

1. (11/14/18)

Question: Please confirm that the lease document is negotiable.

Response: Paragraphs 9.a.(i) thru (iv) of the Instruction to Offerors, describes the requirements for submitting exceptions and deviations to the NOTICE, including the proposed lease.

2. (11/20/18)

Question: In addition to our two-person participation in the one day facility tour on December 11th, we request permission for a second one day visit (at an agreed upon date) to complete a Marine Terminal management and Self Assessment (MTMSA) review of the marine dock/facilities. This is an industry published methodology for performing self-assessments of third party marine facilities. The facilities would be assessed versus industry standards. This is a customary review that is required in advance of any use or operations on third party dock facilities. The results of such a survey would be critical to understanding our potential operations/use of the DOE St. James Marine facilities.

Response: Several sections of the proposed lease agreement emphasize that the potential LESSEE should perform its own facility condition assessment. Performing an industry standard MTMSA can be a part of an overall facility condition assessment. Current plans are to allow for detailed inspections and assessments during the Spring 2019 time frame. Earlier individual inspections are not presently planned. Specifically, the SJ dock facilities present operations strategy and overall condition can be assessed by review of the "Marine Terminal Guide" and "Facility Condition Assessment document (a third party assessment evaluation) " both of which can be found on the solicitation website.

3. (11/21/18)

Question: In an effort to evaluate both the operating risk and outstanding maintenance obligations for the St. James Marine Terminal and Bayou Choctaw 36" Pipeline, our technical groups are completing review of the documentation provided on the DOE website. We have identified a number of additional key pieces of data/information we would like to review. I have summarized the additional data request in the attached pdf file. Can the DOE please gather and provide this supplemental information for offeror consideration?

Answer: The SPR is not in possession of the requested support documents. The responsibility for operations and maintenance presently resides with the existing Terminal lessee and as such documents that are used to maintain and demonstrate compliance, best practice, or internal information are maintained by Operator. A due diligence inspection of the facility and review of the applicable support records are expected prior to lease award. The SPR will post to the website if additional records become available. It is important to mention that the facility is presently functional and operating as a viable terminal. In an effort to expedite offerors consideration, the following summary information is provided:

Storage tank inspection records- All storage tanks are presently in service and operational without restrictions. The latest internal tank inspections are posted on the website; future inspection schedule guidance is based on results of the latest inspection and repairs.

Bayou Choctaw pipeline- The latest available instrument pig data is posted on the website. For planning purposes, the BC pipeline is rated at 325 MAOP. Original rating when new was 540 MAOP. The pipe material is 5LX-52 grade with a nominal wall thickness of 0.312”.

4. (11/20/18)

Question: In what state will the current operator leave the existing facility control hardware and software?

Response: All owned Shell PLC equipment will remain in place. All proprietary software will be removed. All VCU equipment on site will be removed with exception of dock equipment.

5. (12/6/18)

Questions:

Follow-on questions to Question 2

1. The ‘Instructions to Offerors’ sheet reflects that modifications to lease offering or withdrawal of lease offering will not be accepted after the exact time specified for receipt. With Lessee performing its own facility condition assessment in Spring 2019 after the offer due date, how will the issues and conditions be addressed that are identified by the Lessee?
2. How will it be addressed if the findings of the Lessee performed facility condition assessment materially impact the commercial viability of the assets?
3. Will it be the responsibility of the current Lessee/DOE to address the current findings from the posted ‘Condition Assessment Report?’
4. Is the intention that the January 16th, 2019 offer submittal be a “round 1” offering that is subject to further refinement and negotiation on the lease agreement and financial offering after the Lessee’s own condition assessment in Spring 2019?

Response:

All required maintenance, repairs and improvements to the facility must be completed by the end of the current LESSEE contract.

FY2018 DOE Lease Assessment Report is now posted, addressing current findings

Pursuant to Section 15. of the Notice of Availability - If necessary, the Government will negotiate with the offerors whose offers are deemed to be in the competitive range. Those offerors may have an opportunity to submit any price, technical, or other revisions to their offers, along with inspection of the facility in March/April 2019, that may have resulted from negotiations.

6. (12/20/18)

Responses in yellow hi-light

1. Tank Integrity

- a. Is there a regulatory demarcation drawing available? Tie ins and demarcations are provided on the Overall Valve Chart located online in the Drawings page.
- b. What is the approach to capitalization? (i.e. new floors, new roof, etc.)? New Lessee will be responsible for such expenses.
- c. During a detailed site inspection, may we do a visual inspection of the floating roofs? Yes, easily assessable by platform, however any floating roof inspection will have to be coordinated in advance and authorized by incumbent work permit and appropriate PPE.
- d. Will the tank bottom cathodic protection system specs be accessible? Will be posted on the solicitation website under Facility documents when provided by current Lessee.
- e. Are there specifications available for the tank mixers? Yes, original mixers are Jensen 75 hp model "Vari-Angle" mixers, newer replacements are manufactured by Plenty mixers and are model # 32P-85-STM-75HP.
- f. Are there details on the tank bottoms regarding release prevention barrier and leak detection? No active leak detection system, tanks are on a compacted clay/sand foundation on concrete ringwall.

2. Pipeline and Facility Integrity

- a. What year was Redstick installed? 1978.
- b. When will the 2018 ILI tool run data be available, and will all past tool run reports be available in Excel format? Current LESSEE to supply data.
- c. Are details available for the existing integrity program? Will be posted on the solicitation website under Facility documents when provided by current Lessee.
- d. Is data available from pressure vessel inspections? Will be posted on the solicitation website under Facility documents when provided by current Lessee.
- e. Are there any reports available for structural inspections? Refer to posted FCAR and 2018 Lease assessment reports.
- f. Are there any reports available for digs / repairs on buried pipe? Will be posted on the solicitation website under Facility documents when provided by current Lessee.
- g. Are there any assets outside of the terminal and the 37 mile pipe that the Lessee will be responsible for (ex: 30" line to Capline, 24" or 36" connecting to LOCAP) YES refer to the 4 pipeline segment drawings provided online in the Facility Drawings page.

3. Marine Facilities

- a. Can the safe working load of all mooring systems, and mooring diagrams be provided? Some additional specific details are available in the posted Facility condition assessment report (FCAR). appendix however the dock systems can accommodate vessels up to 950 feet in length and approx. 100,000 dwt.
- b. Are there available details of the fender system (diagrams, age, capacity, etc.)? Yes, see FCAR same as above.
- c. Are there marine structural surveys available? Will be posted on the solicitation website under Facility documents when provided by current Lessee.
- d. Active dredging and disposal permits availability, and nearest placement area? The docks are located at a high flow river area and have not required dredging to maintain draft. See sounding reports for Dock 1 and 2, located online in the Facility Documents folder.
- e. . Are the electrical area classification drawings available? Yes, they are posted on the lease web-site.

4. Equipment / Controls

- a. What equipment will be removed by the current lessee? Info provided on question/answer page.
- b. Is there a Control System Architecture / Connectivity drawing available? Info provided on question/answer page.
- c. Which components of the Control System are not part of the lease agreement (HMI, PLC, Fiber/Ethernet backbone, etc.)? Info provided on question/answer page.

5. Connections

- a. Are there provisions or restrictions on future pipeline connections? Details for enhancements or improvements provided in lease contract.
- b. Can Redstick deliver to tanks at other terminals besides Sugarland by utilizing the Sugarland connections (ie Redstick delivering to tanks at Locap by utilizing the LOCAP connection to Sugarland)? Yes, however flow must route through some site piping.
 - i. Which terminals can Redstick deliver to? See SPLC GOM drawing on web-site for detailed paths and connection points.
 - ii. Which terminals require the use of meters and what meters can be used? See SPLC GOM drawing on web-site for detailed paths and connection points.
- c. It was stated during the site tour that Sugarland has 10 interconnects.
 - i. For volume in tanks at Sugarland, which terminals can the volume be transferred to? See SPLC GOM drawing on web-site for detailed paths and connection points.

- ii. Which refineries can Sugarland tanks deliver directly to without going through other terminal tanks? Details of other facility internal paths and connections are not immediately available to SPR.
- iii. For example, can volume in a tank at Sugarland be delivered to the XOM pipeline through LOCAP? Additional Inter-connections beyond SPR direct connections would need to be arranged and negotiated by lease. This is referenced in Section D-1.1.
- iv. Which pipelines can deliver volume into Sugarland? Can you receive volume through other terminals pipeline connections? See SPLC GOM drawing on web-site for detailed flow paths and connection points.

d. Potential Connections

- i. Why were the connections in Appendix A, A-1.2 decommissioned? What is required to recommission each? The Weeks Island pipeline was sold and no longer crude oil service. The others referenced were no longer required are used by owners. Unknown what actions would be required to recommission.
- ii. Have there been any attempts to bring idle lines back into service? Not that SPR is aware of.

1. General

- a. Can you provide an MS Word copy of the Lease Agreement for internal markups and review? Yes, a copy will be posted on the solicitation website under the Proposed Lease Agreement page.
- b. Can you provide the USCG unloading limits from the current approved Operations Manual? Port manual details are available on web-site (see Marine Terminal guide).

7. (1/7/2019)

Question. For the Letter of Credit and a St. James facility lease bid, what should be reflected for the 'Offer No.'?

Response. Use the Notice of Availability No. as Offer No. on the Letter of Credit – that No. is DE-RP96-18PO20191.

8. (1/16/2019)

QUESTIONS:

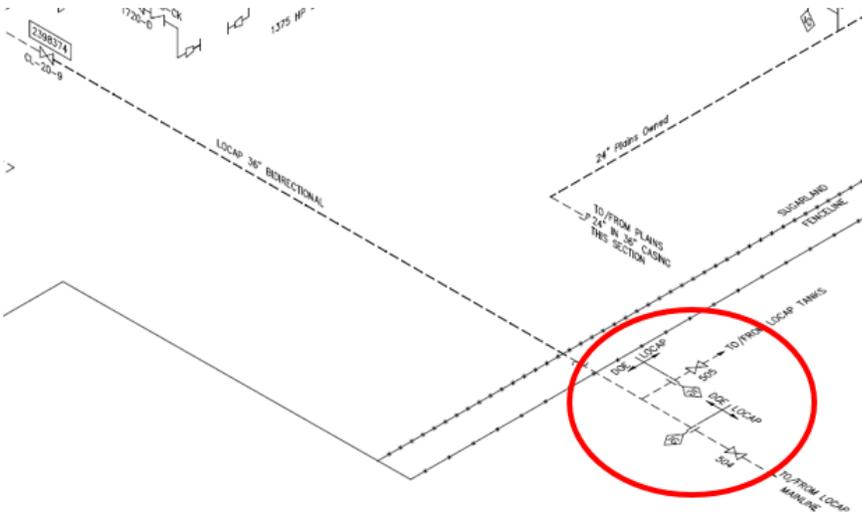
1. In the facility documentation, each tank has a gross capacity (except T1) and a nominal capacity in their respective Out-of-Service Inspection Report. Could you provide the alarm setpoints as per API-2320, as well as the heel volume for each tank? Could you also provide a shell capacity for Tank 1?
2. On page 11 of 15 in the Instructions to Potential Offerors, there is a diagram that shows a 36" line from LOCAP to DOE St. James. This 36" line is not reflected on SPLC-GOM-ST-S32841 S-32841 Overall Valve Chart. Where and how does this line tie into the facility?
3. In Section 7 of the St. James Marine Terminal Guide there is no load rate reflected for Dock 2 Ships. What is the current load rate with the existing infrastructure, and what is the limiting factor?
4. We were able to locate the crude oil specifications for the SPR, but not for the St. James Facility. Where can we locate the max/min limits for the crude that can be stored in the facility? (API, sulfur, viscosity, RVP, etc.)
5. Similarly, are there any RVP/TVP permit limits on the tanks that would prevent storage of Bakken, condensate, etc.?
6. The draft restrictions for Dock 1 and 2 are 35' and 40' respectively as per the St. James Marine Terminal Guide, yet the soundings from 2014 reflect areas of 30.9 and 47.7 for Dock 1 and Dock 2. What is the current controlling depth?
7. Are there any lineup issues or operational conflicts between the tanks, receipt/delivery lines and the dock (e.g. can LOCAP deliver into one tank while a vessel is loading, can multiple lines deliver at the same time, etc.)?

RESPONSES:

1. See Tank P&ID drawings. Tank 1 and 2 have similar specs. See Operating notes in the drawing folder. Storage Tank table below:

	MFH			EHH			HH			OFM			Max Receipt Rate	Max Relief	ART	LOLO			LO			Working Capacity	OFM	LO
Tank	FT	IN	1/8's	FT	IN	1/8's	FT	IN	1/8's	FT	IN	1/8's	[BPH]	[BPH]	[MM:SS]	FT	IN	1/8's	FT	IN	1/8's	[BBLs]	[BBLs]	[BBLs]
1	33	0	0	31	4	0	30	9	6	30	3	4	68,000	68,000	3:51	7	7	0	7	10	0	282,990	373,080	90,090
2	32	10	1	31	2	7	30	9	4	30	4	1	68,000	68,000	3:18	6	10	6	7	1	6	291,987	376,611	84,624
3	33	6	0	32	3	2	31	3	4	30	3	6	68,000	0	3:36	6	11	0	7	2	0	145,501	189,730	44,229
4	33	6	0	32	3	3	31	3	6	30	4	1	68,000	0	3:35	6	2	0	6	5	0	150,397	188,533	38,136
5	32	9	4	32	0	2	31	6	0	30	11	6	68,000	0	3:51	9	11	2	10	2	2	261,660	377,492	115,832
6	33	0	0	32	3	1	31	9	2	31	3	3	68,000	0	3:35	9	7	0	9	10	0	270,241	385,534	115,293

- It is downstream of valve CL20-9 depicted on the SPLC-GOM and also shown on the drawing given below.



- See Dock 2 P&ID for Load Rate and MAOP. Dock is designed to accommodate a max of 40,000 BPH. Limiting factor at present is the Users air permit. See Environmental documents folder on the solicitation site.
- and 5. Per section 5 of the proposed lease agreement, the St. James facility may be operated as a common carrier for Crude Oil. Please see environmental Documents folder on the solicitation website for current specs and limit calculations.
- Currently, the depth of the draft at each dock is not controlled. River eddies provide natural depth maintained at approximately the level of the 2014 soundings without the need for any dredging.
- There are no issues or operational conflicts when operating within the latest system specification restraints, however, there are only two meter stations. See the system valve drawing for delivery options.