



Department of Energy
Strategic Petroleum Reserve Project Management Office
900 Commerce East
New Orleans, Louisiana 70123

NOTICE OF AVAILABILITY FOR LEASING
DE-RP96-18PO20191

The Government, acting by and through the Secretary of Energy, under the authority of Section 646 of the DOE Organization Act and Section 159(f)(4) of the Energy Policy and Conservation Act (EPCA) and applicable rules, orders, and regulations, represented herein by having determined that the St. James Marine Terminal and Bayou Choctaw 36" Pipeline are not excess property as defined by Section 3(e) of the Federal Property and Administrative Services Act of 1949, as amended (10 U.S.C. 472), and that the leasing thereof will be advantageous to the Government and in the public interest, hereby offer for lease the St. James Marine Terminal and Bayou Choctaw 36" Pipeline. You are invited to submit written offers to Lease Government Real and Related Personal Property.

Name of Property:

ST. JAMES MARINE TERMINAL AND BAYOU CHOCTAW CRUDE OIL PIPELINE (Bayou Choctaw 36" Pipeline)

The facility is located approximately 45 miles west of New Orleans, 30 miles southeast of Baton Rouge and approximately 160 miles upstream from the mouth of the Mississippi River. For crude oil distribution, the St. James facility is comprised of two marine docks on the Mississippi River occupying approximately 48 acres of land, a tank terminal (six storage tanks have a total shell capacity of 2 million barrels) occupying approximately 105 acres of land, five tie-ins that lead to other facilities plus the environmental and safety systems that serve the entire St. James facility, see attachment A of this Notice for distribution map.

The Facility also includes a 36-inch diameter pipeline currently known as the Redstick pipeline and appurtenances thereto. For Crude Oil Common Carrier Operations, the pipeline is 37.2 miles long. It connects the DOE Bayou Choctaw site in Baton Rouge, Louisiana, to the St. James Tank Terminal and Marine Docks. Included with the pipeline is the right of ingress and egress and the right, in common with others, to the use of all supporting rights-of-way servicing the pipeline to the extent necessary to enable the LESSEE to use same for the purposes of this Lease.

As stated in this Notice of Availability for Leasing, you are invited to submit an offer via email, to spr078@spr.doe.gov. **Manual offers will NOT be accepted.**

ST. JAMES MARINE TERMINAL AND BAYOU CHOCTAW CRUDE OIL PIPELINE will be leased on a competitive basis to the qualified entity presenting

the best value to the Government, provided that the offeror is responsible, and it is in the best interest of the United States to accept it.

Potential Lessees should read and review this NOTICE, the proposed lease terms, and support documents carefully. These documents can be found by visiting the SPR web site <https://www.spr.doe.gov/doeec/Solicitation/StJamesLease.htm>. Offers are due by 2:00 p.m. Central Time, January 16, 2019.

Questions regarding this Notice of Availability for Leasing must be submitted via email by noon, Central Time, January 10, 2018, to allow a reply to reach all prospective Offerors prior to submission of their offers. Any questions received after this date may not be answered prior to the date/time offers are due. Questions/Responses will be posted daily, by 5:00 p.m. Central Time at: <https://www.spr.doe.gov/doeec/Solicitation/StJamesLease.htm>. Questions must be addressed to: spr078@spr.doe.gov

Deanna E. Walker
Realty Officer
United States Department of Energy
Strategic Petroleum Reserve Office

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INSTRUCTIONS TO OFFERORS

Offers submitted pursuant to this NOTICE must be in compliance with the provisions of this NOTICE, including any exhibits and (1) the Instructions to Offerors; (2) Proposed St. James Marine Terminal and Bayou Choctaw Crude Oil Pipeline Lease Agreement, which include Lease and Technical Provisions; (3) Sample – Offer Guarantee Standby Letter of Credit, all of which are attached to the NOTICE and by this reference made a part thereof.

1. OFFERS SUBJECT TO THESE TERMS

All offers submitted shall be deemed to have been made with full knowledge of all the terms herein contained. Offerors will be invited to participate in a guided tour on December 11th or 13th of 2018 (date confirmation to be posted on the official website), to form their own conclusions as to its suitability for the stated purposes. Failure to attend will not constitute grounds for any claim for adjustment or for the withdrawal of the offers after the time of opening offers. Arrangements for attending the guided tour will be with Mrs. Deanna Walker, Realty Officer, 900 Commerce Road East, New Orleans, Louisiana, phone number (504) 734-4347, spr078@spr.doe.gov. The Government makes no guaranty or warranty, either expressed or implied, with respect to the property.

2. OFFERS FORMAT

Offers must be submitted via email in response to this NOTICE, and all information and certifications called for thereon must be furnished. Offers submitted in any other manner or which fail to furnish all information or certifications required may be summarily rejected.

Offers shall be legibly with all erasures, strikeouts, and corrections initialed by the person(s) signing the offer(s), and the offer(s) must be manually signed.

- a. To aid in evaluation, the offer must be clearly and concisely written as well as being neat, indexed (cross-indexed as appropriate) and logically assembled. All pages of each part must be appropriately numbered and identified with the name of the offeror, the date, and the Notice number.
- b. Do not assume that because you have had similar contracts with the Federal Government, including the Department of Energy, that reviewer knows of your performance under such contracts and will make assumptions regarding your proposal based on that knowledge. Any offers received in

response to this NOTICE will be reviewed strictly as submitted.

Negligence on the part of the offeror in preparing the offer confers no right for withdrawal or modification of the offer after the date and time specified for receipts of offers.

In submitting an offer, only the offer, including the business plan, maintenance plan and offer guarantee should be returned. All other documents should be retained for the Offeror's record.

- a. A fully executed Offer Guarantee shall be e-faxed to (504) 818-5347 or may be scanned and e-mailed to spr078@spr.doe.gov and MUST be received not later than the time/date for receipt of offers. The original hardcopy must be received not later than 2:00 p.m. Central Time, January 17, 2019.

3. EXECUTION OF OFFERS

An offer executed by an attorney or agent on behalf of the offeror shall be accompanied by an authenticated copy of the Power of Attorney, or other evidence of authority to act on behalf of the offeror.

If the offeror is a corporation, the Certificate of Corporate Resolution must be executed. If the offer is signed by the secretary of the corporation, the certificate must be executed by another officer of the corporation. In lieu of the certificate, records of the corporation which show the authority of the officer signing, and which the secretary, or assistant secretary under the corporate seal, certifies to be true copies, must be attached.

If the offeror is a partnership, and all partners sign the offer, with a notation that they are all the partners, the Government will not ordinarily require any further proof of the existence of the partnership. If all the partners do not sign the offer, then the names of all those except limited partners must be furnished on the offer and the Government, in its discretion, may require evidence of the authority of the signer(s) to execute the offer on behalf of the partnership.

4. SERVICES

The offeror must agree to furnish the service stated in the proposed ST. JAMES MARINE TERMINAL AND BAYOU CHOCTAW CRUDE OIL PIPELINE Lease portion of the NOTICE.

5. OFFER GUARANTEE

No offer will be considered without an approved Irrevocable Standby Letter of Credit in the amount of \$250,000, to guarantee that offeror(s) will enter into a written lease, see Attachment B for sample and instructions. Such offer guarantee must be in the format provided in the NOTICE attachment entitled the same. This Irrevocable Standby Letter of Credit must be in effect for 6 months from the date set for receipt of offer.

Failure to so provide such offer guarantee shall require rejection of the offer.

Appropriate offer guarantees accompanying offers which are rejected will be returned to offerors, without interest, within 5 working days after expiration of the offers. See Clause 11, REJECTION OF OFFERS, of this document.

6. INSURANCE

Contemporaneously with the delivery of the formal lease instrument to the successful offeror, after execution by the Government, the successful offeror shall furnish evidence of insurance coverage as required by the lease contract.

7. SUBMISSION OF OFFERS

It will be the duty of each offeror to have the offer submitted by the time prescribed in the NOTICE. No offer, modification, or withdrawal, received after the date and time specified for receipts of offers in this NOTICE will be considered except as provided under the Late Offers, Modification, or Withdrawal of Offers clause. At the time fixed for the receipt of offers, their contents will not be made public. No responsibility will attach for the premature opening of an offer not properly addressed and identified.

a. The first page of the offer must show—

- (i) The NOTICE number;
- (ii) The name, address, and telephone and facsimile numbers of the offeror and electronic address
- (iii) A statement specifying the extent of agreement with all terms, conditions, and provisions included in the NOTICE and agreement to furnish any or all items upon which prices are offered at the price set opposite each item;
- (iv) Names, titles, and telephone and facsimile numbers (and electronic addresses if available) of persons authorized to negotiate on the offeror's behalf with the Government in connection with this NOTICE.

8. LATE OFFERS, MODIFICATION, OR WITHDRAWAL OF OFFERS

Any offer, modification, or withdrawal of an offer received at the office designated in the NOTICE after the exact time specified for receipt will not be considered unless it is received before award is made and either:

- a. An offer may be withdrawn by an offeror or the Offeror's authorized representative, provided his identity is made known and he signs a receipt for the offer, but only if the withdrawal is made prior to the exact time set for receipt of offers.
- b. It is the only proposal received.
- c. A late modification of an otherwise successful offer that makes its terms more favorable to the Government, will be considered at any time it is received and may be accepted.

9. ACCEPTABLE OFFERS

All offers will remain open for acceptance or rejections from the date of opening till award. An offer received from a responsible offeror whose offer, conforming to this NOTICE, will be advantageous to the Government, price and other factors considered, is an acceptable offer. Notice of award will be given as soon as practicable to the successful offeror(s) personally, to a duly authorized representative(s), or in writing to the offeror(s) at the address indicated in the offer(s).

- a. Exceptions and Deviations —
 - (i) The offeror shall identify and explain any exceptions or deviations taken or conditional assumptions made with respect to this NOTICE, including proposed lease;
 - (ii) Any exceptions taken must contain sufficient amplification and justification to permit evaluation. All benefits to the Government shall be explained for each exception taken. Such exceptions will not, of themselves, automatically cause an Offer to be termed unacceptable. However, a large number of exceptions, or one or more significant exceptions not providing benefit to the Government may result in rejection of the proposal(s) as unacceptable;
 - (iii) A statement specifying the extent of agreement with all terms,

conditions, and provisions included in the NOTICE and agreement to furnish any or all items upon which prices are offered at the price set opposite each item;

- (iv) Names, titles, and telephone and facsimile numbers (and electronic addresses if available) of persons authorized to negotiate on the offeror's behalf with the Government in connection with this NOTICE.

10. DISPUTES

Except as otherwise provided in this NOTICE, any dispute concerning a question of fact arising under this NOTICE which is not disposed of by agreement shall be decided by the Realty Officer who shall mail or otherwise furnish a written copy of the decision to the offeror. The decision of the Realty Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the offeror mails or otherwise furnishes to the Realty Officer, a written appeal addressed to the Project Manager of the Strategic Petroleum Reserve Project Management Office, U.S. Department of Energy. The decision of the Project Manager or his / her designee shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, so grossly erroneous as to imply bad faith, or not supported by substantial evidence.

In connection with any appeal proceeding under this condition, the offeror shall be afforded an opportunity to offer evidence in support of an appeal. Pending final decision of a dispute hereunder, the offeror shall proceed diligently with the performance of the contract and in accordance with the Realty Officer's decision.

11. REJECTION OF OFFERS

The right is reserved, as the interests of the Government may require, to reject at any time all offers, and to waive any informality in offers received, and to accept or reject any items of any offer.

12. DEFAULT

In the event that the successful offeror fails to enter into a lease within ten (10) business days after receipt of Government notification that the offer has been accepted and receipt of a draft lease for execution, or in the event that the successful offeror fails to otherwise comply with the terms of this NOTICE, the Government may declare the offeror in default and retain the deposit as liquidated damages.

13. REVIEW OF DOCUMENTS

Copy of support documents available under this NOTICE are available at:
<https://www.spr.doe.gov/doesec/Solicitation/StJamesLease.htm>.

14. RESPONSIVENESS

In order to be considered responsive, the offeror is required to submit a Business Plan and an acceptable Maintenance Plan required for maintaining a marine crude oil terminal and pipeline operations with additional requirements provided in the Proposed Lease Agreement.

15. EVALUATION OF OFFERS

The Government will evaluate offers submitted and will make an award determination based on the Best Overall Value to the Government, provided that the offeror is responsible, the offer is reasonable, and it is in the best interest of the United States to accept it. The Government reserves the right to evaluate offers and award without discussions with Offerors. Therefore, it is important that the offeror present their best terms with the offer. However, if need be, the Government will negotiate with the offerors whose offers are deemed to be in the competitive range. Offerors may have an opportunity to submit any price, technical, or other revisions to their offers that may have resulted from negotiations. Award is anticipated by July 2019.

Notwithstanding the other provisions of this section, the Government reserves the right to reject any or all offers and to waive minor informalities and irregularities.

Offers will be evaluated based upon the best value combination to the Government for: (1) guaranteed monthly rental offered, (2) throughput price per barrel over and above the minimum guaranteed amount, (3) level of maintenance offered, as reflected in submitted maintenance plan Offerors, (4) offerors terms of the Proposed St. James Marine Terminal and Bayou Choctaw Crude Oil Pipeline Lease Agreement, which include Lease and Technical Provisions, (5) demonstrated ability to operate the facility and the terms proposed to support SPR oil movements, and (6) soundness of the proposed business plan, including brief description of past experience with operating pipelines and terminals.

Note: The Government will consider a broad range of rental payment alternatives including fixed rent, fixed rent with escalation, percentage of income received, combinations of these alternatives, and other commercial arrangements that offerors may suggest. The goal is to produce the highest return possible to the Government.

Offerors will be required to ensure that the St. James Marine Terminal and Bayou Choctaw Crude Oil Pipeline remains drawdown accessible for the Government and must demonstrate this capability. In an emergency or drawdown, the St. James

Marine Terminal and Bayou Choctaw Crude Oil Pipeline may be used to deliver and receive crude oil from Government customers.

The offeror must state in his offer the net impact that an emergency involving St. James Marine Terminal and Bayou Choctaw Crude Oil Pipeline will have on their business. Additionally, the offeror must show how the company will work around shut in of their barrels in the event of an emergency, while demonstrating how they will incur and/or defer cost associated with a suspension of their own deliveries.

During drawdown and oil exchange situations where Government will displace Lessee's oil from the Bayou Choctaw Crude Oil Pipeline, the Lessee must make arrangements and be responsible for all costs associated with storage and disposition of the displaced linefill oil barrels.

16. PROCEDURE FOR AWARD

Following the opening, the Government will analyze the offers to determine whether any require clarification. The Government may request in writing additional data required, which may include satisfactory evidence of the offeror's financial condition and ability to assume the obligations and responsibilities imposed by the lease and other information the Government considers desirable. If there is any doubt as to the financial condition of the offeror, a satisfactory performance bond may be required prior to award. Failure to submit this information in 30 days may be the basis for rejecting the offer.

After receipt of the above information, the Government will evaluate the offers, select the one determined most favorable to the Government, and either accept the offer or open negotiations with the offerors within the competitive range for a lease satisfactory to the Government.

The Government reserves the right to cancel this NOTICE and issue a new solicitation in the event the property is not leased.

17. LEASE DOCUMENT

A copy of the proposed lease agreement is available online at <https://www.spr.doe.gov/doesec/Solicitation/StJamesLease.htm>. Once an offer is accepted by the Government, a final lease agreement will be executed between the successful offeror and the Government. Such agreement shall constitute the whole lease, unless modified in writing and signed by both parties. No oral statements or representations made by, for, or ostensibly on behalf of either party shall be a part of such lease. Neither this lease, nor any interest therein, shall be transferred or assigned by the successful offeror without permission in writing from the Government.

18. PRE-PROPOSAL VISIT

A pre-proposal guided tour will be held – December 11th or 13th of 2018 at 6525 DOE Road, St. James, Louisiana. Attendees will be required to RSVP to Deanna Walker.

19. OFFEROR'S BUSINESS PLAN

Offerors are encouraged to provide a Business Plan for use of the St. James Marine Terminal and Bayou Choctaw Crude Oil Pipeline, for our review and consideration. This plan should include, at a minimum, the offeror's planned market (regions and customers served); any planned connections; current and future yearly usage rates; type of product shipped; potential changes to customer base, base revenue and additional throughput revenue. Offeror should provide its start-up plan, including anticipated timeframes and linefill ownership.

ATTACHMENT B

SAMPLE - OFFER GUARANTEE STANDBY LETTER OF CREDIT

BANK LETTERHEAD
IRREVOCABLE STANDBY LETTER OF CREDIT

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: Deanna Walker

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)

BIDDER: _____

NOTICE OF LEASE AVAILABILITY NO: _____

OFFER NO: _____

LETTER OF CREDIT NO: _____

EXPIRATION DATE: _____

AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

Gentlemen:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Lease Availability, including any amendments thereto, for proposals to lease the Department of Energy's St. James Facility. This Letter of Credit expires at least 180 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

**"THIS DRAWING OF U.S. \$ _____ (_____)
AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED
_____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF
(BIDDER) TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR THE
LEASE OF THE ST. JAMES FACILITY, IN ACCORDANCE WITH THE U.S.
GOVERNMENT'S NOTICE OF LEASE AVAILABILITY NO. _____,
INCLUDING ANY AMENDMENTS THERETO."**

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our

ATTACHMENT B

bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the Notice of Lease Availability Instructions to Potential Offerors.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (name and phone number).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

ATTACHMENT B

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. It is preferred that the pdf document found in this [link](#) be used. Provide a copy of this pdf file to your bank.
3. Banks shall fill in blanks except those in the drawing statement. The drawing statement is in bold print with double underlines for the blanks. Do not fill in double underlined blanks. Letter should be printed on Bank Letter Head.
4. The information to be included and format to be used for a wire transfer over the Fedwire Deposit System network will be provided when and if required.
5. Type name and title under authorized signature.

DRAFT

ATTACHMENT B

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have this Offer Letter of Credit returned, please select an option below:

(1) _____ Send a signed authorization to cancel the Offer LOC to the following point of contact via email address: _____

Contact Phone Number: _____

(2) _____ Federal Express the original Offer LOC to following point of contact at the following address:

Name: _____

Financial Institution: _____

Address: _____

Contact Phone Number: _____