



Legislation Details (With Text)

File #: 22-0818 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 7/11/2022 **In control:** Business, Arts, Workforce, Climate & Aviation Services Committee

On agenda: 8/1/2022 **Final action:** 8/1/2022

Title: A resolution approving a proposed First Amendment between the City and County of Denver and PetroPro Engineering, Inc. concerning implementing a fixed fee schedule for the continued coordination of oilfield closure activities with the State of Colorado at Denver International Airport. Amends a contract with PetroPro Engineering, Inc. to implement a fixed fee schedule for the continued coordination of oilfield closure activities with the State of Colorado and Denver International Airport (DEN) in Council District 11 (202057274). No change to contract duration or amount. The last regularly scheduled Council meeting within the 30-day review period is on 8-22-22. The Committee approved filing this item at its meeting on 7-20-22.

Sponsors:

Indexes: Lucas Palmisano

Code sections:

Attachments: 1. RR22-0818 Ordinance Resolution Request - PetroPro Engineering - 1st Amendment, 2. RR22-0818 City Council Summary - PetroPro Engineering Amendment, 3. 22-0818 Contract PetroPro Engineering, Inc. (202257274), 4. 22-0818 Filed Resolution_PetroPro Engineering, Inc. (202057274), 5. 22-0818 Filed Resolution_PetroPro Engineering, Inc. (202057274), 6. 22-0818 - signed

Date	Ver.	Action By	Action	Result
8/1/2022	1	Council President	signed	
8/1/2022	1	City Council	adopted	Pass
7/20/2022	1	Business, Arts, Workforce, Climate & Aviation Services Committee	approved by consent	

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 7-18-2022

Requesting Agency: Denver International Airport
Division:

Subject Matter Expert Name: Neil Maxfield
Email Address: Neil.maxfield@flydenver.com
Phone Number:

Item Title & Description:

(Do not delete the following instructions)
*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed First Amendment between the City and County of Denver and PetroPro Engineering, Inc. concerning implementing a fixed fee schedule for the continued coordination of oilfield closure activities with the State of Colorado at Denver International Airport.

Amends a contract with PetroPro Engineering, Inc. to implement a fixed fee schedule for the continued coordination of oilfield closure activities with the State of Colorado and Denver International Airport (DEN) in Council District 11 (202057274). No change to contract duration or amount. The last regularly scheduled Council meeting within the 30-day review period is on 8-22-22. The Committee approved filing this item at its meeting on 7-20-22.

Affected Council District(s) or citywide? 11

Contract Control Number: 202057274

Vendor/Contractor Name (including any "DBA"): PetroPro Engineering, Inc.

Type and Scope of services to be performed:

DEN's Vision 100 Plan includes the permanent closure of its 64 oil & gas wells and the demolition of its 38 tank batteries. DEN currently has a contract with PetroPro's oilfield program management services, which includes project coordination with the State and DEN. As the number of wells decline, PetroPro's contractual payments will be reduced to a point that is uneconomical for PetroPro to continue providing services to DEN. Thus DEN and PetroPro have negotiated a fixed fee schedule that will allow PetroPro to continue providing its services throughout the closure program and for a few months afterward to help DEN close out the administrative aspect of its oil & gas program. This first amendment will revise Exhibit B of the contract, the contract fee schedule.

DEN currently has a contract with PetroPro for oilfield program management services, which specifically includes project coordination with the State and DEN.

Location (if applicable): DEN

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment? Amendment

Was this contractor selected by competitive process or sole source?

Sole- PetroPro's current agreement with DEN was awarded through a Request for Proposals (RFP) process. During the current contract term, PetroPro began to close down the wells while continuing to maintain all regulatory requirements. DEN plans to continue this approach and it would be less expensive and more efficient from a scheduling perspective to continue with the current service provider rather than spend resources on a new RFP process just for this closeout phase. PetroPro understands the history of DEN's oil and gas facilities as well as is aware of the current status of all wells, batteries, separators and other equipment. This knowledge will allow for a more efficient and expedient close out of operations than would be possible through a new service provider. This contract represents a 21% savings over the prior contract.

For New contracts

Term of initial contract:

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term:

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)? Fee terms

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing- Overall cost not changing- Fixed fee schedule being imposed.

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)