



November 24, 2010

Mr. Jon Thompson, Parks Superintendent
City of Billings
Parks, Recreation & Public Lands
390 North 23rd St.
Billings, MT 59101

RE: Proposal - Rock Removal Project Above 1313 Granite

Mr. Thompson:

COP Construction LLC is pleased to be considered for your "Rock Removal Project Above 1313 Granite". We have arrived at a work plan based on information from our numerous meetings with you and Dan Nebel with Terracon, and we offer our services as outlined in the attached Proposal Attachment A. Our Scope of Work generally follows the preliminary draft of the "Rock Removal Project Above 1313 Granite" that has been provided to date. The one big exception would be the manufacture and use of a wire rope netting that will act basically as a wet blanket taking energy out of the rock release and at the same time acting to contain the rock fragments as they break and tumble down the slope of the Rims. The netting is not figured to hold the weight of the rock. The size of the netting is based on the judgment input of you, Terracon and COP and is figured at 100 feet wide by 200 feet long. As simple as we can put it, this is anyone's best estimate to being failsafe. Most of the work is planned to be self performed. However, we will subcontract the services of Precision Drilling and Blasting for assistance in drilling anchoring holes. We are also leaving open options for subcontracting a licensed rock scaling company if the need arises.

Conditions and exclusions to our Proposal are provided in Attachment B.

We recognize this project to be potentially subject to legal challenges. Accordingly, we have included required indemnification language in Attachment C. This will have to be included in our Agreement. All other language and requirements of the draft agreement are acceptable.



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Mr. Jon Thompson, Parks Superintendent

City of Billings

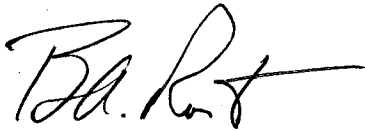
Proposal - Rock Removal Project Above 1313 Granite

11/24/10

Our proposal is good for 30 days, after which we reserve the right to review changes in cost. We appreciate this opportunity and look forward to finalizing our Agreement for this project.

Sincerely,

COP Construction LLC

A handwritten signature in black ink, appearing to read "B.A. Rost", with a long horizontal flourish extending to the right.

Bruce A. Rost

Sr. Project Manager

Attachments: A - Proposal
B - Conditions and Exclusions
C - Indemnification

cc: Dan Nebel, Terracon Consultants, Inc.
Rich King, COP Construction LLC

Attachment A to Proposal for Granite Drive Rock Fall



COP Construction LLC

P.O. Box 20913
 Billings, MT 59104
 Contact: Bruce Rost
 Phone: 406-656-4632
 Fax: 406-655-9286

Quote To: City of Billings
 390 North 23rd Street
 Billings, MT 59101

Job Name: Granite Drive Rock Fall
Date of Plans:

Phone:
Fax:

Revision Date:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	MOBILIZATION/DEMobilIZATION	1.00	LS	15,000.00	15,000.00
20	GENERAL REQUIREMENTS	1.00	LS	98,000.00	98,000.00
30	CONSTRUCT DOWNSLOPE RETENTION SYSTEM	1.00	LS	80,000.00	80,000.00
40	DEMOLISH & REMOVE EXISTING BUILDING	1.00	LS	20,000.00	20,000.00
50	REMOVE EXISTING BOULDERS IN BUILDING FOOTPRINT	1.00	LS	32,000.00	32,000.00
60	FURNISH, INSTALL & REMOVE ROCK NETTING	1.00	LS	275,000.00	275,000.00
70	REMOVE PERCHED ROCK FORMATION	1.00	LS	10,000.00	10,000.00
75	HAND SCALING OF ROCK FACE (AS DIRECTED)	24.00	CH	400.00	9,600.00
80	STABILIZE FALLEN ROCKS (AS DIRECTED)	24.00	CH	250.00	6,000.00
GRAND TOTAL					\$545,600.00

Attachment B

Conditions and Exclusions Rock Removal Project Above 1313 Granite

Conditions and Exclusions:

- City to provide all engineering, ground monitoring through Terracon.
- City to permit temporary closure of the upper end of the Granite Street Loop for duration of the construction activity.
- City to procure temporary permits from MDOT for the use of a portion of the HWY 3 ROW for construction activity.
- City to obtain all permits that may be required. SWPPP barriers are not currently included in the pricing.
- COP will provide traffic control devices and maintenance for both Granite and HWY 3.
- City to obtain permission to access private property.
- City to conduct testing to eliminate exposure of hazardous materials (ie. Asbestos).
- COP will pay all landfill fees unless negotiated otherwise.
- We understand that the City desires work to begin immediately following negotiation of a contract. Work is figured to begin in this winter period. Daylight hours in winter are limited. That and for safety concerns our pricing is based on a 5 day 8 hour week basis. We estimate project duration to be up to 10 weeks.
- COP has figured to use ¾ inch wire rope for the netting, spaced on a grid of 12 inch centers. COP will remove all netting following the work excepting material that is covered by stones and not feasibly recoverable.
- COP has covered the cost of miscellaneous tree removal.
- COP has excluded a bond, and if desired please add 2%.
- COP has included the 1% GRT.
- COP has included the insurance coverage requested.
- Costs are based on current pricing of shelf materials (wire rope and clips). Cost savings in the range of \$40,000.00 to \$45,000.00 could be realized if **a**) we are unable to acquire shelf quantities needed and **b**) if delayed material delivery for mid February is acceptable. These materials are currently priced as foreign made products.
- COP is agreeing to be a “partner” in the City’s effort to do what is necessary to protect the public. It is understood that participation by the Owner and Terracon is encouraged and a part of the plan. Minor revisions to the work may develop. Cost changes will only develop when there is a material change in scope. Some activities of the Proposal are variable and will be conducted at the hourly rate noted.
- Upon negotiation of a mutually agreeable contract, work will begin immediately to procure all materials needed for the construction of the wire rope netting. Some issues relating to the availability of these materials may arise to which the City will be kept current. In the event that failure of the rock above 1313 Granite occur premature to the preparation and placement of the netting, it is understood that COP will be made whole for all costs incurred to that date. This would include costs for materials orders that cannot be reversed, subcontract efforts, and our internal costs.

Attachment C

Indemnification

Rock Removal Project Above 1313 Granite

Indemnification: The parties recognize and agree that rocks to be moved pursuant to this contract are in such a condition that they could be dislodged or otherwise fall at any moment, potentially causing damage to persons or property, regardless of the extent of care exercised by the City of Billings and/or COP to act safely to move the rocks. It is this very condition of the rocks which requires the City to take action to move the rocks to eliminate and/or minimize this potential danger. In light of the foregoing, the City of Billings hereby agrees to defend, indemnify, and hold COP, its employees, agents and surety harmless from and against any and all claims, liability, and costs of any kind, including attorneys fees and costs, allegedly relating to personal injury or death or property damage caused in whole or in part by efforts to move the rocks, except however for any liability, damages, losses, or costs caused solely by the negligence, recklessness, or intentional misconduct of COP unrelated to and uninfluenced by the natural propensity of the rocks to be dislodged or fall on their own.



November 24, 2010

Mr. Jon Thompson, Parks Superintendent
City of Billings
Parks, Recreation & Public Lands
390 North 23rd St.
Billings, MT 59101

RE: Proposal - Rock Removal Project Above Shady Lane

Mr. Thompson:

COP Construction LLC is pleased to be considered for your "Rock Removal Project Above Shady Lane". We have arrived at a work plan based on information from our numerous meetings with you and Dan Nebel with Terracon, and we offer our services as outlined in the attached Proposal Attachment A. Our Scope of Work generally follows the preliminary draft of the "Rock Removal Project Above Shady Lane Agreement" that has been provided to date. The one big exception would be the manufacture and use of a wire rope netting that will act basically as a wet blanket taking energy out of the rock release and at the same time acting to contain the rock fragments as they break and tumble down the slope of the Rims. The netting is not figured to hold the weight of the rock. The size of the netting is based on the judgment input of you, Terracon and COP and is figured at 165 feet wide by 200 feet long. As simple as we can put it, this is anyone's best estimate to being failsafe. Most of the work is planned to be self performed. However, we will subcontract the services of Precision Drilling and Blasting for assistance in drilling anchoring holes. We are also leaving open options for subcontracting a licensed rock scaling company if the need arises.

Conditions and exclusions to our Proposal are provided in Attachment B.

We recognize this project to be potentially subject to legal challenges. Accordingly, we have included required indemnification language in Attachment C. This will have to be included in our Agreement. All other language and requirements of the draft agreement are acceptable.



Page 2

Mr. Jon Thompson, Parks Superintendent

City of Billings

Proposal - Rock Removal Project Above Shady Lane

11/24/10

Our proposal is good for 30 days, after which we reserve the right to review changes in cost. We appreciate this opportunity and look forward to finalizing our Agreement for this project.

Sincerely,

COP Construction LLC

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Bruce A. Rost

Sr. Project Manager

Attachments: A - Proposal
B - Conditions and Exclusions
C - Indemnification

cc: Dan Nebel, Terracon Consultants, Inc.

Rich King, COP Construction LLC

Attachment A to Proposal for Shady Lane Rock Fall



COP Construction LLC

P.O. Box 20913
 Billings, MT 59104
 Contact: Bruce Rost
 Phone: 406-656-4632
 Fax: 406-655-9286

Quote To: City of Billings
 390 North 23rd Street
 Billings, MT 59101

Job Name: Shady Lane Rock Fall
Date of Plans:

Phone:
Fax:

Revision Date:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	MOBILIZATION/DEMobilIZATION	1.00	LS	15,000.00	15,000.00
20	GENERAL REQUIREMENTS	1.00	LS	98,000.00	98,000.00
30	FURNISH & INSTALL TEMPORARY WINDOW COVERS	1.00	LS	6,000.00	6,000.00
40	FURNISH & INSTALL TEMPORARY FENCING	1.00	LS	5,000.00	5,000.00
50	FURNISH, INSTALL & REMOVE ROCK NETTING	1.00	LS	435,000.00	435,000.00
60	REMOVE PERCHED ROCK FORMATION	1.00	LS	10,000.00	10,000.00
65	HAND SCALING OF ROCK FACE (AS DIRECTED)	24.00	CH	400.00	9,600.00
70	STABILIZE FALLEN ROCKS (AS DIRECTED)	24.00	CH	250.00	6,000.00
GRAND TOTAL					\$584,600.00

Attachment B

Conditions and Exclusions Rock Removal Project Above Shady Lane

Conditions and Exclusions:

- City to provide all engineering, ground monitoring through Terracon.
- City to permit temporary closure of the upper end of the Shady Lane for duration of the construction activity.
- City to procure temporary permits from MDOT for the use of a portion of the HWY 3 ROW for construction activity.
- City to obtain all permits that may be required. SWPPP barriers are not currently included in the pricing.
- COP will provide traffic control devices and maintenance for both Shady Lane and HWY 3.
- City to obtain permission to access private property.
- Repair of building structure damages are not included and would be added cost if needed.
- We understand that the City desires work to begin immediately following negotiation of a contract. Work is figured to begin in this winter period. Daylight hours in winter are limited. That and for safety concerns our pricing is based on a 5 day 8 hour week basis. We estimate project duration to be up to 8 weeks.
- COP has figured to use ¾ inch wire rope for the netting, spaced on a grid of 12 inch centers. COP will remove all netting following the work excepting material that is covered by stones and not feasibly recoverable.
- COP has excluded a bond, and if desired please add 2%.
- COP has included the 1% GRT.
- COP has included the insurance coverage requested.
- Costs are based on current pricing of shelf materials (wire rope and clips). Cost savings in the range of \$70,000.00 to \$80,000.00 could be realized if **a)** we are unable to acquire shelf quantities needed and **b)** if delayed material delivery for mid February is acceptable. These materials are currently priced as foreign made products.
- COP is agreeing to be a “partner” in the City’s effort to do what is necessary to protect the public. It is understood that participation by the Owner and Terracon is encouraged and a part of the plan. Minor revisions to the work may develop. Cost changes will only develop when there is a material change in scope. Some activities of the Proposal are variable and will be conducted at the hourly rate noted.
- Upon negotiation of a mutually agreeable contract, work will begin immediately to procure all materials needed for the construction of the wire rope netting. Some issues relating to the availability of these materials may arise to which the City will be kept current. In the event that failure of the rock above Shady Lane occur premature to the preparation and placement of the netting, it is understood that COP will be made whole for all costs incurred to that date. This would include costs for materials orders that cannot be reversed, subcontract efforts, and our internal costs.

Attachment C

Indemnification

Rock Removal Project Above Shady Lane

Indemnification: The parties recognize and agree that rocks to be moved pursuant to this contract are in such a condition that they could be dislodged or otherwise fall at any moment, potentially causing damage to persons or property, regardless of the extent of care exercised by the City of Billings and/or COP to act safely to move the rocks. It is this very condition of the rocks which requires the City to take action to move the rocks to eliminate and/or minimize this potential danger. In light of the foregoing, the City of Billings hereby agrees to defend, indemnify, and hold COP, its employees, agents and surety harmless from and against any and all claims, liability, and costs of any kind, including attorneys fees and costs, allegedly relating to personal injury or death or property damage caused in whole or in part by efforts to move the rocks, except however for any liability, damages, losses, or costs caused solely by the negligence, recklessness, or intentional misconduct of COP unrelated to and uninfluenced by the natural propensity of the rocks to be dislodged or fall on their own.