

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 9/25/2013

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** Denver International Airport is requesting contract execution of a Second Amendment to the On-call Professional Services Agreement (CE 66003-02) for the management and operation of 76 oil and gas wells.

3. **Requesting Agency:** Department of Aviation

4. **Contact Person:** (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Amy Raaz
- **Phone:** (303) 342-2201
- **Email:** Amy.Raaz@flydenver.com

5. **Contact Person:** (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor Council and who will be available for first and second reading, if necessary.)

- **Name:** John Ackerman
- **Phone:** (303) 342-2568
- **Email:** john.ackerman@flydenver.com

6. **General description of proposed ordinance including contract scope of work if applicable:**

This 2nd amendment is for Petropro to continue providing professional services, technical expertise, and assist the Department of Aviation (DIA) in the management of the day to day operation of seventy-six oil and gas wells. This amendment will also allow Petropro to subcontract and supervise all services in relation to stimulation, flowback and miscellaneous regulatory compliance work.

***Please complete the following fields: (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. **Contract Control Number:** CE66003
- b. **Duration:** 2 years (04/02/2014 – 04/01/2016)
- c. **Location:** DIA
- d. **Affected Council District:** 11
- e. **Benefits:** To extracting the highest income possible from each well while ensuring environmental compliance and conformity to all Local, State and Federal rules and regulations.
- f. **Costs:** \$2,988,060

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$3,500,000	\$2,988,060	\$6,488,060

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
04/01/2006 – 04/01/2014	2 years	04/01/2016

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date: _____

g. Date Goals Assigned:

h. Goals: Contract Scope of Services does not fall under the Definition of Division of Small Business Opportunity CEI (Construction Empowerment Initiative) Ordinance. Professional Services for design, construction or reconstruction are subject to the goals ordinance. Anything outside of these services, including professional services not related to construction are reviewed on a case-by-case basis. Professional Services not related to construction usually do not have assigned goals.

7. Is there any controversy surrounding this ordinance? (*Groups or individuals who may have concerns about it?*) **Please explain.** No controversy

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Key Contract Terms

Vendor/Contractor Name: PetroPro Engineering, Inc.

Contract control number: CE66003

City's contract manager: Francisco Alonzo

Was this contractor selected by competitive process? This is the 2nd Amendment to an existing Professional Services Agreement. The original contract was procured through a Request for Qualifications process.

Was it the low bid? No

Term/Duration of contract/project: 2 years (04/02/2014 – 04/01/2016)

Renewal terms: 0

Purpose: Management and operation of 76 oil and gas wells.

Scope of services to be provided with performance bench marks:

This 2nd amendment is for Petropro to continue providing professional services, technical expertise, and assists the Department of Aviation (DIA) in the management of the day to day operation of seventy-six oil and gas wells. This amendment will also allow Petropro to subcontract and supervise all services in relation to stimulation, flowback and miscellaneous regulatory compliance work on multiple wells.

Cost/value: \$2,988,060 (\$1,413,000 in funds will be use to subcontract all work in relation to stimulation and flowback services, \$281,500 will be used for miscellaneous regulatory compliance work, and the remaining \$1,293,560 will be use to compensate Petropro for their services.)

Source of funds: Operation and Maintenance Budget (73810-RMB-1920-OILG-6068)

Benefit:

- 1) Ensure continuity of PetroPro's involvement, knowledge and expertise while the completions and required regulatory services are performed.
- 2) Test relationships and compare prices among potential subcontractors for cost savings opportunities. The total cost savings of a well completion can be of up to 15%.
- 3) The additional term will give DIA plenty of time to competitively procure the services PetroPro provides. Ideally, DIA would like to begin the procurement process 18 months before PetroPro's contract expires to allow a transition period if a new company is selected.
- 4) The additional funds that will be added to the contract will be to primarily cover the cost of subcontracting services and insurance.

Termination provision for City and for contractor: The City has the right to terminate this Agreement without cause on thirty (30) days prior written notice to Contractor, and with cause on ten (10) days prior written notice to Contractor.

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WBE/MBE/DBE commitments (construction, design, Airport concession contracts): TBD

Who are the subcontractors to this contract? TBD

Location: 76 oil and gas wells located throughout DIA's 52 square miles

Affected Council District: 11

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