



Legislation Text

File #: 23-0208, **Version:** 1

Consider and take action on a resolution authorizing a 5-year professional services agreement with ADC Rig Inspection Americas Corp for technical review services related to oil and gas production in an amount not to exceed \$500,000 (Director of Planning)

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 for performing technical reviews, analysis and inspections related to the Tidwell #1 Drilling project. At the time, it was only anticipated that there would be one well location. Since then, City Council has approved three additional Drilling Permit applications (Tidwell #2 and #3, and Jewel #1). The contract was amended in 2022 which increased the contracted amount to a total of \$150,000 to account for the additional drilling activities that were occurring. The City anticipates several more permits for new wells over the next several years, which will exceed the amount allocated on the current contract.

Project Summary:

If approved, this item will create a Master Service Agreement with ADC not to exceed \$500,000 over a five-year period. In accordance with the Drilling Ordinance, the drilling applicants are 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 by the applicants.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Agreement with ADC Rig Inspection Americas Corp

FUNDING

{X} If approved, a FY 23 budget amendment is required in Planning Professional Services account 3700000-53050 the amount of \$42,000. The following years of the contract will be budgeted at \$100,000 per year with FY 2028 at \$58,000. The reimbursed revenue from developer will go into General Fund Reimbursements Revenue account 0100-44540.

STRATEGIC PLANNING

{x} Addresses Strategic Planning Critical Success Factor #3
{ } NOT APPLICABLE