Department of Public Works
City Engineering Division

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City Engineer

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Hydrogeologist
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Date: March 19, 2013

To: Mayor Soglin and the Common Council

From: Robert F. Philips, City Engineer

Subject: Request to Refer Agenda items #56 & 57

Please refer to the Board of Public Works, item #56, Awarding Public Works Contract No. 7040, Warner Park Service Meter and Enclosure Installation, and item #57, Awarding Public Works Contract No. 7045, Upgrading Booster Pumps at Unit Well 20.

Both projects have been determined by the Water Utility to be in excess of the cost estimate and/or exceeding available funding (see attached memos from Water Utility). Therefore, referral back to the Board of Public works is requested for review and determination.

Madison Water Utility
Tom Heikkinen – General Manager
Alan L. Larson P.E. – Principal Engineer

119 E. Olin Avenue
Madison, Wisconsin 53713
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MEMORANDUM

Date: March 14, 2013

To: Board of Public Works
Rob Phillips
Mike Dailey

From: Pete Holmgren
Al Larson

Re: Contract #7045
Upgrade Booster Pumps at Unit Well 20

Madison Water Utility is recommending that the bid received on 3/1/2013 for Contract #7045, Upgrade Booster Pumps at Unit Well 20 be rejected. We are requesting that the project be re-bid on an adjusted schedule. This is based on several factors.

The low bid was more than twice that of the project estimate ($284,900.00 bid versus $140,000.00 estimate). The project estimate was based on previous experience with similar projects as well as input from the project consultant, Baxter & Woodman, Inc. Even with a more conservative approach to the original estimated cost, the low bid far exceeds the expected costs of this contract.

Additionally, the bid on this contract was the only bid received. The lack of competitive bids lends reason to believe that an effort to re-bid the contract may bring bids closer to estimated costs. Madison Water Utility had concerns about this issue prior to the opening, but elected to open the bid in order to try and maintain the original project schedule which contained several key dates.

Madison Water Utility also feels that the bid and advertising schedule may have contributed to deterring a more competitive range of bids. February had a large number of Public Works projects which were advertised and opened on March 1 (including this contract). The bid and advertising window for this contract extended from February 8th to the 22nd. Normally, this would be a reasonable amount of time for contractors to bid a project of this scope, but in this instance there may have been more bids during an advertising cycle with less volume.

For these reasons, it our recommendation that the bid from Monona Plumbing be rejected and this contract be re-bid with adjusted advertising and contract dates.

CITY OF MADISON BOARD OF PUBLIC WORKS

BID OPENING

DATE: 3/1/2013

UPGRADE BOOSTER PUMPS AT UNIT WELL 20

CONTRACT NO. 7045

CONTRACTORS	
MONONA PLUMBING & FIRE PROTECTION, INC.	$ 284,900.00
ESTIMATED COST	$140,000.00

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