



Building a Better World
for All of Us®

January 2, 2024

RE: Madison Water Utility
Unit Well 19 Treatment System Addition
SEH No. MADWU 167818, 6 14.00

Mr. Peter Holmgren, PE
Chief Engineer
Madison Water Utility
119 East Olin Ave.
Madison, WI 53713

Dear Mr. Holmgren:

On Thursday, December 14, 2023, at 2:30 p.m. public bids were opened for the above referenced project for Madison Water Utility. One bid was received, and it was from Joe Daniels Construction (“Daniels”) of Madison, WI as follows:

Contractor	Total Base Bid	Alternate 1 (Roof)	Total (Base Bid +Alternate)	Engineer’s Estimate
Joe Daniels Construction	\$7,344,825.00	\$195,600.00	\$7,540,425.00	\$7,400,000

The format of the bid proposal was divided into a Lump Sum Base Bid and one Alternate Bid item. The Lump Sum Base Bid covers all work for the UW 19 Treatment System Addition. Alternate 1 includes work on the existing concrete roof on the Unit Well 19 building to repair and add additional waterproofing to the existing exterior concrete roof. It also includes removal of the old interior ceiling panels and insulation inside the building and adding ventilation and new insulation to prevent condensation inside the building during the months the building is heated. The Utility could choose to add Alternate 1 work to the project if the cost appears beneficial.

Receipt of one bid on a project does not enable us to evaluate if a low bid is comparable to other bids that may have been received. However, receiving one bid is not uncommon in the current market conditions, where contractors have an abundant amount of work to choose from in the state. The bid submitted by Daniels compares favorably with our project estimate. The Total (Base+Alternate) is approximately 1.8% over our estimate of \$7,400,000. Based on the current market conditions for infrastructure work, the inflationary environment that we are in, and our experience with bids received on similar projects, we believe the bid to be reflective of the market conditions.

Because SEH has not previously worked with Daniels and because they were the only bid received, we requested a list of the subcontractors and a list of similar projects completed by them. Our post-bid meeting with Daniels on 12/28/2023 indicated that they were confident in the contract schedule and that they had a good understanding of the project requirements. The project list indicates to us that they have the capacity to manage and complete projects of similar complexity. Their subcontractor for the treatment process equipment and process piping is a company that SEH has worked with regularly on water treatment plant projects. Because Daniels is a pre-qualified contractor with the City of Madison and has completed several large projects in the recent past for the City of Madison and Madison Water Utility, their

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familiarity with the City's contracting process and construction requirements is thought to be favorable to the success of the project.

Based on this information and analysis we recommend award of the Total Bid (Base Bid plus Alternate 1) at a total bid cost of \$7,540,425.00 to Joe Daniels Construction Co., Inc. of Madison, Wisconsin, contingent upon the other typical requirements of Public Works contracts.

The recommendation to include the award of the Alternate 1- Roof work is based on the understanding that the bid for this alternate roof work is close to the estimated costs for said work, and if the work was to be completed later on a stand-alone basis it would be less cost effective. Doing the work now with the trades that are included in the larger project (base bid) will be the best value for Madison Water Utility to repair the roof on the building and prevent future water damage to new and existing assets.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.



Jeff Nussbaum, PE
Sr. Professional Engineer/Project Manager
(Lic. WI)

jn

c: Brad Weiss, PE, SEH
Mina Stumpfoll, SEH

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