

THIS IS A SOURCES SOUGHT NOTICE ONLY. THIS IS NOT A REQUEST FOR PROPOSAL. THERE WILL NOT BE A SOLICITATION, SPECIFICATIONS, OR DRAWINGS AVAILABLE AT THIS TIME. No contract will be awarded from this announcement, and no reimbursement will be made for any costs associated with providing information in response to this notice. This notice is a market research tool used to obtain information only and to identify contractors who possess the capabilities to provide services as specified below. The Naval Facilities Engineering Command (NAVFAC) Atlantic is performing this market research to aid in the development of its acquisition approach.

N62470-14-R-6018: MARKET RESEARCH/ REQUEST FOR INFORMATION FOR BIOMASS PLANT MCRD PARRIS ISLAND, SOUTH CAROLINA

As permitted by FAR Part 10, NAVFAC is requesting responses, comments, recommendations and suggestions as Market Research and Request for Information to assist in the development of our acquisition strategy. NAVFAC Atlantic desires to solicit maximum industry participation, which will allow NAVFAC Atlantic to formulate an acquisition process in a concise and timely manner. The Navy is considering various contractual vehicles such as a power purchase agreement (PPA), energy savings performance contract (ESPC) or utility energy services contract (UESC) where the biomass plant will be privately owned, operated, and maintained.

A single award Firm Fixed Price (FFP) contract is anticipated. The contract will be executed under the authority of 10 U.S.C. 2922a for a twenty-five (25) year contract term.

Synopsis of Relevant Conditions at MCRD Parris Island: Marine Corps Recruiting Depot Parris Island (MCRD PI) is an 8,095-acre military installation that is located on an island on the southern coast of South Carolina, approximately 70 miles west southwest of Charleston and 7 miles south of Beaufort, South Carolina. The island is accessed by a 2 mile long causeway with one bridge. The mission of MCRD PI is to provide recruit training to enlisted male recruits living east of the Mississippi River and all female recruits from all over the United States.

The purpose of this request for information is, to the maximum extent possible, to explore the economic viability of constructing, operating and supplying a biomass fired combined heat and power facility located on MCRD, Parris Island. The existing central steam plant was built in the 1940s, and it has far exceeded its projected life. Although the facility has been well maintained and is still viable, it is not the most energy-efficient or cost-effective facility for the installation and cannot be sustained indefinitely. Because the plant is very old, and because the depot desires a more environmentally and economically sound energy plant, the biomass option appears to be a favorable choice. The existing plant produces steam at 125 psig for export to the installation and has a 3MW cogeneration capacity that can be used in the summer months for peak shaving. The existing steam plant is used to provide the heating and domestic hot water needs for approximately 1,617,231 square feet in 57 facilities. The plant also delivers steam to the Depot Laundry, heated indoor pool as well medical and dental facilities. The existing plant

configuration consists of 3 each 400 psig, 50,000 lbs/hr boilers and one 125 psig, 50,000 lbs/hr boiler used during low summer loads when not cogenerating. The current plant configuration includes 3 each (circa 1942) 1 Mw steam turbines. This is a 24 hour per day; 7 day a week requirement therefore any future biomass plant must include enough systems redundancy to ensure these needs are met at all times.

The installation desires to construct a new biomass facility to provide steam for essential heating requirements on the Depot and some amount of biomass generated electricity, if feasible. This configuration provides additional benefits to the Depot including, but not limited to, heightened energy security, reduced dependence on fossil based fuels, and increased generation and use of renewable energy. The results of this RFI should allow the installation to move, with a high level of confidence, to the development of an RFP.

Although generating power with biomass is not highly efficient, generating steam and electricity with biomass may have distinct financial and environmental advantages over natural gas (NG). The average cost of NG for the Depot in 2012 was approximately \$6.08/MMBtu. The average cost of electricity was approximately \$87.00 per megawatt/hour (MWh). The Depot's peak electrical load is approximately 12 Mw with an average monthly demand load of 9.2 Mw.

Scope and Objectives- BIOMASS Plant Project: The US Marine Corps would provide the necessary real estate on MCRD Parris Island for a Biomass Plant that would be developed, constructed, owned, operated, and maintained by a private entity. A map is attached to this RFI that outlines the potential area (3-5 acres), connection point to the electrical substation (approx. 0.85 miles), and connection point to the steam distribution system (approx. 0.33 miles). Objectives for such a project include:

- Installation of a Biomass Plant that maximizes the use of land around the proposed site to minimize the site requirements and to conserve valuable real estate for other uses.
- Provide all the steam requirements (minimum average requirement 25,000 lbs/hr) year around at the installation and some portion of the electricity
- The plant must be capable of being dual fueled for strategic energy security and a 30 day reserve supply of primary fuel (Biomass) must be maintained on site. Natural gas is available.
- Reducing the electrical demand and therefore the cost of electricity from the local utility provider. All electricity produced will be used solely by MCRD Parris Island
- Purchasing electricity and/or thermal energy produced at the Biomass Plant at a lower cost than current cost. The current rate for purchased electricity at the installation is \$0.087/KWH.

The results of this Sources Sought notice will assist in developing a possible RFP to be issued at a later date. It is not mandatory to submit a response to this notice to participate in any formal request for proposal process that may take place in the future. However, it should be noted that information gathered through this notice may significantly influence our acquisition strategy. This notice shall not be construed as a RFP or as an obligation on the part of the Government. The Government does not intend to award a contract on the basis of this request or otherwise pay for the requested information.

Respondents will not be notified of the results of the evaluation. One of the main functions of this synopsis is to assist the Contracting Officer in determining whether any type of small business set-aside

(SB, 8(a), HUBZoneSB, or Service Disabled Veteran Owned Small Business) is an acceptable strategy for this procurement. If a full and open competition is ultimately pursued, responses to this synopsis will be used to aid in establishing small business subcontracting goals.

The North American Industry Classification Standard (NAICS) code for this procurement is 221117-Biomass Electric Power Generation.

NOTE: An installation map showing potential sites for the project is attached. (See Attachment 1-MCRD PARRIS ISLAND BIOMASS SITE MAP)

Submittal Requirements: As permitted by FAR Part 10, it is requested that interested and qualified firms submit a statement of interest on company letterhead demonstrating the firm's qualifications to perform the defined work. Responses must be complete and sufficiently detailed to address the specific information. Responses shall not exceed ten (10) single sided pages (including all attachments). **PAGES IN EXCESS OF THE TEN (10) PAGE LIMIT WILL NOT BE CONSIDERED.** Submit your completed responses no later than 29 July 2014 to the Contract Specialist, Ms. Erin Quimby, via email to erin.quimby@navy.mil. The Government is not obligated to and will not pay for any information received from the potential sources as a result of this synopsis. The documentation shall address, at a minimum, the following:

A. Company Profile to include: (1) Company name and address; (2) Year the firm was established and number of employees; (3) Names of two points of contact (including title, telephone number and email addresses); (4) Small Business designation/status (e.g., SB, 8(a), HUBZoneSB, SDVOSB, etc); (5) DUNS number; (6) CAGE Code.

B. Relevant Experience (to include):

1.) A description of three (3) contracts of similar scope and size completed or substantially complete within the last three (3) years by the responding firm with an emphasis wood burning biomass plants for the provision of steam and electricity. Please include the following: (1) contract number; (2) contract value; (3) point of contact (title, telephone number and email address) and (4) brief description of work performed on the contract.

2.) Describe the direct-fired Biomass Plant best suitable for MCRD Parris Island. The description shall include but not limited to:

- a. Size of the plant (steam and electrical production capability)
- b. Equipment (CHP, steam turbine, diesel generator, etc.)
- c. Fuel yard type (silos versus open piles)
- d. Fuel storage (20 day requirement)
- e. Available fuel feedstock
- f. Other site considerations
 - i. Impact on base traffic due to fuel delivery. Is the delivery of fuel flexible such that it does not impact traffic and or base functions?
 - ii. Expected noise levels from the facility and ways to mitigate noise.

iii. Expected dust/emissions from operations.

3.) What is the rough order or magnitude cost estimate for both capital investment required to construct the plant and the annual operating cost for the plant? What are the projected cost for steam and electricity produced by the plant?

4.) Describe likely approaches to financing the proposed Biomass Plant project. Include considerations for debt and equity financing, Department of Energy loan guarantees, tax incentives, or any other relevant financial aspect with which NAVFAC Atlantic should be aware in developing this project. Describe your likely approach to securing a long term biomass fuel source. Explain how you will minimize biomass fuel pricing volatility and your level of acceptance of risk in biomass fuel price cost. Explain how you plan to minimize these risks for the government over the life of the contract.

5.) Describe necessary Power Purchase Agreements (PPAs) and regulatory issues which will be encountered in this area of South Carolina.

6.) What additional specific questions do prospective bidders have that could be addressed in a request for proposals?

7.) Additional information, if any, that the responder believes is relevant.

RESPONSES ARE DUE NLT TUESDAY, JULY 29, 2014. LATE RESPONSES WILL NOT BE ACCEPTED.

Questions or comments regarding this notice may be addressed in writing to Erin Quimby via email at erin.quimby@navy.mil.

NOTE: THE GOVERNMENT RESERVES THE RIGHT TO CANCEL THIS ACQUISITION AT ANYTIME. THE GOVERNMENT IS NOT RESPONSIBLE FOR ANY COSTS INCURRED IN ORDER TO PARTICIPATE IN THIS PROCESS. ALL INFORMATION SUBMITTED IS AT THE OFFEROR'S OWN EXPENSE. ANY RECOMMENDATIONS OR SUGGESTIONS PROVIDED IN RESPONSE TO THIS SOURCES SOUGHT MAY BE UTILIZED WITHOUT ANY RESTRICTIONS WHATSOEVER OR COST TO THE GOVERNMENT AND MAY BE INCLUDED IN THE SOW.

We appreciate your interest and thank you in advance for responding to the Sources Sought.