

**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 for DRILLING of a NEW PRODUCTION WATER WELL #18.**

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**EXECUTIVE SUMMARY:**

The city requested bids from qualified contractors to drill and install a new well for the City of Douglas to be located on a city owned parcel at 410-16-001K. This location is north of 15<sup>th</sup> St. near the water tanks at 15th Street Park. We received bids from seven responsive bidders for this project. The lowest responsive bidder was Arizona Beeman Drilling at \$992,866.00. There will be a second bid to purchase and install the equipment for the well, that will occur at a later date.

**BACKGROUND:**

In efforts to increase much needed water production, the city is looking to drill a new well on a city owned parcel north of 15<sup>th</sup> St. near the water tanks at 15<sup>th</sup> Street Park. This would be well # 18 for the city. The city expects that this will be a good water resource for many years to come.

The city went out to bid for a company to drill the well to a maximum depth of 1,000 feet. The bid closure deadline was April 29, 2025. There were seven responsive bidders that included Arizona Beeman Drilling, KP Ventures, Reliant Well Drilling and Pump, Stewart Brothers, Layne, Western Hydro Engineering and Hydro. Arizona Beeman Drilling was the lowest bid at \$992,866. KP ventures was the second lowest bid at \$1,091,348.05. The rest of the bids ranged from \$1,306,257.73 to \$1,677,750.00.

The bid is currently to dig the well at a depth of 1,000 feet, however, the city may choose to revise this depth lower based on engineering recommendations.

Once work is completed, there will be additional work needed to purchase equipment for this new well location.

The project will be paid out of a WIFA loan of \$2.1 million, with \$655,500 forgivable principal. The loan requires that contractor to follow Davis Bacon prevailing wages and American Iron and Steel requirements.

**DISCUSSION:**

Staff and Basinwells Associates recommend awarding the bid to Arizona Beeman Drilling as the most qualified and responsive bidder.

**FISCAL IMPACT:**

\$992,866.00 to the Water Fund. A WIFA Loan was secured to pay for this project.

**Fiscal Year:** 2024/2025

**Amount Requested:**

**Budgeted:** Y / N

**Account (s):** **410-5455-431786**

**“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE BID AWARD TO ARIZONA BEEMAN DRILLING IN THE AMOUNT OF \$992,866.00 FOR DRILLING OF A NEW PRODUCTION WATER WELL #18.”**