

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Randy Pellatz, Utilities Director
Date: 11/12/2008
Meeting Date: 2 December 2008

Title:

Consideration of Confirming Change Order to the Well Maintenance Account: Sinagua Well Development

Recommended Action:

Approve payment to Weber Group L.C. in the amount of \$187,027.03 for expenses incurred during the development of the Sinagua Well.

ACTION SUMMARY:

Weber L.C. is the Utilities Department on-call well maintenance Contractor. Utilities used the services of Weber to determine the ultimate capacity and safe yield of the Sinagua well instead of the well drilling contractor ADT Drilling. The Sinagua well development expended most of the approved \$250,000 for well maintenance for this on-call cycle. This action will authorize the payment of Weber for Sinagua expenses under a separate purchase order.

DISCUSSION:**Background/History:**

The Sinagua (formally Dog Pound) well drilling was completed in June 2008. During drilling numerous problems related to the geology of the well site resulted in less than optimum bore hole conditions. The well drilling contract funds were exhausted in the attempt to achieve the best bore hole under the circumstances and obtain a usable well for the City. A zone was encountered at the 2060 to 2100 below land surface where flowing sands prevented the well being drilled to the target 2500 foot level. Additional telescoping segments of casing had to be used to finish the well.

When the test pumping phase of the project occurred men and equipment were on-site and mobilized. Time was of the essence so the decision was made to use the on-call contract to keep the project moving. This decision was made when a cost was received from the well drilling contractor which was higher than what the City could do the same work through the well maintenance contract. In

addition, with the depth of the well, gallons anticipated and the sand content of the well there was a limited number of pumps available to perform the work. The one available pump was scheduled to be mobilized to another project, causing additional delays and more costs. Then as the project proceeded, there were more problems, the first pump assembly was not able to be installed into the conductor column so had to be pulled. A smaller diameter pump assembly had to be used only to be later to be destroyed by initial pumping of the well and sand. Third pumping assembly was installed and had to be operated longer due sanding problems with the well. Unfortunately, this is common for wells in this region and it is rare when operations go smooth.

Key Considerations:

During this event, City staff and contract labor were working under stressful conditions dealing with difficult and unknown geologic conditions. The decision was made to use the on-call maintenance contractor to keep the project moving forward and to save costs from the well drilling contractor. The out of town Contractors were requesting immediate decisions as to whether or not they were to proceed or break down their equipment and leave the site. Contractor demobilization would have resulted in a 1 to 2 month delay completing this well and increased costs.

Community Benefits and Considerations:

The Sinagua well was authorized during the 2004 bond referendum approved by the voters. The well was completed and the well will produce 325 gallons per minute of potable water.

Community Involvement:

Numerous public hearings and workshops were held prior to the bond election.

Financial Implications:

Weber L.C. has been paid for this work already and the work has been charged to the Water Development project account #2015241771. The Finance Department has requested a separate authorized PO to Weber for this work which will allow Finance to reissue the on-call PO to Weber with the \$187,027.03 put back in the maintenance account.

Options and Alternatives:

An option would be to pay Weber with a change order to ADT Drilling since ADT had proposed to use a subcontractor to perform this work. The disadvantage would be this would cost additional markup of 10 %.

Attachments/Exhibits:



Department Head *(Acknowledgment that all reviews have been completed and required approvals initialed below.)*

INITIALS	RESPONSIBILITY	DATE	INITIALS	RESPONSIBILITY	DATE
<i>MLC</i>	BIDS/PURCHASES	<i>11/19/08</i>	_____	FINANCE/BUDGET	_____
_____	GRANTS	_____	_____	CONTRACTS	_____
<i>JLR</i>	LEGAL	<i>11/19/08</i>	_____	IGAS	_____
_____		_____	_____		_____