



Madison Water Utility

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MEMORANDUM

Date: October 22, 2014

To: Water Utility Board

From: Al Larson, PE, BCEE
Principal Engineer

Re: **Lake View Reservoir**
Recommendation to Reject All Bids and Rebid the Project

Background

SEH and MWU Engineering staff developed construction drawings and specifications for a two zone tank located on the existing Lake View Park site on the north side. The proposed project was discussed with a Citizen's Advisory Panel, the Water Board and other interested parties over the course of many months.

The project would mitigate an identified storage deficiency in both Pressure Zone 5 and Pressure Zone 6E. This improvement would provide reliability, redundancy and stability to the water supply system in the north end of Madison.

Bids Received

A single bid was received on September 5th for the project with a base bid of approximately \$5.2 million. This exceeded the engineer's estimate of \$4.5 million.

Evaluation of Bids

Utility staff and SEH evaluated the bids and the options available to the Utility. A report detailing that evaluation is attached for your information and use. Several alternatives were considered on how to proceed with the project. The bidder was contacted and ways to reduce costs were investigated. The bidder was only able to identify and offer approximately \$250,000 in savings.

Recommendation

Based on the evaluation of the bids and as noted in the attached report, it is the recommendation of the Engineering staff and SEH to reject all bids and rebid the project.