

**Metropolitan Domestic Water Improvement District  
Board of Directors Meeting**

**June 8, 2020**

**Award of Construction Contract for Drilling, Installation, and Testing of  
the Northwest Recharge, Recovery, and Delivery System Recovery Wells**

**Synopsis**

The Board of Directors is requested to authorize the General Manager to execute a contract for the Northwest Recharge, Recovery, and Delivery System (NWRDRS) Recovery Well Drilling, Installation, and Testing to Yellow Jacket Drilling Services, in an amount not to exceed \$1,827,121.00.

**Background**

Recharged Central Arizona Project water, as recovered groundwater, will be the source of water for NWRDRS. It is anticipated that three wells are required to provide the production and redundancy needed.

On April 13, 2020, the NWRDRS Partners approved Memorandum of Agreement (MOA) 20001-00, authorizing the District's solicitation of qualified drilling contractors to drill, install, and test three recovery wells. The consultant's opinion of probable costs for recovery well drilling, installation, and testing three new wells was \$2,631,615 and the associated Partner cost share was included in the original authorization.

The *Daily Territorial* published the notification of public bid on April 20, 21, and 27, 2020. Two alternate proposals were bid for this project. Alternative 1 includes off-site disposal of drilling mud, and Alternative 2 includes on-site disposal of drilling mud on a site-by-site basis at the District's discretion. The District conducted a public bid opening on May 18, 2020. Six contractors submitted bids. The District, in consultation with the Partners, reviewed the bids to determine the responsive and responsible low bidder. On June 1, 2020, the Partners executed amendment MOA 20001-01 to authorize the District, as Operating Agent, to proceed with contracting for the recovery wells.

Funding for this project is contained in the Fiscal Year 2021 budget within the Capital Improvement Program.

**Issues**

Bids for the construction contract were received and opened at the District office on May 18, 2020. Eight contractors obtained the bid documents with six contractors submitting bids. A summary table of the bids is attached.

The low responsive and responsible bidder for both Alternatives 1 and 2 was Yellow Jacket Drilling Services, LLC. This company's home office is located in Phoenix, Arizona. The second low bidder for both Alternatives was Arizona Beeman Drilling.

Yellow Jacket recently successfully completed exploration drilling at two NWRD locations and previously at the Oracle Jaynes Station well site. There are no complaints on file with the Arizona Registrar of Contractors.

District staff recommends contracting for Alternative 1. While staff hope to be able to dispose of drilling mud on-site, conditions during the project may dictate that drilling mud be hauled away and disposed off-site. Therefore, the contract should allow for the worst-case scenario.

### **Recommendation**

It is recommended that the Board of Directors authorize the General Manager to execute a contract with Yellow Jacket Drilling Services, to provide drilling, installation, and testing for an amount not to exceed \$1,827,121.00 (Alternative 1).

It is also recommended that the General Manager be granted authority to approve the following changes to the construction contract: 1) allocate additional funding in a cumulative amount not to exceed \$50,000 and 2) increase the original construction contract term in a cumulative amount not to exceed 60 calendar days. Any changes in excess of the above limits will be submitted to the Board of Directors for approval.

### **Suggested Motion**

I move to authorize the General Manager to execute an agreement with Yellow Jacket Drilling Services in an amount not to exceed \$1,827,121.00 (Alternative 1) for the Northwest Recharge Recovery and Delivery System recovery well drilling, installation, and testing and to grant the General Manager authority to approve the following changes to the construction contract: 1) allocate additional funding in a cumulative amount not to exceed \$50,000 and 2) increase the original construction contract term in a cumulative amount not to exceed 60 calendar days. Any changes in excess of the above limits will be submitted to the Board of Directors for approval.

Respectfully submitted,

Wally Wilson  
Water Resources Manager

I concur with the above-noted recommendation.  
Respectfully submitted,

Joseph Olsen, P.E.  
General Manager