



Request for Proposal, 18MCO540 OIL AND GAS LEASE

Date Required: Thursday November 8, 2018

Time Required: 10:00 am Local Time

INTRODUCTION:

Pursuant to Chapter 71 of the Texas Natural Resources Code, Midland County, Texas (hereinafter "County" is accepting proposals for the purpose of entering into an Oil and Gas Lease for certain designated County owned property. County invites sealed proposals from interested qualified entities, hereinafter called Respondents, for a lease of the oil, gas and minerals underlying the properties owned by Midland County, as described in **Attachment A**.

The following pages provide general information about the requirements and specifications for the package. Respondents may propose pricing for an individual parcel of land or as a group.

This request for proposal ("RFP") is part of a competitive procurement process which provides qualified Respondents with a fair opportunity for their commodities and services to be considered, and to provide information concerning their expertise and experience in providing similar services to other customers. The RFP process provides a competitive negotiation platform, wherein price or cost is not the sole determinative factor. This process, designed to best serve the interests of the County, allows the County the flexibility to negotiate with interested, qualified Respondents (following designation by the Commissioners Court) to arrive at a mutually agreeable relationship.

QUESTIONS:

If further information is required, please contact the Midland County Purchasing Department. All requests for information must be submitted in writing. Responses to all questions received will be sent to each Respondent known to have copies of the Request for Proposal. Requests for information may be faxed to 432-688-4914 or e-mailed to pur103@co.midland.tx.us.

All questions should be submitted on or before **5:00pm on Monday October 29, 2018**. Questions received after that date and time will not receive a response. Answers and clarifications which are considered to materially change the solicitation will be issued as written addenda to the original RFP and will be posted to the Midland County website at www.co.midland.tx.us Respondents are responsible for ensuring all answers to questions are reviewed prior to bid submittal and that all issues added are properly acknowledged with their submitted proposal response.

Midland County will not be responsible for any verbal exchange between the Respondent and an employee of Midland County.

COPIES AND RECEIPT:

Please submit one (1) original, three (3) copies, and an electronic copy on USB drive of the proposal. **An executed copy of the Proposal Affidavit SIGNED AND NOTARIZED (Page 7) must be included in each submission.** Please note that if no Proposal Affidavit is included, **the response will be rejected.** Midland County is exempt from all state and federal taxes. Tax exempt certificates are available upon request.

All responses should be submitted in a sealed envelope, marked on the outside,

**18MCO540 OIL AND GAS LEASE FOR MIDLAND COUNTY
PROPERTY**

Company Name

Responses must be received by **10:00am Local Time on Thursday November 8, 2018.** Late proposals **will be rejected and returned without being opened.** The clock in the Purchasing Agent's office is the official time piece for this submission. If interested, Contractors may use mail or express systems to deliver their proposal to the Purchasing Department; but they should insure that they are tendered to the carrier in plenty of time to reach the Purchasing Department by the time and date required. Facsimile transmitted proposals shall not be accepted.

SUBMISSION LOCATION: All bids which are mailed, shipped, delivered, etc. should be addressed as follows:

Midland County Purchasing Department
Midland County Courthouse
Attention: Kristy Engeldahl, Purchasing Agent
500 N. Loraine Street, Suite 1101
Midland, Texas 79701

DOCUMENTATION SUBMISSION:

The respondent must submit all required documentation. Failure to provide requested information may result in rejection of the proposal.

ALTERATION OF PROPOSAL:

A proposal may be altered, modified or amended by a Respondent at any time, prior to the time and date set forth above as the submission deadline. Alterations, modifications or amendments to a proposal must be made in the offices of the Purchasing Department. Any interlineations, alteration or erasure made on a proposal before the submission deadline must be initialed by the signer of the proposal, guaranteeing authenticity. A proposal may not be altered, modified or amended after the submission deadline.

WITHDRAWAL:

A proposal may not be withdrawn or canceled by the respondent for a period of sixty (60) days following the date designated for the receipt of proposals, and respondent so agrees upon submittal of their proposal.

CONFLICT OF INTEREST:

No public official shall have interest in this contract, in accordance with Vernon's Texas Codes annotated Local Government Code Title 5, Subtitle C, Chapter 171. Respondent is required to sign the affidavit form included in Proposal documents.

SILENCE OF SPECIFICATIONS:

The apparent silence of these specifications as to any detail of the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

CONFIDENTIALITY:

Contents of the proposals will remain confidential until the contract is awarded. At that time the contents will be made public under the Texas Public Information Act; except for any portion of a proposal which has been clearly marked as a trade secret or proprietary data (the entire proposal may not be so marked).

If a proposal includes any proprietary content or information that the Respondent does not want disclosed to the public, such content or information must be clearly identified on every page on which it is found. Content or information so identified will be used by Fort Bend County officials and representatives solely for the purpose of evaluating proposals and conducting contract negotiations.

Proposals will be opened, and the name of the firm submitting the proposal read aloud, acknowledged, at **10:05am on Thursday November 8, 2018**, in the Purchasing Department Conference Room located in the Midland County Courthouse, Suite 1101. All respondents or other interested parties are invited to attend the opening.

Respondents are hereby notified that the Owner strictly adheres to all statutes, court decisions, and opinions of the Texas Attorney General with respect to disclosure of public information.

ADDITIONAL INFORMATION AND DEMONSTRATION, NEGOTIATIONS:

Prior to award, selected Respondents may be asked to provide further information concerning their proposal, up to and including presentations/demonstrations. The Midland County Commissioners Court reserves the right to reject any and all proposals or waive formalities as deemed in the best interests of Midland County. The County may also enter into discussions and revisions of proposals after submission and before award for the purpose of obtaining the best and final offer, and to accept the proposal deemed most advantageous to Midland County.

This request for proposal (RFP) is part of a competitive procurement process which is designed to best serve the interests of the County in obtaining complicated commodities and/or services. It also provides interested Contractors with a fair opportunity for their goods and services to be considered. The RFP process is designed to be a competitive negotiation platform, where price is not required to be the sole determinative factor. Also, the County has the flexibility to negotiate with interested Respondents to arrive at a mutually agreeable relationship. Negotiations will be arranged with Respondents in a hierarchal order, starting with the Respondent selected as the primary. If a contract cannot be negotiated, negotiations will,

formally and in writing, end with that Respondent and proceed to move to the second Respondent, and so forth until a contract is negotiated.

RIGHTS OF THE CONTRACTING AUTHORITY:

Midland County reserves the right to withdraw this RFP at any time and for any reason. Midland County also has the right to terminate its selection process at any time and to reject all responses, or all proposals. Receipt of the proposal materials by Midland County or submission of a proposal to Midland County confers no rights upon the Respondent nor obligates Midland County in any manner.

All costs associated with the preparation or submittal of proposals shall be borne by the Respondent, and no cost shall be sustained by Midland County.

ORAL COMMITMENT:

Respondents should clearly understand that any verbal representations made or assumed to be made during any discussions held between representatives of a Respondent and any Midland County personnel or official are not binding on Midland County.

WAIVER OF CLAIMS:

Submission of a proposal indicates Respondent's acceptance of the evaluation technique and Respondent's recognition that some subjective judgments must be made by the County during the determination of qualification.

SELECTION CRITERIA:

Price is a primary consideration, however, it is not the only consideration to be used in the selection. The history of Respondent and the service to be provided is also of major importance. Midland County will require that the successful Respondent provide a representative for all County related business, service, billing, installation, activation and termination of said service.

ORDINANCES AND PERMITS:

The Contractor/Respondent agrees, during the performance of the work, to comply with all applicable Federal, State, or local code and ordinances.

INVOICES:

Any and all notices or other communications required or permitted by any contract awarded as a result of this RFP shall be served on or given to Midland County, in writing, by personal delivery to the Purchasing Agent of Midland County, Texas, or by deposit with the United States Mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the Midland County Purchasing Agent 500 N. Loraine Suite 1101 Midland, TX 79701, or at such other address as may have been specified by written notice to Respondent.

INSURANCE:

The awarded Respondent will maintain such insurance as will protect the Respondent and the County from claims under the Workers' Compensation Acts, and any amendments thereof, and from any other claims for damages from personal injury, including death, which may arise from operations under this agreement, whether such operations be by themselves or by any sub-Contractor, or anyone directly or indirectly employed by either of them. Current Certificate of such insurance shall be furnished to Midland County and shall show all applicable coverage(s). Any subcontractor must adhere to the same requirements listed above and below (with the exception of the pollution liability).

Other insurance requirements are:

- General Liability (including completed operations) with a \$1,000,000 per occurrence limit and \$2,000,000 general aggregate.
- Commercial Automobile Liability with a limit of no less than \$1,000,000. The coverage will also extend liability to hired and non-owned autos.
- Workers' Compensation with limit of \$1,000,000 for Employers Liability.
- We also require a minimum umbrella (or follow form excess policy covering over general liability, auto liability and workers compensation) of no less than \$2,000,000.
- Pollution liability coverage for any cleanup cost and damage to third parties in an amount of no less than \$1,000,000 per occurrence.

Midland County will require the selected Respondent to name Midland County as an additional for both the general liability and auto liability. A waiver of subrogation in favor of the County is required for the workers compensation. If the additional insured status or waiver of subrogation is not blanket, please send a copy of the actual endorsements prior to commencement of any work.

Midland County will require the selected Respondent to name Midland County as an additional insured and provide a waiver of subrogation prior to making a contract. All insurance must be placed through an insurance carrier licensed to operate in Texas and have an AM Best Rating greater than A-VI.

INDEMNIFICATION:

The Respondent shall defend, indemnify and save whole and harmless the County and all its officers, agents and employees from and against any and all demands, claims, suits, or causes of action of any character, name, kind or description brought for, or on account of, arising out of or in connection with the Respondent's performance or non-performance of any obligation of Respondent or any negligent act, misconduct or omission of the Respondent in the performance of its contractual obligations. The Respondent shall defend, indemnify, save, and hold harmless the County and its officers, agents, representatives and employees from and against any and all demands, claims, suits, or causes of action of any character, name, kind or description brought for, on account of, arising out of or in connection with Respondent's product or service.

STATUS OF INDEPENDENT CONTRACTOR:

Respondent shall be considered an independent contractor, for all purposes. Respondent will not at any time, directly or indirectly, act as an agent, servant, representative or employee of the County. Respondent will not take any action which is intended to create any commitments, duties, liabilities or obligations on behalf of the County, without prior written consent of the

County.

PARTIAL INVALIDITY:

In the event any one or more of the provisions contained in this RFP or any contract resulting therefore, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this RFP or any contract resulting therefore and this RFP or the contract resulting therefore shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

CONTRACT TERMINATION:

Non-performance of the Respondent/Contractor in terms of specifications or noncompliance with terms of this contract shall be basis for termination of the contract by the County. Termination in whole or in part, by the County may be made at its option and without prejudice to any other remedy to which it may be entitled at law or in equity, or elsewhere under this contract, by giving (60) sixty days written notice to the Contractor/Respondent with the understanding that all work being performed under this contract shall cease upon the date specified in such notice. The County shall not pay for work, equipment, services or supplies which are unsatisfactory. Contractor/Respondent may be given reasonable opportunity prior to termination to correct any deficiency. This, however, shall in no way be construed as negating the basis for termination for non-performance. The right to terminate the notice thereof is controlled by these proposal specifications and is not subject to being altered by contract.

LAW GOVERNING:

The parties under contract shall be subject to all Federal laws and regulations, and all rules and regulations of the State of Texas. The laws of the State of Texas shall govern the interpretation and application of the contract; regardless of where any disagreement over its terms should arise or any case of action arise.

VENUE:

It is hereby agreed that the contract will be made in Midland, Midland County, Texas, and any dispute arising as a result of it shall be governed by the laws of the State of Texas for the purpose of any law suit, and the parties agree that such lawsuit shall be brought in Midland County, Texas.

ASSIGNMENT:

The Contractor shall not sell, assign transfer or convey this contract in whole or in part, without the prior written consent of the County.

BUSINESS CHANGE DISCLOSURE:

The Vendor shall immediately disclose any knowledge of a business change (i.e., name change, change in ownership, etc.) that will take place during the duration of this contract.

**REQUIRED FORM
COMPANY AFFIDAVIT**

The affiant, _____ states with respect to this submission to County:

I (we) hereby certify that if the contract is awarded to our firm that no member or members of the governing body, elected official or officials, employee or employees of said County, or any person representing or purporting to represent the County, or any family member including spouse, parents, or children of said group, has received or has been promised, directly or indirectly, any financial benefit, by way of fee, commission, finder's fee or any other financial benefit on account of the act of awarding and/or executing a contract.

I hereby certify that I have full authority to bind the company and that I have personally reviewed the information contained in the RFP and this submission, and all attachments and appendices, and do hereby attest to the accuracy of all information contained in this submission, including all attachments and exhibits.

I acknowledge that any misrepresentation will result in immediate disqualification from any consideration in the submission process.

I further recognize that County reserves the right to make its award for any reason considered advantageous to the County. The company selected may be without respect to price or other factors.

Signature _____ Date _____

Name _____ Phone _____

Title _____

Firm Name _____

Type of business organization (corporation, LLC, partnership, proprietorship)

Address _____

County, State, Zip _____

Notary Seal Below

SPECIFICATION

PURPOSE:

County is seeking sealed proposals for a lease of the oil, gas and minerals underlying the properties owned by Midland County specified in this document.

LEASE:

The lease entered into as a result of this Request for Proposals will be a Non Surface Use Oil, Gas and Mineral Lease. No drilling or other activities will be allowed on the surface of any property owned by Midland County. No drilling or other activities will be allowed on the surface of any property owned by any other governmental entity without express written permission from that governmental.

PROPERTIES:

County does not make any representations or guarantees regarding the number of net mineral acres it owns in the designated properties. Each Respondent has the responsibility of performing the necessary research and due diligence to reach its own conclusion regarding this information.

SUBMISSION:

The following information must be provided with your submitted response:

- At least 2 commercial references.
- Name, address, and contact information for your company.
- Identify any Oil, Gas or Mineral leases with other Governmental entities in Texas.
- Documentation to show your legal right to do business in the State of Texas.
- Provide biographies of the principals of your organization, including experience in the oil and gas industry.
- Provide information regarding your experience in drilling and production in Texas. This should include the number of wells per county and the quality of your services, and your financial ability to provide the requested services and to comply with all applicable laws and regulations.
- Identify any times within the past five (5) years that you organization has been cited for any legal or regulatory violations by the State of Texas or any other government agency. For any instances listed, provide the status or result.

EVALUATION PROCESS:

The County will award the lease to the Respondent that submits a response which represents the highest and best value to the County. The best value shall not be based solely upon price but will include an examination of all information submitted by Respondent. Each parcel of land may be awarded to separate Respondents.

ATTACHMENT A

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J. S. Curtis, Grantor to The Commissioners Court of Midland County, Texas

July 13, 1907 – filed

July 13, 1907 - recorded

A tract or parcel of land described as follows:

Beginning at the N. E. Cor. Sur. 11, Block 39, Tsp. 1 S. Midland Co., Texas,

Thence S 13 E. along east line of said Survey 11, 302 varas to a stake the beg. Cor. this tract.

Thence S. 40 W. 114 vrs. to stk.

Thence S. $20^{\circ} 55'$ W. $67 \frac{1}{2}$ vrs.

Thence S. $23^{\circ} 25'$ E. 53 vrs.

Thence S. $47^{\circ} 35'$ E. $41 \frac{1}{2}$ vrs.

Thence S. 54 E. 150 vrs.

Thence N. 13 W. along east line said Sur. No. 11, 322 vrs. to the Beginning, containing $4 \frac{43}{100}$ acres of land out of said Sur. No. 11