

**SMITH CONTRACTING, INC.**  
**3941 Wynne Ave.**  
**Butte, Montana 59701**  
**Phone: 406-723-6740 Fax: 406-723-6742**



**Date:** 08-25-10  
**To:** Jim Deutsch – Director of AML Division – Public Service Commission  
**From:** Lee Barron  
**RE:** Change Order Documentation

Dear Jim,

As of August 18<sup>th</sup>, we have moved 545,778 CY's of material. Our costs as of the 18<sup>th</sup>, excluding materials and mobilization costs are 603,950.96. This is at an average distance of about 347 feet. On the project as a whole, the average distance is about 356 feet with the closest being less than 100 feet and the furthest being in excess of 2,000 to 2,500 feet. Based on these numbers, our cost, without overhead and profit, is 1.14 per CY.

$$603,950.96 / 545,778 \times 356 / 347 = 1.14$$

We would need 1.37 per CY for the rest of the material and for the material we have already moved.

$$1.14 \times 1.20(\text{overhead and profit}) = 1.37 \text{ per CY}$$

It is not possible to separate wet from dry and what is wet one day and dry the next and wet again the next and what has been wet for years. It is also not possible to separate layers of loam from layers of clay loam from layers of clay. Hence, this method of calculating cost takes into consideration any and all of the soils that we have moved and all of the weather conditions that we have worked in.

We would also need 63,000.00 for mobilization and demobilization of seven additional pieces of equipment. See detail Below.

Our equipment list will be as follows:

1 – D375 Komatsu Dozer	On site now
1 – D9 Cat Dozer	On site now
1 – D9 Cat Dozer	Mobilized and ready to work 09-07-10
1 – WA500 Komatsu Loader	Mobilized and ready to work 09-07-10
1 – WA600 Komatsu Loader	On site now
1 – 980 Cat Loader	On site now
1-Terex Scraper	On site now

Haul Truck Spread 1

1 – 300 Komatsu Excavator	On site now
2 – 35 Ton Volvo Haul Trucks	On site now
1 – Grader	Mobilized and ready to work 09-07-10

The 300 excavator with 2-3 trucks will work on the shorter runs and the CX460 excavator with 3-4 trucks will work on the longer runs.

Haul Truck Spread 2

1- CX460 Case Excavator Mobilized and ready to work 09-07-10  
3 - 35 Ton Volvo Haul Trucks Mobilized and ready to work 09-07-10

We will decide after the first week or so if there needs to be one more haul truck to share between the two haul truck spreads

The attached schedule shows all of the material being moved by October 30. I've used rather conservative production numbers and plan on demobilizing the new haul truck spread around October 7<sup>th</sup> and the new D9 around October 18<sup>th</sup>. I've allotted ½ of the D8's time to production and the remainder of it's time to finish and cleanup work and to work with the excavators if necessary. The D8 will be dedicated solely to finish and cleanup work for the last 3 weeks of October. We also have the option of keeping the D9 and the haul truck spread longer if necessary. The topsoil and seeding will be done in the fall weather permitting. If not, it will be done in the spring. The topsoil will be done with a scraper as per the specifications. If needed, we will mobilize another scraper to the job. I would be more than willing to bring in a subcontractor this fall to speed thing up even further if I can find one at the right price and that is acceptable to AML. The schedule also includes adjustment for shortening days and hours are from first daylight to twilight.

This schedule is as weather permits.

Additional mobilization and demobilization costs are as follows:

11,000.00	CX460 Case Excavator
24,000.00	3-35 ton Haul Trucks (additional trucks - 8,000.00 each)
12,000.00	1-D9 Cat Dozer
8,000.00	Grader
8,000.00	WA500 Komatsu Loader
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63,000.00	Total additional mobilization and demobilization costs

Please let me know what you think.

Sincerely,

  
Lee Barron

Smith Contracting, Inc. Butte, Montana

Buechler/Velva Project Schedule

08/25/10

Date	D375 Dozer			D9 Dozer			D9 Dozer			D8 Dozer			WAS00 Loader			WA600 Loader			980 Loader			Haul Truck (1)			Haul Truck (2)			Total CY per Day	Cumulative Total
	Hrs	CY	CY Tot	Hrs	CY	CY Tot	Hrs	CY	CY Tot	Hrs	CY	CY Tot	Hrs	CY	CY Tot	Hrs	CY	CY Tot	Hrs	CY	CY Tot	Hrs	CY	CY Tot	Hrs	CY	CY Tot		
As of 08/18/10																											545,778		
08/19/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	562,488
08/20/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	579,198
08/21/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	595,908
08/23/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	612,618
08/24/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	629,328
08/25/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	646,038
08/26/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	662,748
08/27/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	679,458
08/28/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	696,168
08/30/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	712,878
08/31/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	729,588
09/01/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	746,298
09/02/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	763,008
09/03/10	13	370	4,810	13	280	3,640	13	0	0	6	185	1,110	13	0	0	13	175	2,275	13	175	2,275	13	200	2,600	13	0	0	16,710	779,718
09/07/10	13	370	4,810	13	280	3,640	13	280	3,640	6	185	1,110	13	150	1,950	13	175	2,275	13	175	2,275	13	300	3,900	13	375	4,875	28,475	808,193
09/08/10	13	370	4,810	13	280	3,640	13	280	3,640	6	185	1,110	13	150	1,950	13	175	2,275	13	175	2,275	13	300	3,900	13	375	4,875	28,475	836,668
09/09/10	13	370	4,810	13	280	3,640	13	280	3,640	6	185	1,110	13	150	1,950	13	175	2,275	13	175	2,275	13	300	3,900	13	375	4,875	28,475	865,143
09/10/10	13	370	4,810	13	280	3,640	13	280	3,640	6	185	1,110	13	150	1,950	13	175	2,275	13	175	2,275	13	300	3,900	13	375	4,875	28,475	893,618
09/11/10	13	370	4,810	13	300	3,900	13	300	3,900	6	185	1,110	13	150	1,950	13	175	2,275	13	175	2,275	13	300	3,900	13	375	4,875	28,995	922,613
09/13/10	13	370	4,810	13	280	3,640	13	280	3,640	6	185	1,110	13	150	1,950	13	175	2,275	13	175	2,275	13	300	3,900	13	375	4,875	28,475	951,088
09/14/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	977,458
09/15/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,003,828
09/16/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,030,198
09/17/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,056,568
09/18/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,082,938
09/20/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,109,308
09/21/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,135,678
09/22/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,162,048
09/23/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,188,418
09/24/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,214,788
09/25/10	12	370	4,440	12	280	3,360	12	280	3,360	6	185	1,110	12	150	1,800	12	175	2,100	12	175	2,100	12	300	3,600	12	375	4,500	26,370	1,241,158



<b>0-350 ft</b>	
<b>Dozer Total from Above</b>	<b>595,220</b>
<b>Dozer Needed</b>	<b>570,801</b>
<b>350-450 ft</b>	
<b>Loader Total from Above</b>	<b>339,700</b>
<b>Loader Needed</b>	<b>339,700</b>
<b>350-3,500 ft</b>	
<b>Haul Truck Spreads Total from Above</b>	<b>321,250</b>
<b>Haul Truck Spreads Needed</b>	<b>321,976</b>

