

SUBMITTED BY: Karl Rockwell, Public Works Director/City Engineer

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager

FOCUS AREA: Other / NA

**ORGANIZATIONAL
IMPROVEMENTS:** Well Improvements

SUBJECT: **BID AWARD to KP VENTURES WELL DRILLING and PUMP CO., LLC for DRILLING and INSTALLATION of a New Water Production WELL #20.**

EXECUTIVE SUMMARY:

The city requested bids from qualified contractors to drill and install a new permanent well for the Port of Entry Project to be located on a city owned parcel at 407-61-013B on the southeast corner of Cochise College Campus. We received bids from seven responsive bidders for this project. The lowest responsive bidder was KP Ventures Well Drilling and Pump Co., LLC at \$1,281,764.84. More bids will come for the equipping of the well and for the entire Water Campus buildout at a later date.

BACKGROUND:

The city needs water production for the new Commercial Port of Entry and the West Utilities Expansion area that will include Cochise College, and possibly others along SR-80 as well as new development. This well will also tie into our existing system, with capabilities of providing production back into the city. Timing is critical for this project as we are trying to meet GSA's timeline to open the port in Fall of 2028.

The bid includes drilling the well to a maximum depth of 1,200 feet. The bid closure deadline was January 29, 2026. We received bids from Arizona Beeman Drilling, KP Ventures, Reliant Well Drilling and Pump, Stewart Brothers, Western Hydro Engineering, Mike's Drilling and Hydro. Western Hydro Engineering was the lowest bid at \$1,128,890, however they did not provide the required bid bond nor did they sign the Non Collusion Statement. KP ventures was the second lowest bid at \$1,281,764.84 and met all the bid requirements. The rest of the bids ranged from \$1,293,880.00 to \$1,866,620.00. The bid language contains federal requirements and bidders' failure to follow requirements forced us to look at the lowest bidder that followed all instructions.

The bid is currently to dig the well at a depth of 1,200 feet, however, the city may choose to revise this depth lower based on water quality and engineering recommendations.

The project will be paid out of the State ARPA grant for \$8.9 million. The project requires the contractor to follow Davis Bacon prevailing wages requirements.

DISCUSSION:

Staff and Stantec Consultants recommend approval.

FISCAL IMPACT:

\$1,281,764.84 from State ARPA Grant funds.

Fiscal Year: 2025/2026

Amount Requested:

Budgeted: Y / N

Account (s): 410-5455-431780

“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE BID AWARD TO KP VENTURES WELL DRILLING AND PUMP CO., LLC FOR DRILLING AND INSTALLATION OF A NEW WATER PRODUCTION WELL #20.”