties, shall be incorporated in written form ("amendment"), and no such amendment shall be binding upon the parties unless it expressly makes reference to this Agreement and is signed by authorized representatives of both parties.

**Agreement** made the date written above by and between the parties:

**WITNESSES:** Suburban Arena Management, an LLC

\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
By: Lyle Phair  
Its: Executive Director

**CITY OF NOVI**, a Michigan municipal Corporation

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By: Robert J. Gatt  
Its: Mayor

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By: Cortney Hanson  
Its: City Clerk



**CITY OF NOVI  
INSURANCE REQUIREMENTS  
ATTACHMENT A**

1. The Contractor shall maintain at its expense during the term of this Contract, the following insurance:
  - a. **Worker's Compensation** insurance with the Michigan statutory limits and Employer's Liability insurance with minimum limits of **\$100,000** (One Hundred Thousand Dollars) each accident.
  - b. **Commercial General Liability Insurance** – The Contractor shall procure and maintain during the life of this contract, Commercial General Liability Insurance, Personal Injury, Bodily Injury and Property Damage on an "Occurrence Basis" with limits of liability not less than **\$1,000,000** (One Million Dollars) per occurrence combined single limit.
  - c. **Automobile Liability** insurance covering all owned, hired and non-owned vehicles with Personal Protection insurance to comply with the provisions of the Michigan No Fault Insurance Law including Residual Liability insurance with minimum bodily injury limits of **\$1,000,000** (One Million Dollars) each person and **\$1,000,000** (One Million Dollars) each occurrence and minimum property damage limits of **\$1,000,000** (One Million Dollars) each occurrence.
2. All policies shall name the Contractor as the insured and shall be accompanied by a commitment from the insurer that such policies shall not be canceled or reduced without at least thirty (30) days prior notice date to the City; alternately, contractor may agree to provide notice of such cancellation or reduction.
3. The City of Novi shall be named as Additional Insured for General Liability and Auto Liability. Certificates of Insurance evidencing such coverage shall be submitted to City of Novi, Purchasing Department, 45175 Ten Mile Road, Novi, Michigan 48375-3024 prior to commencement of performance under this Contract and at least fifteen (15) days prior to the expiration dates of expiring policies. A current certificate of insurance must be on file with the City for the duration of the contract. Said coverage shall be primary coverage rather than any policies and insurance self-insurance retention owned or maintained by the City. Policies shall be issued by insurers who endorse the policies to reflect that, in the event of payment of any loss or damages, subrogation rights under those contract documents will be waived by the insurer with respect to claims against the City
4. The Contractor shall be responsible for payment of all deductibles contained in any insurance required hereunder.

5. If, during the term of this Contract, changed conditions or other pertinent factors should in the reasonable judgment of the City render inadequate insurance limits, the Contractor will furnish on demand such additional coverage as may reasonably be required under the circumstances. All such insurance shall be effected at the Contractor's expense, under valid and enforceable policies, issued by the insurers of recognized responsibility which are well-rated by national rating organizations and are acceptable to the City.
6. If any work is sublet in connection with this Contract, the Contractor shall require each subcontractor to effect and maintain at least the same types and limits of insurance as fixed for the Contractor.
7. The provisions requiring the Contractor to carry said insurance shall not be construed in any manner as waiving or restricting the liability of the Contractor under this contract.
8. The City has the authority to vary from the specified limits as deemed necessary.

#### **ADDITIONAL REQUIREMENTS**

#### **HOLD HARMLESS/INDEMNITY**

1. The Contractor agrees to fully defend, indemnify and hold harmless the City, its City Council, its officers, employees, agents, volunteers and contractors from any claims, demands, losses, obligations, costs, expenses, verdicts, and settlements (including but not limited to attorney fees and interest) resulting from:
  - A. Acts or omissions by the Contractor, its agents, employees, servants and contractors in furtherance of execution of this Agreement, unless resulting from the sole negligence and tort of the City, its officers, employees, agents and contractors.
  - B. Violations of state or federal law involving whether administrative or judicial, arising from the nature and extent of this Agreement.
  - C. The Contractor agrees to defend the City from and against any and all actions or causes of action, claims, demands or whatsoever kind or nature arising from the operations of the Contractor and due to the acts or omissions of the Contractor or its agents, including, but not limited to, acts of omissions alleged to be in the nature of gross negligence or willful misconduct. The Contractor agrees to reimburse the City for reasonable attorney fees and court costs incurred in the defense of any actions, suits, claims or demands arising from the operations of the Contractor under this Agreement due to the above-referenced acts or omissions.
2. The Contractor agrees that it is its responsibility and not the responsibility of the

City of safeguard the property and materials used in performing this Contract. Further the Contractor agrees to hold the City harmless for any loss of such property and materials used in pursuant to the Contractor's performance under this Contract.

3. The Contractor shall not discriminate against any employee, or applicant for employment because of religion, race, color, national origin, age, sex, height, weight, handicap, ancestry, place of birth, sexual preference or marital status. The Contractor further covenants that it will comply with the Civil Rights Act of 1973, as amended; and the Michigan Civil Rights Act of 1976 (78. Stat. 252 and 1976 PA 453) and will require a similar covenant on the part of any consultant or subcontractor employed in the performance of this contract.