

**SUBMITTED BY:** Luis Pedroza, Deputy City Manager/City Treasurer

**MANAGEMENT TEAM REVIEW:** Ana Urquijo, City Manager

**FOCUS AREA:** Other / NA

**ORGANIZATIONAL IMPROVEMENTS:** EnterTextHere

**SUBJECT:** **BID AWARD to KP VENTURES** for Slip Lining Retro Fit for Well 14

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**EXECUTIVE SUMMARY:**

Staff encountered an intrusion in the well case lining at Well 14 causing the ongoing rehab of the well to stop and assess possible solutions. The City, along with its engineers, Stantec, recommendation is to slip line and retro fit well 14 with a new casing over the existing casing.

**BACKGROUND:**

In efforts to increase much needed water production, the city looked at Well 14 as the best option to rehabilitate the well site since it is placed in a good location on white water draw. The well is at 500 feet depth and static water levels are currently at about 237 feet. The city expects that this would be a good water resource for many years to come.

The city issued a contract to Layne Christensen on 3/10/22 to begin the rehab of the well. While the well was being cleaned, they discovered a perforation in the casing and found gravel packing seeping inside the well casing. As a result, rehabilitation work was stopped to analyze options to get the well operational.

**Option 1** is to build a new well next to the existing well. Building a new well would relieve the city of the casing issues and allow us to tap into the white water draw site with desired specs. Building a new well would require about \$750,000 more than rehabilitating the existing well. The extra amount is something the city does not currently have budgeted and it may also not qualify for grant funding at this point.

**Option 2** was to reline the well. This process would involve cleaning out the gravel pack that came through and relining the well with new casing. The drawbacks on would be that the well would have less production capabilities since the diameter of the well will be reduced. We expect that the reduction will take the well from 800gpm to 400gpm. There is also risk involved in that relining the casing has a possibility of encountering issues along the way. The reduction in production may not be a huge drawback since the well would be operated as needed due to the higher cost of operation. The higher cost in operation would be the involved arsenic treatment that this well is expected to have. The more use of this well, the more expensive in changing out filters that cost about \$35,000 annually. If there is less use, the filters will last longer. In addition, the rehabilitation qualifies for USDA grant funding to fund about half of the cost as this is considered an emergency to get needed water production for the area.

Staff recommends **option 1**, due to funding constraints but more so that the rehabilitation would be quicker and functional to the needs of the city. With a new well 18 also being worked on, we will have another high producing well complemented by well 14 that will provide production when demand rises or when other wells need rest.

The city went out to bid for the relining of Well 14 and received 2 bids, one from KP Ventures and the other from Layne Christensen. KP Ventures provided a responsive bid with the lower price of \$231,318.30 while Layne's bid was \$249,785.00. Upon checking references for KP Ventures, entities shared a lot of satisfactory comments about previous work performed specifically with other slip lining projects.

**DISCUSSION:**

Staff and Stantec engineers recommend awarding the bid to KP Ventures as the most qualified and responsive bidder.

**FISCAL IMPACT:**

\$231,318.30

**Fiscal Year:** 2022/2023

**Amount Requested:**

**Budgeted:** Y / N

**Account (s):** 410-5455-431784

**“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE BID AWARD TO KP VENTURES FOR SLIP LINING RETRO FIT FOR WELL 14.”**