



City Council Report

Date: February 5, 2018
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Dollar Limit Increase to the Term Contract for Deep Well and Well Pump Maintenance and Repair Services for the Water Resources Department
(Citywide)

Recommendation

Council is requested to approve the contract amendment as recommended.

The Water Resources Department and Purchasing recommend increasing the dollar limit with Weber Water Resources, LLC; and Southwest Waterworks Contractors Inc.; by \$200,000.00, from \$280,000.00 to \$480,000.00 annually, based on estimated usage.

Background

This contract provides deep well and well pump maintenance and repair services to include pulling/repairing deep well pumps, videoing wells, brushing and bailing well casings and other related services for City wells. Although the wells are used primarily as a backup to the surface water treatment facilities, it is critical that these wells remain in good working order. The City wells are essential in the event production is cut off at the surface water treatment facilities. Additionally, it is critical that all wells remain in a state of optimal performance to ensure a safe and adequate water supply for Mesa customers in the event flows are reduced from the surface water plants.

Over the past 2 ½ years, this contract has been used primarily for reactive repairs with minimal to no preventative maintenance being performed. The reactive repair cost for each deep vertical turbine well pump is in the \$50,000.00 to \$110,000.00 range, depending on the condition of the well pump, piping, and casing.

Currently the City has 34 active deep vertical turbine water wells with 3 more wells scheduled to be drilled, equipped, and brought online within the next three years. These wells are dedicated for potable water to meet the demands of our growing customer base. Water Resources recommends that each vertical turbine well be pulled, inspected and the necessary repairs made on a 6-year cycle. Performing scheduled maintenance (approximate cost is \$35,000 per well site) will aid in verifying the reliability of the well, and should reduce the cost of reactive repairs.

Currently of the 34 wells, there are 8 wells that are over 30 years old -- the estimated life cycle is 50 years old. Monitoring the condition of the aging wells could prevent an unexpected failure. An unexpected failure on a potable water well could remove the well

from service for a minimum of 2 weeks and a maximum of unknown number of years until a new well is drilled and equipped. Currently to drill and equip a new well would cost the City over \$2,200,000.00 and approximately 2.5 years to complete.

Water Resources has requested the increase to support aging wells covering critical well work. Performing scheduled well maintenance and inspections on a 6-year cycle would provide the City with the necessary information needed to determine when the well will be coming to the end of its life. Funding and replacement can then be planned. This would also help insure that the wells are dependable, whether there is a plant outage or if they are needed to supplement demands from Mesa customers.

Purchase Information

Action: Amendment

Procurement Type: Dollar Limit Increase

Contract Number: 2015264

Original Council Award Date: 7/15/2015

Initial Contract Term: Three years

Funding Source: The purchase is funded in the Water Resources Department budget through Water Operations and Maintenance budget and Capital Improvement Program budget

Dollar Limit History:

Original Award Amount (Years 1, 2 and 3)	\$280,000.00
This Request 2/5/2018	<u>\$200,000.00</u>
New Contract Amount (Year 3, 7/1/2017 through 6/30/2018)	\$480,000.00