



Strand Associates, Inc.[®]
910 West Wingra Drive
Madison, WI 53715
(P) 608-251-4843
(F) 608-251-8655

October 3, 2013

Mr. Alan Larson, P.E., BCEE
Chief Engineer
Madison Water Utility
119 E. Olin Avenue
Madison, WI 53713

Re: MWU Well 7 Project

Dear Al,

This letter follows the July 24, 2013, letter that discussed the impact of project delays on our fee structure.

Madison Water Utility's (MWU) acquisition of property for the site has been delayed. City Planning would not review facility appearance and conditional use submittals until MWU owned all the property. As a result, project documents, bidding, and construction have been delayed by 6 months.

Strand Associates, Inc.[®] adjusts its payroll on July 1 of each year. This year the increase was 5 percent.

The 6 month delay has pushed preparation of bidding documents from the first quarter to the fourth quarter of 2013, increasing project labor costs. The budget remaining to complete the bidding documents is approximately \$162,000. Five percent of \$162,000 equals \$8,100.

Completion of construction has been delayed from the end of June 2014 into early 2015. This results in approximately 60 percent of the \$157,500 budgeted for construction support to occur in a following cost period. Five percent of this value equals \$4,700 for a total increase of \$12,800.

We respectfully request our fee at Well 7 be increased from its current \$457,000 to \$469,800.

Please call if you have any questions or would like to discuss.

Thank you.

Sincerely,

STRAND ASSOCIATES, INC.[®]


Mark Oleinik, P.E., P.H.

c: Andy Mullendore

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Strand Associates, Inc.[®]
910 West Wingra Drive
Madison, WI 53715
(P) 608-251-4843
(F) 608-251-8655

July 24, 2013

Mr. Alan Larson, P.E., Principal Engineer
Madison Water Utility
119 E. Olin Avenue
Madison, WI 53713

Re: MWU Well 7 Project

Dear Al,


A number of outside factors have delayed this project. A significant factor has been the unavoidable delay MWU has encountered securing the adjacent properties. This has delayed some of our on-site work and review by the Madison Plan Commission.

These factors have put the project approximately six months behind the original schedule. This has pushed a significant amount of our labor costs into subsequent pay periods and has increased our costs approximately 5 percent. Five percent of our remaining project labor is just over \$13,000. We would like to discuss the possibility of a contract amendment to cover these additional costs.

We suggest not doing anything formal on this issue until any impact of the recent involvement of the Landmarks Commission is known. Unless you suggest otherwise, we can consider one amendment to deal with both issues, as necessary.

Sincerely,

STRAND ASSOCIATES, INC.[®]


Mark Oleinik, P.E., P.H.

c: Andy Mullendore, Strand Associates, Inc.[®]