

Municipal River Terminal long-term operator RFP: Q&A, as of 3/12/13

Q #1: What is status of South Dock Reconstruction Project?

A: Contract completion date is May 7, 2013. Per the January 4, 2013 construction progress meeting, the approximate schedule is as follows:

- installation of south dock yard aggregate about to start
- continuing to infill middle dock with materials on hand
- about to start dredging for remaining middle dock fill
- after infilling middle dock, yard aggregate will be installed
- final work at both docks comprises concrete craneway, ladders and kevels

Unforeseen river or weather conditions could interrupt these tasks.

Q #2: Is it contemplated the Variable Lease Payment would be paid monthly, quarterly, or annually?

A: Per the RFP, "Lessee shall propose a schedule for the tiered variable lease payments."

Q #3: Does the Authority have historical volume information (commodity and tonnage) at MRT? If so, will this information be made available?

A: The Authority does have historical volume information for the MRT; however, pursuant to current and previous lease requirements, this information shall be held confidential.

Q #4: Has the current operator (lessee) been subject to periodic audits similar to those proposed in the RFP materials? If so, is it possible to review the findings of those audits?

A: During the course of the last long-term lease, the Authority did not exercise its right to audit the Lessee's MRT operations.

Q #5: At what stage is it anticipated that a Proposer would be able to perform detailed, confirmatory due-diligence (title review, site-visit, dock inspections, etc.)?

A. Proposers may perform title searches whenever they wish. Two years ago the Authority undertook title searches for the three MRT parcels to satisfy our lender's requirements before receiving our \$3.9M construction loan for the South Dock Reconstruction project.

The Authority conducted two site walk-throughs in September, 2012, which were attended by the three RFP recipients and others. If any team would like to return to the site, please contact Susan Taylor (taylor@stlouis-mo.gov).

Q #6: What will be the next lease start date?

A. That will be established during the long-term lease negotiations. The Authority would like to begin the next long-term lease as soon as possible following the conclusion of the current short-term lease agreement.

Q #7: What is the Selection Committee's schedule?

A. RFP responses are due Feb. 8, 2013, and will be forwarded to the Selection Committee for its review early the following week. Depending upon the complexity of proposals received, the Authority expects to begin negotiations for the long-term lease later in the month.

Q #8: If the current operator is not the next operator, what is the schedule for it to vacate the premises?

A. The current short-term lease does not specify a vacation schedule. It does state, "Lessee must give four (4) months written notice... if it wishes to not exercise an option to extend the term..." of the lease agreement. It also states that, if the Lessee wishes to extend the term, "Lessor shall consent to such extension, if at all, no later than three (3) months prior to the expiration of this agreement..." If the current operator is not the next operator, the Authority will put together a transition schedule as soon as possible which corresponds to the aforementioned parameters.

Q #9: Comments were received about the maintenance, repair, or replacement of various components of the physical plant that may be covered by the next long-term lease.

A. Any maintenance, repair, or replacement necessitated by the next operator's business plan will be addressed in the next long-term lease negotiations.

Q #10: A request was received for "a copy of the long term lease language."

A. Terms of the long-term lease have yet to be developed, hence there is no long-term lease language to be shared with all bidders. The next lease will incorporate the Standard Provisions, which are part of the current lease, comprise Exhibit B for the RFP, and are posted at <http://www.stlouis-mo.gov/slhc/documents/2012-12-10-rfp-municipal-river-terminal-operator.cfm>

Q #11: A request was received for "a Historic Revenue – Tonnage Base Line." Specific data requested comprised:

- 1) Historical Inbound - Outbound Volumes moving over the MRT Dock, segregated by commodity, during the last 3-5 years**
- 2) Customer Contracts [Even if the customers names are redacted] with volume commitments, Handling / Storage requirements and Handling Rates**
- 3) Historical Volumes segregated by customer [even if customer names are redacted] for the last 3 – 5 years**

A. The current operator is a private business that competes against other terminal operators and owners. The information covered by items 2 and 3 above is proprietary and not subject to public disclosure. In addition, the current operator received an RFP; publication of its rates, customer contracts, etc. would put it at a distinct disadvantage in a competitive bid situation.

Historical volumes depended upon the last long-term operator's business plan for two unattached docks, one 800' long, the other 670' long. The next operator will have 2000' of continuous dock over which it can move product per its business plan.

The Authority is in the process of putting existing, unverified, handwritten or typed inbound-only tonnage data into electronic format. We are compiling figures for approximately 30 commodities from 1989 to the present. For the final five years (mid-2006 to mid-2011) of the last long-term lease, total inbound throughput added up to over 3M tons for the two docks. The most significant inbound tonnages for those five years were:

- salt and scrap: over 750K tons total for each
- coal, magnetite, and sand: over 100K tons total for each
- pet coke, ferro manganese: over 50K tons total for each

We anticipate figures from earlier years to reflect higher total tonnages, from 1M to 3M total inbound tonnages annually across the two discontinuous docks.

The Authority will select a responder with which to negotiate a long-term lease. The Authority and selected responder can address proposed lease terms, volumes, and payments in greater detail at that time.

Q #12: Is it possible to make additional site visits to MRT?

A. As stated in Answer #5 above, "The Authority conducted two site walk-throughs in September, 2012, which were attended by the three RFP recipients and others. If any team would like to return to the site, please contact Susan Taylor (taylor@stlouis-mo.gov)."

Q #13: Can you confirm that we are free to have discussions with potential customers?

A. The Port Authority has no involvement as to an operator's contractual agreements with its customers and therefore is not in a position to comment on the appropriateness of discussions with potential customers.

Q #14: Is it possible to receive Exhibit F, commodities and tonnages, in an Excel spreadsheet?

A. The Authority does not have Exhibit F in electronic format.

Q #15: Have there been on-going low water issues that plagued the MRT for over 25 years?

A. Respondents should contact the Corps for information about past river levels.

Q #16: Since the Corps of Engineers St. Louis City Port Facility report is considered public record, will that report be disclosed to all respondents?

A. The Authority is not aware of such a report. Respondents should contact the Corps about its public reports.

Q #17: Is it evident the sedimentation issue has drastically increased since the chevrons were installed?

A. Subsequent to the chevrons, the Corps installed training structures on the east bank of the river across from the MRT. Respondents should contact the Corps for information about the steps it takes to address sediment. The posted North Dock Survey discusses the chevrons and excessive Missouri River flooding and concludes, “the North Dock area remains a viable barge terminal facility during all (but) exceptional low water periods.”

Q #18: Will you disclose this (North Dock dredging) estimate to all respondents?

A. The Authority did not establish a need for such an estimate. The Authority did not write the scope of work or seek competitive bids and will not undertake a professional survey to verify the numbers. Additional dredging for new construction infill has taken place in front of the North Dock since the January 4, 2013, date of the estimate, thereby altering conditions on which it was based.

Q #19: What is the age of the rails and switches at the MRT?

A. The Authority does not have this information. All RFP recipients toured the MRT and were able to see for themselves the properties of the rails and switches.

Q #20: What is the age of the roofs at the MRT?

A. The office/shop building roof was replaced in 1989. The Authority does not have this information about the South Dock warehouse roof. The short-term operator will demolish the North Dock warehouse at the end of the short-term lease.