



Legislation Text

File #: 21-0413, **Version:** 1

Consider and take action on a resolution authorizing amendments to the agreement with ADC Rig Inspection Americas Corp. for technical advisory services related to existing Tidwell oil and gas operations by increasing the total compensation of the agreement to \$150,000, which will be fully reimbursed to the City by the drilling permittee (Executive Director of Development Services)

On October 23, 2020, League City entered into a \$40,000 general services contract with ADC Rig Inspection Americas Corp. as the City's technical advisor by performing technical reviews, analysis and inspections related to the Tidwell #1 Drilling project. At the time, it was anticipated that there would be only one well at this location. Since the City Council has approved two additional Drilling Permit applications (Tidwell #2 and #3) for the Tidwell drill site on May 11, 2020 and June 22, 2021, respectively. As a result of the two additional wells and increased scope of work, the contracted amount will increase by \$110,000 to a total of \$150,000. This item is being requested because the new contract amount exceeds the \$50,000 threshold and requires City Council approval.

Project Summary:

If approved, this item will increase the general services contract amount to ADC to \$150,000. In accordance with the Drilling Ordinance, the Applicant is to pay for all actual costs the City incurs for any services of a technical expert. All funds expended by the City will be fully reimbursed.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Exhibit A1 - First Amendment with ADC Rig Inspection Americas Corp
4. Exhibit A-2 - Second Amendment with ADC Rig Inspection Americas Corp
5. ADC Rig Inspection Americas Corp Contract

Origination:

Development Services

FUNDING

{ } Funds are available from Account # _____
{ } Requires Budget Amendment to transfer from Account # _____ to Account # _____
{x} NOT APPLICABLE

STRATEGIC PLANNING

{ } Addresses Strategic Planning Critical Success Factor # _____ and Initiative # _____
{x} NOT APPLICABLE