

# Low bids make aquatic center construction a certainty

"We're going to build a new aquatic center," says City Manager Russ Behrens, describing the eagerly-anticipated bids for the project to be reviewed by the city council at its regular meeting tonight, June 1.

As the fifth major construction project started in the last several years, the aquatic center fundraising effort was affected not only by the economic downturn but also by a more limited ability on the part of private donors and the city to accumulate the necessary dollars. With the recent award of a \$100,000 Vision Iowa grant, funds designated for the aquatic center reached \$5.5 million, the minimum the council identified as needed to move forward.

Facing the possibility of insufficient funds while knowing that construction bids this year are coming in lower than originally expected, the council chose a more complex bid process than usual, giving itself maximum flexibility when bids arrived to eliminate individual items if available funds and the winning bid dictated that result.

Bidders were allowed to bid on one, two, or all three packages, consisting of the pool vessel itself and the surrounding decking, the pool piping and mechanics, and the general construction portion, including the bathhouse and surrounding structures. Behrens reports that a total of ten firms turned in bids on one or more of the packages.

In addition, the council isolated ten

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sub-projects as “alternates,” asking bidders to list separately the cost for alternates in any package they bid on. With this configuration, the council could accept base bids in the three main areas and then decide whether to accept or reject each of the ten sub-projects as funds allow.

Behrens says all bidders were required to “pre-qualify” by proving through documents that they could perform the work for which they provided bids. The apparent low bidder for the general construction and pool vessel portions is Henkel construction of mason city with a base bid for those two portions of \$3,350,000. Behrens noted that references are still being checked and that only the council can make the final award of the bid. Henkel built the pools in Forest City, Garner, Manly, and Mason City.

ACCO of Johnston is the apparent low bidder for the mechanical portion of the project according to Behrens with a bid of \$935,793. The city is familiar with ACCO as the water resources department buys materials and supplies for the water department and the old pool from ACCO. Behrens notes that Grinnell is not familiar with ACCO as a construction company whose references are also still being

checked, adding that ACCO like Henkel pre-qualified for bidding.

Of the aquatic center fundraising and bidding process, Behrens commented: “The downturn in the economy hindered our fundraising efforts, probably to the tune of a million dollars. In the end that same economy helped us on the bids because of the competitiveness of the construction industry right now. It’s better because it saved the community from having to spend that million dollars on the new aquatic center.”

Behrens noted that two firms bid all three sections, four including Henkel bid only the general construction and pool vessel portions and four including ACCO bid only the mechanical portion. With such a complicated set of bids, city staff assessed the apparent low bidder Henkel’s base bid with all ten alternates added in against other base bids with alternates added to determine whether Henkel remained the low bidder when options were included. Behrens says Henkel’s total for the base plus alternates remains lower than the comparable figure for any other bidder.

If the council awards the base bids to Henkel and ACCO, the total cost for both base bids is \$4,285,793. Behrens that the total project cost of \$5.5 million includes payment of engineering costs, fundraising costs and onsite utilities work, none of which is covered by either construction bid. He notes that, once those costs are handled, some

money from the \$5.5 million on hand may still be available for adding some of the alternates in, explaining that the bids allow 90 days after award of the base bid for acceptance or rejection of the ten alternates.

Several of the alternates, Behrens thinks, could be dropped out of the construction contract and performed by city crews. He points to a floatable water walk and the north half of the parking lot, both bid as alternates and both now candidates to be taken internal and completed outside the contract. With construction of the aquatic center assured, Behrens suggests assessing each alternate in the next month or two to determine if the contractor’s price mark-up can be avoided by city crews, noting that he believes taking 60 days to make those ten decisions will not unduly affect the contractor’s construction schedule. He gives as an example direct city purchase of the water walkway, avoiding contractor mark-up with installation by city crews after construction is complete.

Here is the list of the ten alternates with the cost bid by Henkel for each one:

- speed slide \$63,145;
- floatable water walk \$56,200;
- pool area lighting \$69,050;
- outside lockers 20,690;
- north half of parking lot \$70,320;
- family slide (shorter and wider slide) \$110,303; and
- staff shelter on pool deck \$17,760.