

RIK IIIf Solicitation  
Questions and Answers

1. Question – Can offeror offer an option 1 or option 2 offer (one sweet and one sour) that the DOE could choose between?

Answer – Yes

2. Question – Does the crude grade quality characteristics listed by the offeror in Exhibit B impact the evaluation of the offer?

Answer – No, the lowest valued crude in the basket is based on price, not grade qualities.

3. Question - Can the DOE give additional information about the process of evaluating the offers?

Answer – No.

4. Question - If the contractor requests an additional grade be added to the basket, does the contractor have to deliver that grade?

Answer – An additional grade (crude) can't be added to the basket, only substituted on a one-time basis for a particular month in accordance Provision A.8. Furthermore, once a firm request for substitution has been submitted by the contractor the Government will conduct an analysis and indicate whether premium (additional) barrels are required. The contractor then decides whether to accept or remain with its basket.

5. Question - Can the offeror specify multiple delivery locations in the column labeled 'Delivery' of Exhibit B?

Answer - Yes, e.g., Sun or Unocal terminals.

6. Question - C.2.a. Will Sun continue to have 2 tanks dedicated at Nederland for DOE delivery? Will the DOE continue to provide the tank bottoms?

Answer – Yes and yes.

7. Question – C.3.b. Language changed from “(2) from the Contractor’s terminal tankage” to “(2) from the Contractor’s tankage at Sun”. Does this mean quality will only be determined by tankage if terminalling at Sun? Other locations will be by automatic sampler or vessel composite?

Answer – ‘At Sun’ is being deleted by amendment.

8. Question – G4. If the contract is cancelled for the convenience of the Government, after notification of the cancellation, the Contractor could incur losses associated with liquidating positions/hedges, will the DOE be liable for these costs?

Answer – No. Contractor should include a contingency in its offer should it consider this a real liability.

9. Question – Assume a bid is submitted as follows:  
Receive 3 streams of Royalty oil, give back a basket of 5 acceptable crudes all with a constant barrel exchange ratio. Will this be viewed as one bid? Concern is how many \$3 mil bid bonds need to be submitted.

Answer - Under a single \$3 million offer guarantee, you may submit an offer to receive one or more kinds of royalty oil, and specify a single basket of crudes to be delivered in exchange for each of the royalty types. For that basket you may specify a single "y" value in accordance with provision B.1 in exchange for all royalty types, or a specific "y" value for the basket for each of the royalty types desired.

10. Question - The availability of Royalty Oil in October is somewhat less than the estimated average for the remaining months of the program. Section A.5 Receipt of Exchange Oil at the DOE Sites states that at least half of exchanged crude oil must be delivered by the mid-point of the delivery program. The question is this: Are you going to A). Use a single over-all average volume as the basis for determining what half of the exchanged crude oil equals? B). Use the first three months estimates as the basis for determining how much exchange crude oil must be delivered by the mid-point? Or, C). Some third variation? If the answer is C), what method will you use?

Answer – The originally awarded volume of exchange barrels will be the basis for calculating a ratable delivery schedule.

11. Question – Can all documents (other than Exhibit B) be sent ahead of time, and then send Exhibit B shortly before the submission deadline?

Answer – Yes, you can send those documents in ahead of the deadline along with the Offer Guarantee. Will not comment on submission of Exhibit B ‘shortly’ before the submission deadline other than to say if offer is received by 11:00 AM local New Orleans time on the date specified for receipt of offers it will be considered late and will be rejected.

12. Question - Is there a telephone number we can call to confirm fax receipt of our documents?

Answer – Yes, (504) 734-4444 or (504) 734-4561.

13.Question – Can we deliver the bid in person?

Answer – Yes, not later than 11:00 AM local New Orleans time on date specified for receipt of offers.

14.Question – How long will the offer guarantee stay open if we win the bid?

Answer – 30 days from date set for receipt of offers or until successfully awarded offerors have submitted acceptable Payment & Performance Guarantee(s), whichever occurs first.

15.Question – How long can the Offer Guarantee stay open if we lose the bid?

Answer – 30 days from date set for receipt of offers.

16.Question – Is a vessel considered “Contractor’s subcontractor” for whom we would bear responsibility for environmental compliance under Clause F.3?

Answer – Yes.

17.Question – If we buy the oil on a “delivered” basis, is our seller “Contractor’s subcontractor” for whom we would bear such responsibility (we assume not)?

Answer – You bear total responsibility since our contract is with you, not your subcontractor.