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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 30, 1996

TO: *af* Joe Helfrich, Inspection and Enforcement Supervisor

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Asbestos Removal, Nevada Electric Investment Co. (NEICO), Wellington
Preparation Plant, ACT/007/012, Folder #2, Carbon County, Utah
af H

I have reviewed the bond cost estimates submitted to the Division on May 14, 1996 by Patrick Collins for NEICO. The bid was submitted by Covol Technologies, Inc. and Acands for the removal of all known asbestos containing materials at the Wellington Preparation Plant. One company will do the removal the other will supervise the operation. From my experience with asbestos removal this arrangement is common.

Wellington's reclamation bond is \$6,036,000. The asbestos bid is \$43,766, plus contingency and management fees. Dr. Collins determined the reclamation cost, including asbestos removal, to be \$6,130,000, which is a 1.6% increase. The unofficial policy of the Division is to make bond adjustments when the reclamation cost increases by plus or minus 5%. Under the unofficial policy the Division should not seek a bond adjustment at this time. In 1996 the unit cost for concrete decreased significantly. The bond amount using 1996 data is \$5,880,000.

Unit costs for asbestos removal are not listed in the 1996 Heavy Construction Cost Data, which is the publication to which the Division subscribes. I contacted R.S. Means about asbestos removal and they faxed me unit cost data. Based on that information the removal costs is \$50,979, which is 16% higher than the bid estimate. The data from R.S. Means is for obtaining cost estimates not actual costs. The actual cost will vary between plus or minus 25% of the Means estimate. The Division has no reason to reject the bid estimate at this time.

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