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|  | SUBJECT: APPENDIX J – SOLE SOURCE JUSTIFICATION FORM | Approval Date 1/1/2018 |
| | DIVISION AND POLICY NUMBER PURCHASING | Revision Date 9/16/2022 |

COMMODITY OR SERVICE Preparing EPC OS Well Facility TESC application and initial implentation

VENDOR Hydro Resources

AMOUNT OF PURCHASE \$ 8,500

REQUESTORS NAME Heather Just

DEPARTMENT CRW - Water Resources

DEPARTMENT DIRECTOR's Approval _____

FINANCE DEPARTMENT's Approval _____

TOWN MANAGER's (or Designee) Approval _____

TOWN COUNCIL's Approval, when necessary _____

| PURCHASING POLICY EXCEPTION ITEM | CHECK ONE |
|---|-------------------------------------|
| 1. Item(s) or service has been formally awarded to a vendor by the State of Colorado, MAPO, or other cooperative purchasing group and the product meets the needs of the Town of Castle Rock. | <input type="checkbox"/> |
| 2. The product or service is of a unique nature, or allows for standardization with existing equipment and will provide exceptional value to the Town of Castle Rock. | <input type="checkbox"/> |
| 3. Emergency purchases where the well-being of the citizens, employees or Town property may be endangered if the purchase is delayed. | <input type="checkbox"/> |
| 4. Town of Castle Rock currently has a contract in place with a vendor for like products or services and the compatibility and/or continuity of those products or services are paramount to the success of the department or Town function. | <input checked="" type="checkbox"/> |

Per Municipal Code 3.02.060:

Purchases over one thousand dollars (\$1,000.00) and up to and including five thousand dollars (\$5,000.00) require three (3) verbal bids unless approved by the Town Manager on the basis of sole source, emergency or unresponsive bidders.

Purchases over five thousand dollars (\$5,000.00) and up to seventy-five thousand dollars (\$75,000.00) require three (3) informal written bids unless approved by the Town Manager on the basis of sole source, emergency or unresponsive bidders.

Purchases over seventy-five thousand dollars (\$75,000.00) require formal written sealed bids unless waived by the Town Manager for purchases up to and including two hundred fifty thousand dollars (\$250,000.00) or by Town Council for purchases over two hundred fifty thousand dollars (\$250,000.00) on the basis of sole source, emergency or unresponsive bidders.

The requesting department must provide written justification to the Finance Department for review and forward it to the Accounting Manager. **Attach additional sheets as necessary.**

CRW is preparing to start the construction phases for the new Denver Basin Well Facility which will be known as the EPC OS Well Facility. In order to expedite the project, we would like to start work on the TESC plan application and initial implementation. This will help with the ability to mobilize the drilling rig and move quickly into the drilling phase. As our ultimate goal is test the wells so that the longer lead items (52 weeks) can be ordered in a timely fashion.

Hydro has provided value to the Town in the services they provide. Despite difficulties in supply chain issues and delays, Hydro has successfully completed multiple well projects for the Town. They have always been within budget.

There are limited well drilling companies available in the area and a large demand for their services. Hydro has committed to making the Town's project a priority for them.