



## MEMORANDUM

Date: May 7, 2024

To: Mayor Satya Rhodes-Conway  
Common Council  
Finance Committee  
Water Utility Board

From: Pete Holmgren, PE – Chief Engineer  
Krishna Kumar – General Manager

Subject: Authorizing a Non-Competitive Selection Contract with Capitol Underground, Inc. for Water Main Leak Repair and Excavation Services

## RECOMMENDATION:

Staff recommends entering into a non-competitive selection contract with Capitol Underground, Inc. for the services outlined in the attached bid and contract draft documents.

## BACKGROUND:

Madison Water Utility's (MWU) infrastructure and service areas continue to grow, in tandem with projected increases in capital investments over the coming years. To best ensure service resiliency for certain operations, MWU has been exploring opportunities to partner with local qualified contractors in certain instances.

In February, MWU assembled and issued a Request for Bids (RFB) document to solicit interest and pricing for contractor services. Bids were due in March, however no acceptable bids were received through that process. Because Madison General Ordinance 4.26 allows for the City to enter into *negotiated* contracts when no acceptable bids are received after formal advertising, MWU proceeded to reach out again to local contractors for interest in services outlined in the RFB. Through this process, Capitol Underground, Inc. emerged as the recommended option through a combination of their water construction experience, understanding of scope, negotiated pricing, and local presence.



The initial contract will be valid for one year, with four additional one-year renewal options. Please review the attachments for a breakdown of potential services that MWU could utilize under this contract.

**FISCAL IMPACTS:**

Because this contract is considered supplemental to typical or anticipated MWU work, there are no new fiscal impacts expected. Any related work under this contract would be applied to the appropriate funds that are budgeted annually; for example water main repairs would be an operating budget line item expense, while work related to capital projects would be charged to those appropriately budgeted projects.

**LEGISLATIVE PATH:**

5/7/24 – Common Council (Introduction)

5/13/24 – Finance Committee

5/28/24 – Water Utility Board

6/4/24 – Common Council (Final Action)

**ATTACHMENTS:**

1. Memo (This Document)
2. Request for Bids #13026-0-2024-BG – “Water Main Leak Repair and Excavation”
3. Non-Competitive Selection Request Form
4. DRAFT Contract for Purchase of Services with Capitol Underground, Inc.