File #: 22-0603, **Version:** 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 5-16-2022

Requesting Agency: Denver International Airport
Division:

Subject Matter Expert Name: Carolina Flores
Email Address: Carolina.Flores@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 Contract between the City and County of Denver and Delsco Northwest Corp., concerning providing on-call oil and gas field closure services at Denver International Airport.

Approves a contract with Delsco Northwest, Corp. for $9,200,000 through 06-30-2023, with one optional one-year renewal, to provide on-call oil and gas field closure services at Denver International Airport in Council District 11 (202161284). The last regularly scheduled Council meeting within the 30-day review period is on 6-27-22. The Committee approved filing this item at its meeting on 5-25-22.

Affected Council District(s) or citywide? Council District 11

Contract Control Number: 202161284

Vendor/Contractor Name (including any "DBA"): Delsco Northwest, Corp.

Type and Scope of services to be performed: DEN's Real Estate Division sought qualified competitive proposals from specialized firms that provide oil field closure services.

DEN is committed to several sustainability initiatives over the next five years to reduce its carbon footprint. DEN's Vision 100

plan focuses on efforts that supplement the work already being done at DEN and ways DEN can improve its environmental performance across all aspects of the operation. In alignment with Vision 100, DEN is accelerating the effort to permanently cease all oil & gas operations and move forward with efforts to close its oil field in the regulatorily required manner. The current DEN oil & gas field has been shut-in since May 2018 due to the elimination of a third-party gas gathering system to accept the natural gas produced by the wells. Without a gas gathering system, DEN is unable to produce oil and gas from its wells.

The work requires specialized and knowledgeable oil field operators to plug and permanently close each of DEN's 64 remaining wells, deconstruct the well equipment, deconstruct the 38 associated tank batteries, remove underground oil flowlines and reclaim the surface land area by removing concrete pads, road base and flattening gravel berms. The Colorado Oil & Gas Conservation Commission (COGCC) has specific regulatory requirements for this comprehensive activity that DEN and its contractors must adhere to.

The On-Call Oil & Gas Field Closure Services provided by Delsco Northwest, Corp. must adhere to the Colorado Oil & Gas Conservation Commission's (COGCC's) regulatory requirements and will include, but not be limited to:

- the plugging and permanent closure of all oil & gas wells at DEN;
- the deconstruction, disposal and reclamation of all above ground oil & gas equipment;
- the proper removal of all underground oil flowlines associated with DEN's oil & gas wells, and;
- the proper reclamation of the surface land areas, as required by the Colorado Oil & Gas Conservation Commission (COGCC).

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? New

Was this contractor selected by competitive process or sole source?
Competitive
For New contracts
Term of initial contract: June 1, 2022 - June 30, 2023; 1 year and 1 month, plus one one-year option to extend.

Options for Renewal:
How many renewals (i.e. up to 2 renewals)? 1
Term of any renewals (i.e. 1 year each): 1

Cost of initial contract term: $9,200,000

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)?

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
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.)