

A SALES SOLICITATION SUMMARY

1. INTRODUCTION

Notice of the U.S. Maritime Administration's (MARAD) intent to issue a sales solicitation to offer vessels for purchase for dismantlement to qualified ship recycling facilities. The sales solicitation for the dismantlement of obsolete vessels shall be compliant with the requirements promulgated in Section 508 of The Merchant Marine Act of 1936, as amended, (46 App. U.S.C. 1158 (2003)). Statutory authority requires MARAD to dispose of its obsolete ships through the use of qualified facilities selected without predisposition toward foreign or domestic facilities. This authority further requires MARAD to sell its vessels through the use of sealed bidding procedures.

MARAD intends to offer specific vessel(s) for sale through a two step sealed bidding process. These vessels will be offered through December 31, 2005 on a case by case basis and MARAD does not plan to establish a recurring schedule for the sale of vessels. Qualified buyers may present to MARAD at any time expressions of interest for the purchase for dismantlement of specific ships however, MARAD is under no requirement to offer these ships for sale and reserves the right to offer for sale vessel(s) of its choosing.

MARAD's obsolete ships will be offered for sale in their current "AS – IS, WHERE – IS" condition, at their current mooring, for the sole purpose of dismantlement and recycling. MARAD will not provide an estimate of hazardous material/waste quantities and does not guarantee the amount of hazardous material/waste quantities to any Government furnished information provided to the bidder in the course of bid preparation, proposal submittal or ship checks for this disposal project.

Awards will be made to the qualified offeror who has offered the highest purchase price for the vessel(s). Bidders are responsible for procuring and conducting all necessary activities for the preparation, towing, hazardous material remediation/disposal and dismantling/recycling of the vessel(s).

The sales process will be conducted as a two step sealed bidding process. MARAD will qualify bidders through the submittal and evaluation of general technical proposals in step one. General technical proposals for the dismantlement of obsolete MARAD vessels may be submitted at any time. MARAD will request a bid and vessel specific affirmations from qualified bidders for the sale for dismantlement of specific vessel(s) in step two. MARAD will conduct a determination of bidder affirmations against specific performance criteria provided to the bidders at the time of MARAD's request for bids. Those bidders who are unable to comply with the published vessel specific requirements will be eliminated from the bidding process.

The bidder shall comply with all contractual requirements, Federal, State and local laws and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA), as well as applicable international laws, treaties, conventions and agreements.

This solicitation is not a request for proposals for the reuse of obsolete MARAD vessels. Proposals submitted that advocate the reuse of MARAD vessels will be rejected. Interested parties which wish to pursue the reuse of MARAD obsolete vessel may contact the Ship Disposal Program directly for further guidance.

2. VESSEL LOCATIONS

MARAD's obsolete vessels are principally located in three reserve fleet locations, the James River Reserve Fleet, (JRRF), Ft. Eustis, VA, (JRRF), Suisan Bay Reserve Fleet, (SBRF), Benicia, CA (SBRF) and Beaumont Reserve Fleet, Beaumont TX. MARAD will select the vessel(s) to be placed in the solicitation and will generally dispose of its higher priority vessels first. A list of obsolete vessels available for disposal, including those designated as high priority vessels, is located in the library of *MARAD's Ship Sales VOA website*, <http://voa.marad.dot.gov>. This list will be periodically updated.

3. VESSEL EXPORT

Submissions that involve the export of vessels for dismantling/recycling are subject to the provisions of the Toxic Substances Control Act (TSCA), which prohibits the export of materials containing polychlorinated biphenyls (PCBs) in concentrations above regulated limits. Where identified Liquid PCBs if found are removed from MARAD ships by MARAD prior to export. However, solid PCBs in varying quantities and concentrations may be found in some ship board components of MARAD obsolete ships and may, if above the regulated limits, be subject to the provisions of TSCA. While an exemption from the export prohibitions may be available through an administrative rulemaking process by with the Environmental Protection Agency (EPA), the process can take from several months to over a year. Each exemption may be specific to a singular proposal and may be for a limited duration. Further, there is no guarantee that an exemption will be issued. In addition, MARAD is currently involved in litigation related to an existing vessel export contract. Until the legal challenges which are related to environmental issues are resolved, MARAD will not actively consider any export related submission received in response to this Sales Solicitation that proposes the export of solid PCB's. Such general technical proposals that are received will be reviewed, but at this time bids will not be considered.

B. SOLICITATION PROCEDURES

The following outlines how MARAD will evaluate general technical proposals and make vessel awards under the sales solicitation.

Step One – Qualifying General Technical Proposals

- 1) MARAD shall issue a Sales Solicitation requesting general technical proposals for the purchase for dismantlement of obsolete MARAD vessels.
- 2) Bidders may submit a new general technical proposal, at any time from the date the Sales Solicitation is posted until six weeks prior to December 31, 2005.

- 3) MARAD will continuously evaluate proposals. Taking into consideration its workload, MARAD will try to evaluate general technical proposals as they are received. Domestic bidders may expect an initial evaluation of their general technical proposal within six-weeks from the date the proposal is properly submitted. The evaluation period for proposals involving vessel exports will be determined on a case by case basis after reviewing the proposal for completeness against the technical compliance plan criteria and compliance with TSCA.
- 4) Based on the criteria set forth in this Sales Solicitation, MARAD will evaluate each general technical proposal to determine whether it is technically acceptable, technically unacceptable but susceptible to being made technically acceptable or technically unacceptable.
- 5) MARAD shall advise the bidder of its evaluation results.
 - (a) Technically unacceptable proposals - These proposals will receive no further consideration from MARAD. Bidders may resubmit new general technical proposals at any time.
 - (b) Technical proposals which are unacceptable but susceptible to being made technically acceptable - MARAD will initiate discussions on these proposals to determine whether or not they can be made technically acceptable.
 - (c) Technically acceptable proposals – MARAD will request bids , for specific obsolete vessels from those bidders whose general technical proposals have been evaluated and determined to be technically qualified.
- 6) Step Two - Vessel Specific Affirmations and Pricing
 - (a) MARAD selects the vessel(s) and requests from the qualified bidders pricing for the dismantlement/recycling of the vessel(s).
 - (b) MARAD requests a vessel dismantlement schedule for the specified vessel(s).
 - (c) MARAD requests specific performance affirmations from the bidder in accordance with published vessel specific requirements.
 - (d) Bidders submit vessel specific performance affirmations and a sealed bid.
 - (e) Bidders submit proposed scheduling data, taking into account all existing and planned work in their facility during the proposed timeframe.
 - (f) MARAD evaluates the performance affirmations against the vessel specific performance criteria, and eliminates those bidders whose affirmations do not comply with the published vessel specific criteria.
 - (g) MARAD conducts a bid opening and awards the vessel for dismantlement to the highest bidder.

C. PROPOSAL PREPARATION

1. GENERAL TECHNICAL PROPOSALS

A technically acceptable general technical proposal will demonstrate that the bidder has the capability and facilities to dispose of MARAD's obsolete vessel(s) in a timely manner using production methodologies that are environmentally sound and satisfactorily take into account

worker health and safety. Only bidders with a technically acceptable general technical proposal shall be permitted to submit vessel specific affirmations and bids.

A general technical proposal shall consist of a technical submittal responding the requirements of the Technical Compliance Plan (TCP) and a generic performance schedule which incorporates the performance milestones and the specific activities for the remediation and disposal of hazardous materials and the dismantling and recycling of the vessel. To be given evaluation consideration, submissions in response to this solicitation must conform to the following standards:

A. Management/Technical/engineering/production/envirtonmental/safety management approaches, inclusive of the listing below, shall not exceed 25 typewritten pages (excluding the TCP which can be submitted as an addendum to the proposal), single sided, single spaced, Arial, 12 pitch:

1. Management, resources and facilities
2. Production throughput/capacity;
3. Environmental considerations
4. Worker safety and health considerations
5. Hazardous abatement considerations
6. Requisite and relevant experience

B. A Technical Compliance Plan shall be included with each proposal submitted and prepared in accordance with the instructions *found in MARAD's Ship Sales library at the VOA web-site, <http://voa.marad.dot.gov>*. For towing, bonding, insurance and milestone requirements see *MARAD's Ship Sales library at the VOA web-site, <http://voa.marad.dot.gov>*.

Bidders who have submitted general technical proposals under MARAD's RFQ, DTMA1Q05006, requesting quotations for MARAD ship disposal contracts, which have completed the evaluation process and whose proposals have been found technically acceptable, will not be required to submit another technical proposal under the Sales Solicitation unless a change in facility is proposed or a significant change to the previously submitted technical compliance plan occurs.

2. VESSEL SPECIFIC AFFIRMATIONS

Vessel specific affirmations will be criteria related directly to performing the dismantlement of the individual ships offered for sale. These criteria may include but are not limited to such factors as removal of the vessel from the fleet within a specific time frame or completion of the dismantlement of the vessel within specific calendar days. Potential bidders will be required to satisfactorily respond to these affirmations to have their bid considered.

3. REQUEST FOR BIDS

Upon request by MARAD for vessel specific pricing the bidder shall submit a bid to purchase for dismantlement the obsolete vessel(s) named by MARAD. The price shall be based on the AS IS condition and WHERE IS location of the vessel(s) at its current mooring.

D EVALUATION PROCEDURES

1. GENERAL TECHNICAL PROPOSAL

MARAD will use the following criteria to evaluate the technical acceptability of the proposals submitted:

- 1) Feasibility and likelihood of success of engineering/technical/management approach for the disposal of obsolete vessels identified in and the risks associated with the proposed approach;
- 2) Productivity of the proposed approach(s) including schedule/cost assessments;
- 3) Type and sufficiency of proposed methods, processes and procedures for environmental abatement of hazardous materials, worker safety and health considerations proposed and compliance with applicable laws;
- 4) Depth, relevance and currency of requisite experience with the complete disposal of obsolete vessels;
- 5) Bidder imposed contingencies, conditions and constraints, and statutory constraints and impediments.
- 6) Past performance.

2. VESSEL SPECIFIC AFFIRMATIONS

MARAD will evaluate bidders' vessel specific affirmations against specific performance criteria that will be provided to the bidders with technically acceptable general technical proposals at the time of MARAD's request for bids. Bidders who cannot comply with the vessel specific criteria will not have their bids opened.

3. SHIP VISITS

Ship visits will be permitted only during the period of time when MARAD requests bids for specific vessel(s) and coordinated with the Ship Disposal Program. MARAD will make the specific vessel(s) available with allotted time for bidders to perform surveys and conduct hazmat sampling analysis. MARAD will provide bidders access to electronic copies of vessel specific or class drawings, surveys and tank soundings if available. The ship files at the fleet will be made available to bidders for review of vessel documents however; all ship file documents are to remain at the fleet office.

E AWARDS

1 VESSEL AWARDS

MARAD will make awards for the dismantlement of its obsolete vessel(s) to the bidder or bidders with a technically qualified general technical proposal, an acceptable vessel specific affirmation and the highest bid.

2 TITLE TRANSFER

MARAD will transfer title of the obsolete vessel(s) to the bidder when the vessel reaches and is securely moored at the buyer's facility and custody of the vessel has passed from the towing company to the buyer.

Appendix:

A SUPPORTING DOCUMENTS USED FOR REFERENCE ONLY

The following documents are available to the bidders as reference material for the preparation and submittal of their technical proposals and may be found in the *found in the Ship Sales library at the VOA web-site, <http://voa.marad.dot.gov>.*

- 1) Statement of Work - A generic ship dismantlement statement of work for MARAD ship disposal contracts.
- 2) Technical Compliance Plan – Contains the requirements for the four components of the TCP, the Environmental Compliance Plan, Operational Plan, Business Plan, and Health and Safety Plan.
- 3) Towing Preparations and Towing - The generic towing and towing preparation requirements for MARAD ship disposal contracts.
- 4) USCG Towing Requirements – Known USCG Marine Safety Office (MSO) generic towing requirements for performing dead ship tows. Bidders are cautioned to contact the appropriate MSO office to obtain any updates.
- 5) Insurance – The generic insurance requirements for MARAD ship disposal contracts.
- 6) Bonding - The generic bonding requirements for MARAD ship disposal contracts.
- 7) MARAD Fleet Safety Rules. General safety guidelines for visiting MARAD obsolete ships.
- 8) Contract Milestones – Contract milestones to be utilized for the creation of performance schedules.