

May 8, 2020

Mr. Forrest Sanderson  
 Fallon County Planner  
 10 West Fallon Avenue  
 P.O. Box 1134  
 Baker, MT 59313

Re: TransCanada Keystone Pipeline, LP Temporary Workforce Housing, Conditional Subdivision Approval –  
 Subdivision Improvement Agreement / Engineer’s Opinion of Probable Construction Costs for Baker  
 Temporary Workforce Camp

Dear Mr. Sanderson:

I am writing on behalf of TransCanada Keystone Pipeline, LP (TC Energy) regarding usage of the Baker Temporary Workforce conditionally approved subdivision. In accordance with the Conditional Approval dated November 10, 2014 and the Fallon County Subdivision Regulations, TC Energy would like to proceed with adoption of a Subdivision Improvements Agreement. TC Energy is proposing to bond for \$6,169,293.00, which is 125 percent of the third highest bid they received on the Baker Bid Tabulation. It was identified there are several bid items and quantities that have changed from bidding of the work to the issuance of the final construction drawings. Even so, we suggest the proposed bond value is more than the value of work remaining. This is based upon the table below, which provides an in-depth summary of what has changed since bidding:

Revised Quantities and Pricing from IFB to IFC Plans – Note this only includes the changes and is not the complete bid listing								
Item No.	Description	Quantity	Unit	Unit Rate	Revised Quantity	Net Quantity Change	Estimated UP	Net Price Change
105	Fire Hydrant	0	Each		1	1	\$12,500.00	\$ 12,500.00
107	Water Holding System	0	Each		1	1	\$180,000.00	\$180,000.00
109	4-inch Water Main	6035	LF	\$26.00	3680	-2355		\$ - (61,230.00)
110	4-inch Water Main - Full Depth	4301	LF	\$29.00	4286	-15		\$ - (435.00)
112	6-inch Water Main - Full Depth	1615	LF	\$36.00	1743	128		\$ 4,608.00
135	4-inch Force Main	0	LF		81	81	\$ 26.00	\$ 2,106.00
141	8-inch PVC Sewer Main - Full Depth	1397	LF	\$33.00	1408	11		\$ 363.00
147	18-inch Culvert	286	LF	\$ 58.00	341	55		\$ 3,190.00
150	Security Fence	6455	LF	\$ 28.00	6375	-80		\$ - (2,240.00)
154	4-inch Gravel Surfacing	9723	CY	\$ 60.00	8396	-1327		\$ - (79,620.00)
155	8-inch Gravel Surfacing	17069	CY	\$ 60.00	17484	415		\$ 24,900.00
156	Excavation	57452	CY	\$ 5.50	61400	3948		\$ 21,714.00
157	Topsoil Stripping	25147	CY	\$ 4.00	25498	351		\$ 1,404.00
170	8-inch Water Main (new item)	0	LF		2375	2375	\$ 40.00	\$ 95,000.00
171	Surge Tank (new item)	0	Each		1	1	\$105,000.00	\$105,000.00
Net Increase / Decrease in Contract Price ----->>							\$307,260.00	

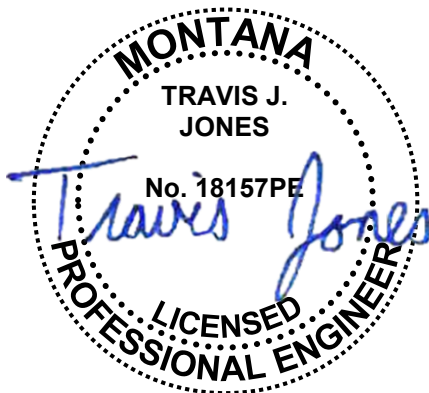
Although the net change from bidding to construction has increased by \$307,260.00, the following items have already been completed for the project.

- Bid Items Completed to Date (Values based upon third-highest bid) - \$496,505.90
  - Item 101 – Mobilization - \$141,600.00
  - Item 150 – Security Fence - \$167,830.00
  - Item 157 - Topsoil Stripping - \$118,190.90
  - Item 164 – 6” Irrigation Line - \$60,585.00
  - Item 165 – Air Release Assembly - \$8,300.00

The work completed to date exceeds the net difference in work resulting from IFC plan revisions. Additionally, construction activities will continue to progress from the time of this letter to the prospective approval by Fallon County. For these reasons, it is suggested the proposed bond amount of \$6,169,293.00 from TC Energy is greater than the amount of work remaining to be completed onsite.

Please do not hesitate to contact me, should you require additional details regarding the “Engineer’s Opinion of Probable Construction Costs” for the remainder of the TC Energy Baker Camp.

Sincerely,



Travis Jones, PE  
Project Manager

Enclosure(s): As Noted

cc: Rick Perkins, TC Energy; Gareth Young, TC Energy