



301 East Main Street  
Lowell, Michigan 49331  
Phone (616) 897-8457  
Fax (616) 897-4085

CITY COUNCIL SPECIAL MEETING AGENDA  
AUGUST 11, 2020 P.M.  
AT  
CREEKSIDE PARK  
1550 GEE DRIVE

1. CALL TO ORDER; ROLL CALL
2. APPROVAL OF THE AGENDA
3. CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA

IF YOU WISH TO ADDRESS AN AGENDA ITEM, PUBLIC COMMENT FOR EACH ITEM WILL OCCUR AFTER THE INITIAL INFORMATION IS SHARED ON THE MATTER AND INITIAL DELIBERATIONS BY THE PUBLIC BODY. PUBLIC COMMENT WILL OCCUR BEFORE A VOTE ON THE AGENDA ITEM OCCURS

4. SHOWBOAT BIDS
5. COUNCIL COMMENTS
6. ADJOURNMENT

NOTE: Any person who wishes to speak on an item included on the printed meeting agenda may do so. Speakers will be recognized by the Chair, at which time they will be required to state their name and will be allowed five (5) minutes maximum to address the Council.

**LOWELL CITY ADMINISTRATION**  
**INTER OFFICE MEMORANDUM**



**DATE:** August 3, 2020  
**TO:** Mayor DeVore and the Lowell City Council  
**FROM:** Michael T. Burns, City Manager MB  
**RE:** Showboat bids

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On June 1, 2020 the City of Lowell opened the following bids for the general contractor for the interior of the showboat:

- Pel Construction \$1,858,488
- AJ Veneklasen \$ 1,347,116
- Wolverine Building Group \$1,340,483

Shortly thereafter, the Committee and our Consultants met and reviewed the submissions. It was apparent that both AJ Veneklasen and Wolverine bid this project with the assumption they would build it on land. It was explained multiple times to all bidders that their interior work would need to be completed once the boat was put into the water. Also, the architect and mechanical engineer needed clarifications from the bidders regarding some of the HVAC and building specifications. So the bidders were all issued an addendum to seek clarification on these items and were given two weeks to complete the addendum.

Two of the three bidders submitted the requested information in the addendum. Both included revised bids. They were asked to submit their bid with the construction work being completed in the water. Both were also asked to provide the total construction cost and list the installation of snowmelt as an alternate. They were also asked to provide a deduction if Pella sliding doors were used in lieu of the proposed stacking doors.

AJ Veneklasen provided a revised bid of \$1,412,820. Their cost for snowmelt was \$15,820 and they included a deduction of \$21,500 for the doors. Wolverine submitted a bid \$1,435,638.81. They provided a deduction of \$20,745.

Once we received the revised bids, the committee chose to have both firms come in. This would allow us to ask questions about their bid and seek clarifications to items we questioned. We also asked them what they felt could be value engineered in order to reduce costs. On Friday July 17<sup>th</sup>, both AJ Veneklasen and Wolverine were present and answered questions. We learned AJ Veneklasen did not provide a specified keel cooler in their bid. It was determined this would be an increase of approximately \$35,000 to their bid. We also learned AJ Veneklasen used a different electrical subcontractor for the second submittal, and felt this cost could be reduced if they were selected. While the City had the right to reject the bid from AJ Veneklasen because they didn't provide the keel cooler, they were asked to provide the cost of one.

I also learned when we met with Wolverine, they informed us they didn't separate the snowmelt alternate bid from their proposal and reduced the bid to \$1,414,611.57. It was also mentioned in our meeting (I was aware of this prior) a business in the City, "Progressive Heating and Cooling," was Wolverine's subcontractor for the HVAC.

After we interviewed Wolverine, a volunteer on our committee Doug McGregor who was helping consult us on the HVAC systems, mentioned to me he used to work for Progressive. He added he doesn't believe they are capable of handling the work needed for this contract. It was apparent to me that he and Progressive were not on good terms. I was not aware of this issue until he brought it to my attention.

I should also mention the Project Manager for this project from Wolverine Building Group is Jim Chambers. Jim happens to be Councilman Marty Chambers' brother.

Later in the meeting, the Committee made a recommendation to the City Council for Wolverine Building Group to be awarded the contract.

I was planning to place this on the agenda for the Monday July 20<sup>th</sup> City Council meeting. That morning, I received an email from Doug McGregor asking me to seek more information about the qualifications of the HVAC subcontractors and he had a number of questions I should ask them. After speaking with our Mechanical Engineer Ken Reigler, he believed they were legitimate questions and it wouldn't hurt to ask. So I provided the questions to both firms and gave them five days to complete. Both firms provided answers that were satisfactory to Ken Reigler.

We also received a revised estimate from AJ Veneklasen. They added the keel cooler to their bid. However, their total bid was reduced to \$1,404,277. They informed me they went back to their original electrical contractor and lowered their overall price. The City never requested for this, we only asked for the price of the keel cooler. The addition of the keel cooler was an increase in cost of \$44,019. So if we didn't accept the reduced price, AJ Veneklasen's bid would be \$1,456,839.

**While AJ Veneklasen submitted an updated addendum which would be lower than Wolverine, I would recommend the City Council follow the July 17<sup>th</sup> recommendation of the Showboat Committee and award the work to Wolverine Building Group at their cost not to exceed \$1,414,611.57. AJ Veneklasen's bid should be rejected as they didn't submit the Keel Cooler quote in the addendum when this was specifically mentioned in the bid documents.**



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**Bid Opening – Via Zoom – June 1, 2020**

Acceptance of RFP's for the Showboat and Lineshack closed at 11:00 a.m.

City Manager Michael Burns opened the meeting at 11:04 a.m.

**Lineshack Building**

1. The Estes Group  
\$76,000.00

**Showboat**

1. Pel Construction  
\$1,858,488.00
2. A.J. Veneklasen  
\$1,347,116.00
3. Wolverine Building Group  
\$1,340,483.00

July 2, 2020



Jim Van Overloop  
Project Manager  
City of Lowell  
301 E. Main St.  
Lowell, MI 49331

**RE: Lowell Showboat ~ Interior fit-out**

Dear Mr. Van Overloop,

We are pleased to provide you with the following construction costs for interior fit-out for the new Lowell Showboat.

Description	Costs
1. General Conditions & OH&P	\$149,976.00
2. Project Contingency (10%)	\$142,000.00
3. Performance Bond	\$11,905.00
4. Brick Pavers	\$3,300.00
5. Fencing	\$8,723.00
6. Landscaping	\$1,500.00
7. Concrete	\$18,270.00
8. Miscellaneous Steel	\$135,200.00
9. Metal Stud	\$28,413.00
10. Rough Carpentry	\$29,195.00
11. Finish Carpentry	\$58,187.00
12. Insulation	\$67,020.00
13. Caulking	\$795.00
14. Doors & Windows	\$85,481.00
15. Drywall & Acoustical Ceilings	\$39,260.00
16. Painting & Wall Coverings	\$44,760.00
17. Flooring	\$30,680.00
18. Specialties	\$4,174.00
19. Elevators	\$33,572.00
20. HVAC	\$272,503.00
21. Electrical	\$236,555.00
22. Fire Alarm	\$10,251.00
<b>Total Construction Costs...</b>	<b>\$1,412,820.00</b>

Handwritten notes in blue ink: 311,743 (with bracket for items 4-7), 163,613 (with bracket for items 8-11), 27,322 (with bracket for items 12-13), 67,215 (with bracket for items 14-15), 114,700 (with bracket for items 16-17).

We look forward to working with you on this project.

Sincerely,

a.j. Veneklasen, Inc.

Rob Miller,  
Senior Estimator

a.j. Veneklasen, Inc.

Bill Lee,  
Vice President of Business Development

**5000 Kendrick St SE, Grand Rapids, MI 49512**

**Tel: 616.957.3731 | Fax: 616.957.4085**

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WEST MICHIGAN'S



COMPANIES TO WORK FOR



## Bid Clarifications

Lowell Showboat – Lowell, MI

July 2, 2020

To whom it may concern,

Below is a list of clarifications, allowances and alternates we have included with our proposal for your review.

### Clarifications

1. Post bid addendum 1 & 2 noted
2. Sales tax is excluded per post bid addendum 1
3. Performance bond is included
4. Utility hook-up and meter fees are excluded
5. Plan review and building permit fees are excluded per post bid RFI #2 response
6. Pella stacking doors are included as these will meet ADA requirements
7. Drapery & drapery hardware, shades, stainless bar unit, tables & chairs are excluded
8. Electronic message board is excluded – assumed to be by Other
9. Final mechanical, electrical and plumbing (MEP) design is excluded – assumed to be by Other
10. HVAC controls pricing assumes that a persistent internet connection (via Charter, Comcast, etc.) is available on the boat, for the purpose of BMS remote access
11. Plan H1.2 indicates that all controls on the boat should integrate (via BACnet IP) to the city's BEMS. There was no information on the nature, type and capabilities of the city's BEMS. Additionally, Addendum 1 indicates that all space temperature controls (etc.) need to be remotely accessible via smart-phone, etc.. Bid includes a Tridium BMS supervisory controller with connections to all HVAC equipment on the boat, with the intention of meeting both the need for remote access via smart-phones (etc.) and the ability to share data to the city BEMS (via BACnet IP). If another approach is warranted, please provide further information so the included approach can be adjusted.
12. Snow melt system is excluded, see alternate below
13. Sound/video system is excluded per post bid addendum 1
14. Data cabling and security wiring is excluded – assumed to be by Other
15. Fire alarm system is included
16. **Note:** all items excluded above are assumed to be prepared, furnished or installed by Other

### Allowances

1. \$2,500.00 is included for temporary heat
2. \$1,500.00 is included for replacing the existing landscaping as required
3. \$142,000.00 is included for project contingency (10%)

### Alternates

1. Provide and install Pella sliding doors in lieu of the stacking doors. **please deduct...** (\$21,500.00)  
**Note:** sliding doors will not meet ADA requirements

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Lowell Showboat  
July 2, 2020  
Page 2



Alternates Continued:

2. Provide and install snow melt system as shown on drawings, please add... **\$15,820.00**

Thank you for the opportunity to pursue your project. By effectively coordinating the efforts of qualified professionals throughout the process, our VeneBuilt Services method of delivery generally results in significant savings of time, money and provides you with a single source of contact and accountability for project planning. Our process is timely, cost-efficient, and goal-oriented. During every phase of the project, we continually seek opportunities for cost reduction, schedule improvement, and innovative design solutions.

We look forward to working with you on the project.

Sincerely,

a.j. Veneklasen, Inc.

Rob Miller,  
Senior Estimator

a.j. Veneklasen, Inc.

Bill Lee,  
Vice President of Business Development



Clarifications to Bid Proposal  
Lowell Showboat  
Revised 7/2/20 per Post Bid Addendum

CLARIFICATIONS

Pricing based on drawings issued for bids and construction as follows:

- Architectural drawings by Michael R Lynch Arch dated 3/21/20
- Mechanical and Electrical drawings by Comprehensive Engineering dated 3/20/20
- Elevator drawings by Inclinator Co of America dated 3/2017
- Ship Builder drawings by Marine Service LLC dated 9/26/19
- Interior design package dated 2/21/20

Exterior site-work is limited to:

- Demolition of concrete, pavers and landscaping. Provide electrical, snowmelt, concrete and reinstall pavers and landscaping.

Public restrooms in on-shore facility to be priced out at a later date.

All work shown on Ship Builders drawings are by others - not included in this bid.

Closed cell foam included in hull, decks and exterior walls per drawings

Boat supplied and placed in Flat River by Boat Builder

Fit out of interior and exterior work to be completed while boat is on land. Placement in water by others.

Specified Color Quartz for solid surface countertops no longer in business. Silestone Quartz Helix 3 cm used.

Ceasarstone Bianco specified not included. Shadow white used for pricing

Snowmelt system included

Elevator hoistway, framing and sheathing included

Elevator included.

Includes food service equipment as follows: Stainless steel shelving, mobile refrigerator cabinet, heated holding proofing cabinet, portable bar, trash receptacle.

Allowance of \$1,500 included for permitting.

Anchors at the mooring bollard are included as an allowance of \$3,000. The steel will require engineering by Civil/Structural Engineer to determine structural capacity.

ITEMS NOT INCLUDED

Faux smoke stack, Flagpole

All work shown on Boat Builder drawings

Setting of boat in water at completion

Temporary utility costs

ALTERNATES::

Because of the current COVID19 virus, hand sinks may be required. If so, we offer a price for furnishing of handsink (not included installation). \$700 each

Furnish and installation of standard sliding doors deduct of \$20,745

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REVISED FOR POST BID ADDENDUM 7/2/20

### BID PROPOSAL

Description of Work				Sub-Total	Total Proposal Amount
<b>GENERAL CONDITIONS</b>				\$ 75,500.00	
				N/A	
	SITWORK			\$ 1,600.00	
	CONCRETE			\$ 14,700.00	17,100
	MASONRY			\$ 800.00	
	METALS			\$ 107,339.06	
	CARPENTRY			\$ 134,351.50	
	THERMAL & MOISTURE			\$ 68,830.00	
	DOORS & WINDOWS			\$ 79,375.00	
	FINISHES			\$ 145,470.00	X
	SPECIATIES			\$ 2,553.00	
	EQUIPMENT			\$ 11,341.00	173,655
	FURNISHINGS			\$ 16,844.70	
	SPECIAL CONSTRUCTION			\$ -	
	CONVEYING SYSTEMS			\$ 32,805.00	
	MECHANICAL			\$ 307,954.00	
	ELECTRICAL			\$ 213,140.00	
<b>CONSTRUCTION COSTS</b>					\$ 1,212,603.26
	PERMIT		PERMIT	\$ 1,500.00	
	Overhead & Profit		O&P 7%	\$ 84,882.23	160,392
<b>SUBTOTAL PERMITS &amp; FEES</b>					\$ 86,382.23
<b>SUBTOTAL</b>					\$ 1,298,985.49
				SALES TAX 0.0%	\$ -
				CONTINGENCY 10%	\$ 121,260.33
				WEATHER CONDITIONS	\$ 5,000.00
				PERFORMANCE BOND	\$ 10,393.00
<b>GRAND TOTAL</b>					\$ 1,435,638.81

July 27, 2020

Jim Van Overloop  
Project Manager  
City of Lowell  
301 E. Main St.  
Lowell, MI 49331



**RE: Lowell Showboat ~ Interior fit-out**

Dear Mr. Van Overloop,

We are pleased to provide you with the following construction costs for interior fit-out for the new Lowell Showboat.

<u>Description</u>	<u>Costs</u>
1. General Conditions & OH&P	\$141,676.00
2. Project Contingency (10%)	\$127,500.00
3. Performance Bond	\$11,905.00
4. Brick Pavers	\$3,300.00
5. Fencing	\$8,723.00
6. Landscaping	\$1,500.00
7. Concrete	\$18,270.00
8. Miscellaneous Steel	\$136,300.00
9. Metal Stud	\$28,413.00
10. Rough Carpentry	\$29,195.00
11. Finish Carpentry	\$58,187.00
12. Insulation	\$67,020.00
13. Caulking	\$795.00
14. Doors & Windows	\$85,481.00
15. Drywall & Acoustical Ceilings	\$39,260.00
16. Painting & Wall Coverings	\$44,760.00
17. Flooring	\$30,680.00
18. Specialties	\$4,174.00
19. Elevators	\$33,572.00
20. HVAC	\$314,426.00
21. Electrical	\$219,140.00
22. Fire Alarm	Included in Electrical
<b>Total Construction Costs...</b>	<b>\$1,404,277.00</b>

We look forward to working with you on this project.

Sincerely,

a.j. Veneklasen, Inc.

Rob Miller,  
Senior Estimator

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Bill Lee,  
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**LOWELL CITY ADMINISTRATION**  
**INTER OFFICE MEMORANDUM**



**DATE:** July 20, 2020  
**TO:** Mayor DeVore and the Lowell City Council  
**FROM:** Michael T. Burns, City Manager *MB*  
**RE:** Showboat Financing

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After thoroughly reviewing this matter with members of the Showboat Committee, we are very close to recommending a bidder for the General Contractor work for the interior of the boat. However, the fundraising efforts have been slow due to the COVID 19 pandemic.

The design and specifications for the Showboat have been very complicated and we have looked at a number of options to reduce costs for the construction. We have also looked at possibly not heating the boat. We have eliminated the redundancy for the heating we once discussed. Additionally, we looked at reducing the level of snowmelt or even not installing it. Further, we looked into a lower cost snow melting option alternative which we will most likely implement. We have tried to minimize as much of the costs for this project as we feasibly can.

However, there is the concern that cutting costs too much, will negatively impact the integrity of what the Community will envision for the Showboat. For instance, there is a concern that not heating the boat will cause damage since it is a metal structure. The Committee was very concerned in not doing this. The intent for designing the boat in the matter that it was implemented, was done so it can operate on a year round basis.

After discussing this at length with the committee, we believe additional fundraising can be accomplished. However, we need to begin construction of the interior in short order. For example, we requested \$500,000 from the Lowell Area Community Fund in the spring and received \$200,000. At the time, we were told we could come back for additional funding. We plan to apply for the next cycle of funding.

That said, the committee intends to move forward with the sponsorships we discussed in the fall. They fully intend to continue fundraising. However, there is currently a gap of approximately \$865,000 in cash on hand and estimated complete construction costs. The Committee would like to ask the City to consider Installment Purchase Financing to complete the project. While there is a risk, we believe the costs can be recouped through fundraising efforts and the revenue generated from operating events at the facility. It is still the goal, that no City of Lowell tax dollars will be used to subsidize this project. As of today, this is still the case and the intent.

If you recall, the Lowell Arts project sought financing to address the gap in their fundraising efforts. We could stretch the payments in 5, 6 or 7 year terms. We believe with the City's credit rating, we should be able to secure a relatively low interest rate.

While the efforts to have this 100% percent funded prior to construction were there, in many cases with these type of projects it isn't an uncommon thing to seek financing. As I expressed before, there is a risk in not being able to produce your goals with fundraising efforts. However, I believe this is a project this community wants to see completed and would be a jewel for years to come. We need your direction on this matter.

## Showboat Working Budget

updated 7-17-2020

<b>Income to Date</b>	<b>Amount</b>	<b>Notes</b>
State of Michigan Grant	\$1,000,000.00	Awarded - 2018
State of Michigan Grant	\$1,300,000.00	Awarded - 2019
Rotary (Auction, Cable, LACF)	\$131,230.00	2017 - Rotary has in hand
Chamber(various small fundraisers)	\$5,000.00	given to the City
Chamber(various small fundraisers)	\$17,957.00	2017-2018 - Chamber has in hand
LCTV Endowment Fund	\$50,000.00	Awarded - Requested on 2-8-19
Rotary Auction 2019	\$19,385.00	Rotary Auction proceeds - Rotary has in hand
Rotary Auction 2019	\$1,620.00	Rotary Auction Showboat memorabilia - Rotary had in hand
Lowell Showboat Memorabilia	\$1,713.00	From Red Barn Consignment
Comedy in the Park	\$1,000.00	From Creative Party Bug
Lowell Area Community Fund	\$200,000.00	Confirmed

*Total Income* **\$2,727,905.00**

**Budget Expense Items:****Cost:****Status:****SHOWBOAT**

Moran Iron Works	\$1,500,000.00	Hull & Structure Construction
General Contractor	\$1,414,612.00	Finishing of the boat
Heattrak	\$4,500.00	Industrial Snow Melting Mats
Interior Finishing - Drapes and Rods	\$60,000.00	Hearthstone
Security - Intrusion Alarm	\$3,200.00	Interior Construction
Security - Door Access	\$11,000.00	Interior Construction
Security - Video Surveillance	\$15,000.00	Interior Construction
Multimedia - Sound System and projection	\$15,000.00	Interior Construction
Furnishing - Tables, Chairs, Bar, Steam Table	\$27,806.00	Fit and Finish
Earthworm Dozing	\$6,000.00	Showboat Demolition and Removal
J&K Catering (Owner's Representative)	\$20,000.00	Design
Hearthstone Interior Design	\$21,219.00	Design
C. Fly Design	\$101,500.00	Design
M&M Drafting	\$1,550.00	Design
Attorney	\$6,290.00	Design
A-1 Laser	\$361.00	Design
JAVO Construction	\$78,400.00	Project Manager
Architect Michael Lynch	\$26,000.00	Architect
Comprehensive Engineering	\$49,000.00	Heating, Cooling & Electrical engineering
Maintenance Endowment	\$100,000.00	Operation
	<b>\$3,461,438.00</b>	

<b>DPW BUILDING</b>		
Restrooms at old DPW	\$131,000.00	Estimated Interior Construction
Large Gathering Room at old DPW	\$228,112.50	Estimated Interior Construction
Dressing Room at old DPW	\$74,497.50	Estimated Interior Construction
Storefront #1	\$101,640.00	Estimated Interior Construction
Storefront #2	\$104,912.50	Estimated Interior Construction
	<b>\$131,000.00</b>	

**Total Project** **\$3,592,438.00**

Additional funding needed to complete project **\$ 864,533.00** includes restrooms only for DPW