
**REQUEST FOR COMPETITIVE SEALED PROPOSALS (“RFP”)
CITY OF KETCHIKAN, ALASKA**

CONTRACT NO. 19-36

REDEVELOPMENT OF PORT OF KETCHIKAN BERTHS I, II AND III AND OTHER INFRASTRUCTURE WITHIN THE CITY

RFP ISSUE DATE: **October 21, 2019**

PROPOSAL DUE DATE: **January 21, 2020**

CITY OF KETCHIKAN POINT OF CONTACT: ktn.port.rfp@ktn-ak.us

INSTRUCTIONS

The City of Ketchikan is seeking competitive sealed proposals (RFP) from qualified entities for the redevelopment of Berths I, II & III at the Port of Ketchikan, the adjacent uplands and other improvements as provided in this RFP.

Seven (7) copies of the sealed proposal shall be designated as such on an outer envelope, labeled “Contract No. 19-36, Redevelopment of Port of Ketchikan Berths I, II & III and Other Infrastructure Within the City,” and shall be submitted by mail or in person by **2:00 pm, Tuesday, January 21, 2020** at the office of the City Clerk, 334 Front Street, Ketchikan, AK 99901. Online submission for registered users via the City's online proposal/bid process is acceptable in addition to the mailed or in person submission. RFP documents are available on the City of Ketchikan webpage www.ktn-ak.us/bids. There will be no charge for the proposal documents. Inquiries about this project should be made to the Point of Contact email listed above.

Instructions for preparing and submitting proposals is detailed in Section 6 of the RFP, and information about the selection process is detailed in Section 7 of the RFP. The City of Ketchikan retains the right to cancel this RFP and reject any or all proposals with no liability to the City and its sole discretion and to waive any formality or technicality in the interest of the City.

This RFP is intended to allow the City to select a Proponent(s), conduct negotiations with the shortlisted Proponents with the intention to execute an Agreement(s) with the Proponent(s) that offer the Best Value to the City of Ketchikan.

Parties that wish to respond to the RFP or wish to receive any updates or communication related to this RFP MUST register by providing information on a form (attached in Appendix A) and submitted to the City of Ketchikan's Point of Contact listed above.

Proponents are instructed to read all Sections of this RFP to familiarize themselves with all RFP Terms and Conditions and to identify dates, times, and submittal requirements related to the submittal of the Proposal. Proponents are further instructed to submit any questions, registration or requests for clarification regarding this RFP to the City's Point of Contact as soon as practicable and as otherwise no later than the cutoff date as required by the terms of this RFP.



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Appendix G	"City of Ketchikan Planning and Port Improvements" report by Moffat & Nichol ("M&N Plan") dated December 30, 2016
Appendix H	Map of Port Area and Berths
Appendix I	Cruise Market Study

1 INTRODUCTION

This RFP presents an opportunity for interested parties ("Proponents") to submit a Proposal which will be used by the City of Ketchikan to select a Partner(s) to enter into detailed negotiations for the development of the City's cruise facilities which include Berths I, II and III, and may include the adjacent upland facilities and other projects as described herein.

1.1 Background of the City of Ketchikan

The City of Ketchikan, incorporated in 1900, is the fifth largest city in Alaska. Located on Revillagigedo Island in Southern Southeast Alaska, and within the boundaries of the Tongass National Forest, Ketchikan is 680 miles north of Seattle, Washington, and 230 miles south of Alaska's capital, Juneau. Ketchikan is the largest city located within the Ketchikan Gateway Borough and occupies five square miles with a population of 8,125 residents. A more detailed description of the City is included in Appendix C.



The City owns Berths I, II and III which are operated by the City's Port and Harbors Department.

1.2 Ketchikan's Cruise Tourism Industry

Today, Ketchikan's most dominant economic sector is tourism and its popularity as a major port of call for large cruise ships and their passengers continues to grow. The number of paying passengers arriving by large cruise ships has increased from 236,000 in 1990 to 1,073,923 in 2018. The most recent forecast for 2019 estimates that 46 cruise ships will make 544 stops and bring a record breaking 1.149 million cruise visitors to the community. The growth in tourism has led local government and private businesses to make significant investments in the land-based facilities and port infrastructure necessary to accommodate the needs of the industry. The City invested over \$40 million dollars in 2006 to expand and improve its port berthing facilities. Private companies have invested millions of dollars to develop a retail complex at the former Spruce Mill property and Berth IV and its adjacent ground transportation area. The City recently completed phase four of a \$26 million four-phase project to upgrade Berths I and II.



The City of Ketchikan's cruise business has grown up with the Alaska cruising industry and has become one of the 3 marquee cruise ports in the region. Ketchikan as a

destination provides for numerous activities from shore excursions to fishing and flightseeing, as well as a robust downtown core with retail options and unique sights and venues. Situated at the southernmost port of Southeast Alaska, Ketchikan is often the gateway or last port in the Alaska itinerary pattern. Ketchikan fits well in a variety of patterns including the round trip and open jaw cruises that are most popular from both Seattle and Vancouver. In addition, the port is also used by smaller pocket exploration vessels sailing within Alaska waters as a port of call and homeport.

A full market study of the cruise industry in the City was prepared for the City and it is included in Appendix I of this RFP as reference. Any Proponent is cautioned to develop their own independent evaluation and forecasts of the industry for their own use and preparation of a response to this RFP. The City or its Consultants makes any representation to the Proponents on the use of this document. A few summary charts from the study are shown below.

Figure 1 illustrates the cruise passenger levels in Ketchikan from 2000 – 2019 projected. There has been a 10-year growth of 2.1% compound annual growth rate (CAGR) and a 5-year growth rate of 5.4%.

Figure 1 - Cruise Passenger Traffic in Ketchikan, 2000 – 2019

Source: B&A

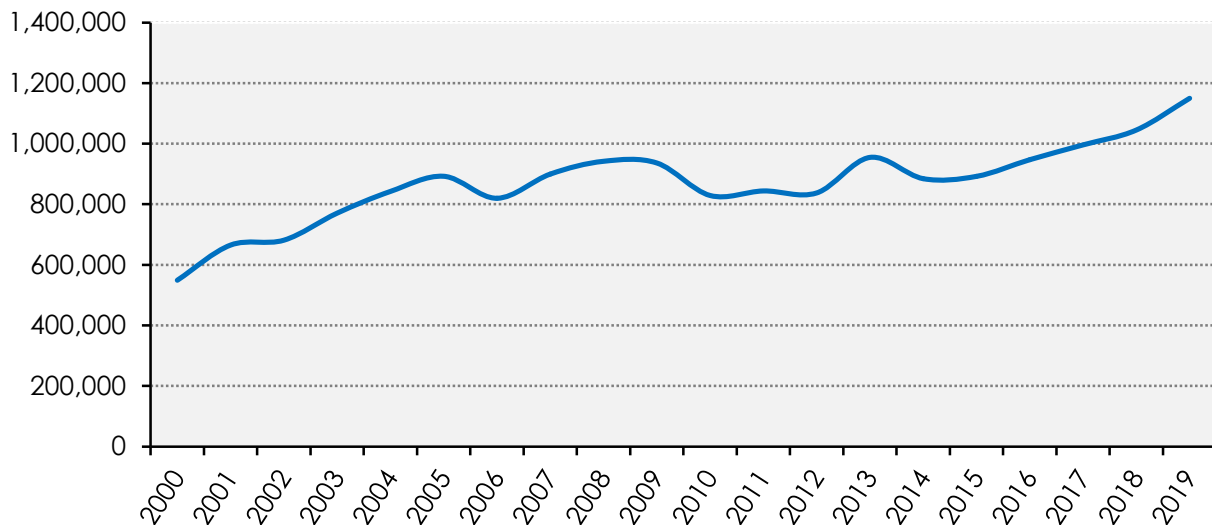
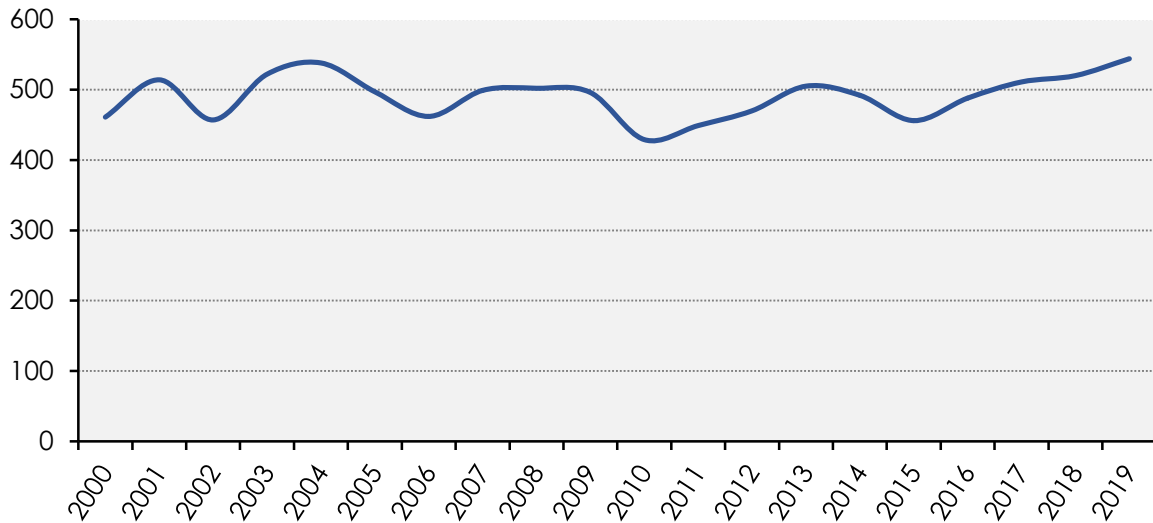


Figure 2 shows the number of corresponding cruise calls.

Figure 2 - Cruise calls in Ketchikan, 2000 – 2019

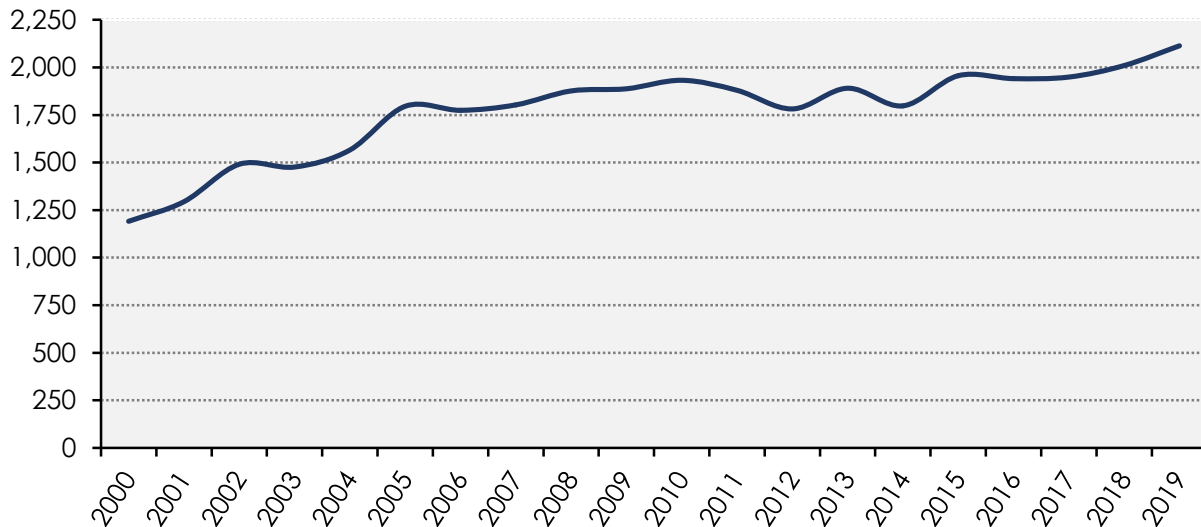
Source: B&A



Growth for the region and Ketchikan has primarily occurred through the deployment of larger ships over the period (923-passenger per vessel growth) vs. an additional 83 total calls or approx. 4 added calls per annum. This is illustrated in Figure 3 which shows the average passenger capacity per vessel call.

Figure 3 - Passengers per cruise call, 2000 – 2019

Source: B&A



Starting in 2017, the market has also seen the introduction of additional vessels which are resulting in the higher growth rates.

Responding to the growth of the industry, and the size of vessels now in the market, the City has been working for the past few years to find the best solution to allow the port to be able to handle the larger ships. The City commissioned and approved the report titled "City of Ketchikan Planning and Design of Port Improvements" dated December

30, 2016 by Moffatt & Nichol (the “M&N Plan”) which is described in this RFP and is included in Appendix G. This Plan was developed and approved prior to the Ward Cove announcement as described below.

I.3 Ward Cove

All cruise traffic in Ketchikan is currently handled at the City docks and Berth IV (privately held by Survey Point Holdings). At times, cruise ships still anchor and lighter passengers from the channel when berths are not available. In early 2019, an announcement was made by a local private company of their intent to build a two-berth cruise facility in the “Ward Cove” site north of the Port and outside City limits, and that they are partnering with Norwegian Cruise Lines (NCL) to bring their ships to the new berths and are actively soliciting other cruise lines to also utilize the facility. This project, if completed, will have a material effect on the number of ships and passengers that will come to the City docks in the future.

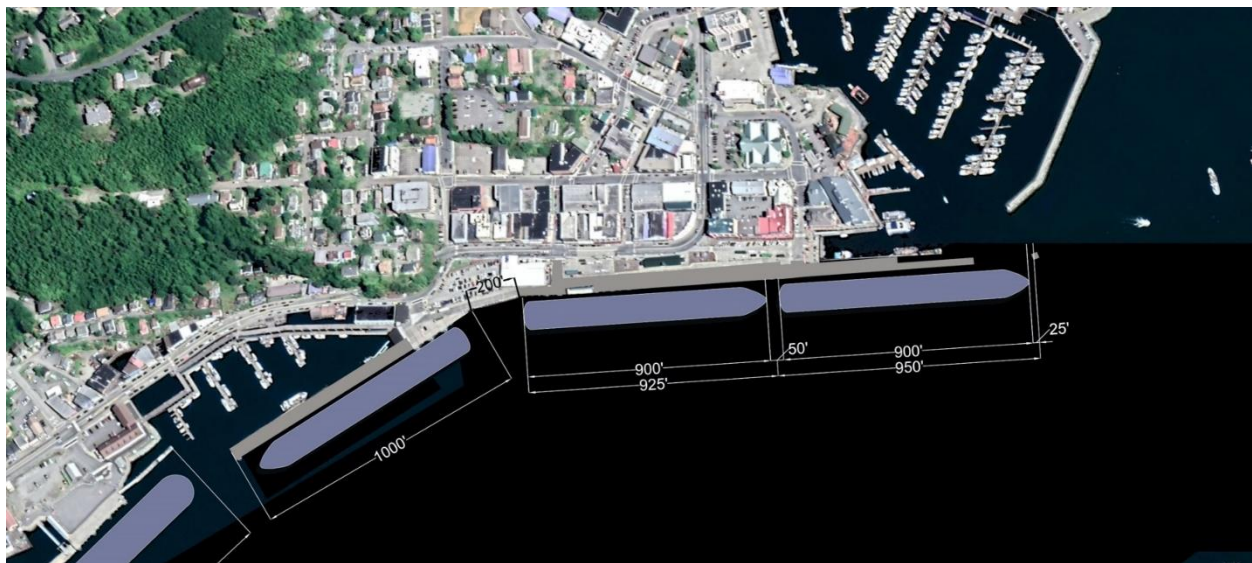
2 CURRENT FACILITIES

2.1 General description of existing facilities

The City has 4 berths in its Central Business District. Berths I, II and III, (the “Berths”) which are the subject of this RFP are owned and operated by the City. Berth IV is privately owned and leased long-term by the City from Survey Point Holdings (“SPH”) under a complex arrangement which controls operations, uplands and uses. The Berth IV leases are included in Appendix F as a reference. The Berths are adjacent to downtown Ketchikan on the shore of Tongass Narrows. The infrastructure is primarily configured to receive cruise ships and passengers. **Only berths I, II and III are included in the Scope of this RFP.**

The berths have varied lengths, but in general have the dimensions as shown in Figure 4 below. Because of the marginal nature of berths I and II, those two berths can accommodate a variety of different ship lengths and the demarcation line between berths I and II fluctuates. In general, the linear length of berths I and II combined is 1,875' and berth III is 1,000'. There is an approximate 200' gap between berths II and III which is used to handle lines that serve those vessels.

Figure 4 – Dimensions of cruise berths I, II and III



Berths I and II are pile-supported fixed wharf facilities, while Berths III and IV are combination pile-supported dock and barge-style float facilities. A detailed description is included in the M&N Plan. The following are excerpts from that report:

2.2 Berths I and II

The Berths I and II totals approximately 1,450' long. The northernmost 375', referred to in the original construction documents as the *Berth I Addition*, is nominally 26' wide as originally constructed. A series of recent rehabilitation projects (circa 2012) expanded

the usable concrete deck area to a nominal width of approximately 66'. The intermediate 806', referred to in the original construction documents as *Berth I South*, is nominally 50' wide. The southern 271' (nominal) length of dock (referred to in the original construction documents as the *Berth I South Extension*) is nominally 26' wide. Available construction documentation indicates that Berths I and II were designed for a nominal 135 ft-kips of shoreward berthing energy, based on an 800' LOA x 125' beam x 70,000 DWT (displacement) design vessel. Mooring points, in the form of single- and double-bitt bollards are located along the lengths of Berths I and II.

2.3 Berth III

Berth III consists primarily of a steel barge-type float, laterally restrained by two reaction dolphins, referred to on the construction drawings as *Barge Float Mooring Dolphins*. Berth III constructed in 2007 is detailed in a design drawing set (circa 2006) entitled *Port Berth Reconfiguration*. The barge measures 300' long and 50' wide and has a freeboard of approximately 8'; constructed of a steel plate shell, with internal angle truss framing. Two outboard pile hoops constructed of HSS 16x16 square tube frame assemblies are welded to the float, and each hoop assembly is compartmentalized to accommodate three 48" diameter steel guide piles. The inner surface of the guide pile compartments is lined on all sides by energy-absorbing arch fenders. Each arch fender has an Ultra High Molecular Weight Polyethylene (UHMWPE) low-friction shield at the pile contact face. Available construction documents indicate that Berth III was designed for a nominal 260 ft-kips of shoreward berthing energy, based on the quarter-point berthing at any one dolphin of a 1,000' LOA design vessel. Berth III was reportedly designed to resist a maximum net combined (seaward) pull of all lines totaling 1,250 kips: a 350-kip net seaward pull on each of three discrete breasting/mooring points; and 200-kips net seaward pull on one dock-mounted mooring dolphin.

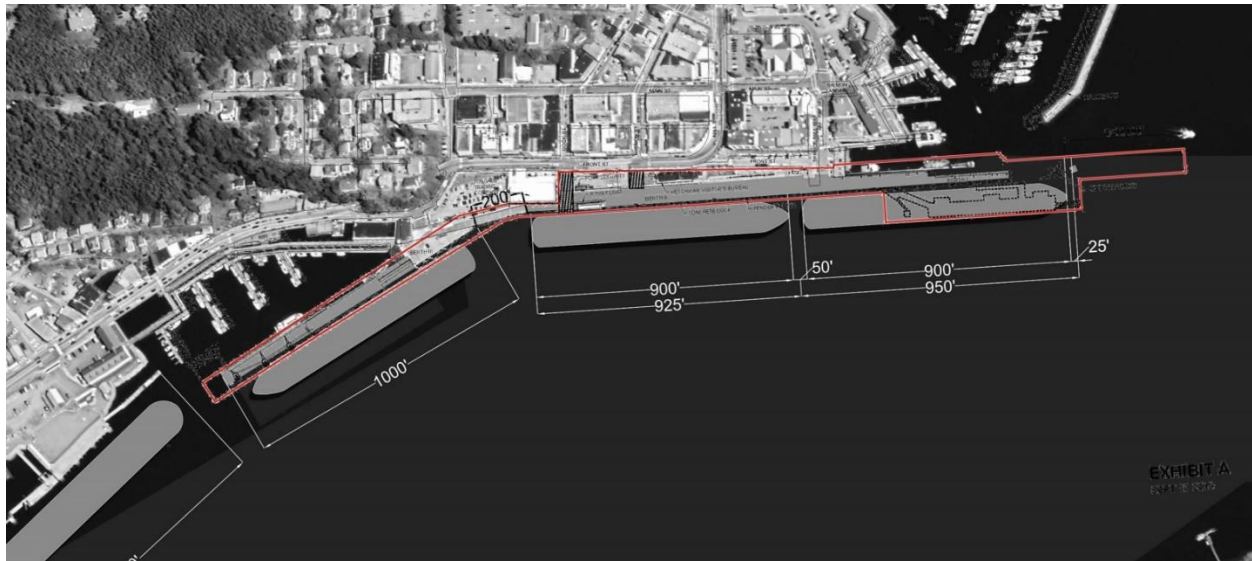
Currently the City is underway with additional work to remove a hazard to navigation known as the Berth II Rock Pinnacle situated just off shore adjacent to Berth II. That work will be completed within the next 12 months.

2.4 Limits of Upland Area included in this RFP

This RFP covers Berths I, II and III and their adjacent uplands (the "Port Uplands" or the "Concession Area") which are generally shown in the Figure 5 below. This Concession Area will be leased to the successful Proponent that is interested in a Concession Agreement. Those Proponents interested in a Preferential Berth Agreement will not be leasing any of the Concession Area.

Within the area there are certain existing leases, agreements and operations of entities that provide services to tourists, including the operation of the Ketchikan Visitors Bureau and several independent tour providers and businesses operating out of small booths. Proponents will be responsible to continue to honor the terms of those leases and work with the City to accommodate any existing tenants.

Figure 5 – General Limits of Concession Area (for Concession Agreements only)



The limits of the "Concession Area" will be legally defined in a final survey to be prepared by the City. The Concession Area will generally follow the limits shown in Figure 5 above. A more detailed drawing is included in Appendix H of this RFP. The Concession Area includes all upland and tidelands necessary to operate the Berths and includes additional tidelands to the south and west of the existing Berths to allow for the construction of the "Project" as defined in Section 4. The Concession Area provides access for the operation of the three Berths.

Proponents are informed that within the Concession area there are certain public rights-of-way that may be preserved by the City but will not interfere with the operation of the Berths. Access to and from Berth III to the adjacent streets will continue as exists today.

3 CITY'S OBJECTIVES AND GOALS

The City's guiding principles for its cruise business will help evaluate the proposals based on the Proponents ability to support these principles. The principles reflect the City's agenda to serve the cruise industry balancing environmental, financial and social goals. The City has expressed a desire that the successful proposal needs to reflect a "holistic" solution to manage cruise growth to create a better experience to the guests while at the same time improving the experience and quality of life for residents that are impacted by the traffic and addressing impacts on the City's infrastructure and services that affected by the cruise visitors.

In general, the City expects that proponents in developing and operating the cruise facilities will prioritize the following key principles and project elements:

3.1 Overall goals

3.1.1 Financial

- i. The Proponent is expected to fund all the improvements and repairs and any additions necessary to the Proponent's operations without any support or guarantees from the City.
- ii. Leverage the financial return of the cruise business to support a diverse maritime economy.

3.1.2 **Growth** – the Proponent is expected to maximize the use of the City's Berths I, II and III and the adjacent lands to serve maritime needs and operate in a manner to meet the market demands during the period of the Agreement(s).

3.1.3 Expand the connection to the waterfront for all

- i. Maintain, where allowed by Law continuous access to the waterfront to residents.
- ii. Coordinate access to public spaces, downtown connectivity and other areas of interest.
- iii. Work with the City and the Coast Guard to prepare and administer a Security Plan that can provide public access.
- iv. Acknowledge historical and cultural roots of the region in any development and work with the community to achieve a balanced plan.
- v. Support participation and access to the economic opportunity benefits of cruise development to the residents of the City by promoting locally owned businesses.
- vi. Support neighboring businesses ability to benefit from cruise development.

3.1.4 Implement leading edge environmental stewardship practices and facilities

- i. Develop long-term sustainable operations of the berths.
- ii. Promote operations that minimize air emissions, insure water quality and protect the ecosystems.
- iii. Engage with key local stakeholders in support of environmental priorities and initiatives established by the City.

3.1.5 Transportation

- i. Manage the ground transportation of passengers to minimize impact on the City's infrastructure and residents.

- ii. Seek alternative vehicle parking and off-site staging and marshalling.
- iii. Minimize impact to surrounding community and existing businesses.
- iv. Implement multi-modal transportation solutions that benefit the residents of Ketchikan.

3.2 Marine goals

The objective of the City is to provide sufficient berth space with the appropriate length at the appropriate time to meet the demand, while at the same time managing the industry's growth to acceptable levels for the City and residents. The City has identified a desire to proceed with the construction of the new Berth I (only) as provided in the M&N Plan. The City is not seeking for the development of the Berth II improvements shown in the M&N Plan. In addition, the City also requires funding and executing a plan to provide cathodic protection systems to the existing berths. A detailed description of the project is provided in Section 4.

It is important to provide context to the need for the improvements to Berth I. Prior to the Ward Cove announcement, the City believed that current and forecasted demand required that the City expand Berths I and II from the existing combined length of 1,875' to a new total of 2,350' which would allow a ship with 1,150' LOA (i.e. Bliss or Quantum) and a second ship with 1,100' LOA class ship to berth simultaneously. This would be done through the development of two new floating docks and berths immediately adjacent to the existing Berths I and II. The plan provided for Berth III to remain as is, capable of handling a vessel of less than 950' LOA. The goal at that time was then for the City to have three independent berths with the following berth lengths:

- Berth I – 1,250' long
- Berth II – 1,100' long
- Berth III – 1,000' long

Since the plan was finished, the announcement of the Ward Cove project materially affects the supply of berths to meet the demand. If Ward Cove is built, the overall needs of Ketchikan (Downtown and Ward Cove combined) are being met for the immediate future by the additional two berths being proposed. Therefore, the need to expand berths I and II may not be as immediate or financially viable; however, certain additional improvements would be needed including potential expansion of Berth III to accommodate longer vessels.

3.3 Commitment to fund the overall off-site plan

The City is seeking a Proponent(s) that recognize the on-site and off-site impacts that cruise traffic creates within the City. In this regard, the City is planning specific projects, that when implemented, will mitigate issues and improve passenger and resident experience. The City has established a target budget of \$35 million which the Proponent(s) should include as part of its financial proposal to be paid fully by the Proponent(s) as a project cost. It is anticipated, that these moneys will be placed in trust with the City, and be used as part of the City's Capital Program through its normal processes.

More details as to the type and schedule of the projects will be part of the detailed negotiations with the preferred Proponent(s).

3.4 Restrictions and Limitations

The City is seeking a Proponent(s) that recognizes that in a City the size of Ketchikan, its waterfront is an important component of daily life. Residents have a special relationship with the Berths as they are commonly used for walking, fishing, and other activities. In this regard, the City will propose as part of any Agreement that the Proponent will need to maintain this public access as it exists today, subject to normal Coast Guard approvals. In addition, the Proponent(s) will only have control of the Berths and/or Concession Area when they are used to serve the needs of the cruise industry with cruise ships alongside, or during the period before or after a cruise needed to set up or take down cruise-related equipment. At all other times, control of the Berths and/or Concession Area remains in the hands of the City, and the City may choose at its discretion any use, activities, restrictions, limitations or controls during those times. It is anticipated that those periods will include the entire off-season cruise period as well as night time use, or days that there are no ships in Port.

The City does not anticipate or wish for a Proponent to propose commercial development on the Concession Area.

4 DESCRIPTION OF THE PROJECT

This solicitation is the process through which the City intends to select a Proponent(s) to enter into a long-term agreement to undertake the development of the Project as described below. Two types of Agreements are available to the interested Proponents as described in Section 5 of this RFP. Under a Concession Agreement, the City is interested in entering into a partnership in which the Proponent would lead the development of the Project and be responsible for equipment and future operations of the facility; the City would collaborate in design and permitting as well as operations. In a Preferential Agreement, the City is seeing a Proponent that will commit the financial resources for the City to lead the development of the Project.

The "Project" is defined as follows and includes four (4) Parts as outlined below:

- Part 1 – Marine works to expand berth capacity.
- Part 2 – Improvements to the Port Uplands within the Project area to improve the passenger experience, transportation solutions and other ideas which the Proponent may propose to increase visitor and resident satisfaction.
- Part 3 – The construction of a cathodic protection system for the existing berths as well as any upgrades to the current facilities.
- Part 4 – Funding of the City's upland Off Site Improvement Projects.

4.1 Part I – Marine Works

The City's preferred marine works plan for this RFP are:

- Berth I – Implement the M&N Concept for a new floating berth.
- Berth II – Stay as-is.
- Berth III – Proponent may propose to increase berth length from the current 1,000'.

The berths need to be operated in such a way to achieve maximum flexibility and utilization to allow cruise line customers to use them.

4.1.1 Alternative Marine Works Solution

The Proponent may propose to the City an "Alternative Solution" which may include any combination of alternative design and development, changes to the phasing of the work, including delaying the work to Berths I and II, or proceeding with the original Berth I proposal as shown in the M&N plan.

Should the Proponent propose any project different than the approved M&N plan, such design and improvements will be made solely at the Proponents risk and the City is not under any obligation to accept the Alternative Solution.

Should the Proponent provide their own Alternative Solution that deviates from the City's previous plan or propose any extensions of Berth I to the south different than as

provided in the M&N Plan it will be subject to the City's approval. The Proponent, at their own risk will be responsible for obtaining the necessary permits and approvals as well as any additional costs for any mitigation associated with impacts on that area of Tongass Narrows including impacts on Thomas Basin and navigation to other marine activities in that area.

4.2 Part 2 - Port Upland Improvements

With any modification to the berths to increase capacity, the Port Uplands need to be improved to handle that capacity. The Proponents need to provide and fund a plan that will maximize the larger numbers of passengers to be handled within the Port Uplands. This includes additional restroom facilities, signage, and any improvements to safety assure the flows of passengers and crew. The ground transportation area should be capable of accommodating more than 5,000 passengers per vessel per call. The City does not anticipate or wish for a Proponent to propose commercial development on the Concession Area or Port Uplands.

4.3 Part 3 - Improvements to Current Infrastructure

The City has performed studies showing the condition of the existing marine infrastructure. Those are included in the M&N Plan. The City has identified that the current Berths need a Cathodic Protection system which the City has estimated to cost \$15 million. Such costs should be included as part of the Proposal and paid as part of the Project Costs.

4.4 Part 4 - Off-site Improvements

The City is planning specific projects, that when implemented, will mitigate impacts from the project and will improve passenger and resident experience. The City has established a target budget of \$35 million which the Proponent(s) should include as part of its financial proposal to be paid fully by the Proponent(s) as a project cost. It is anticipated that these monies will be placed in trust with the City and be used as part of the City's Capital Program through its normal processes.

5 PROPOSED COMMERCIAL TERMS

The City intends that the revenues generated will largely derive from Port Fees and any ancillary revenues. The current passenger fees can be found in the City of Ketchikan Municipal Code which currently is approximately \$7.00 per passenger (the “City Passenger Fee”). Currently the City is planning on modifying the City Passenger Fee (see Appendix E). Those funds are currently collected by the City and used to pay operational costs as well as repayment of debt and lease commitments. The City Passenger Fee will be still collected and retained by the City under any of the two types of agreements described below.

The City is willing to receive two types of proposals: a “Concession” type or a “Preferential Berth” type proposal. A description of both follows:

5.1 Concession Type Approach

In a Concession Proposal, the City will entertain Proposals to invest, build and operate the Project for a term under the following conditions:

- 5.1.1 Type – Concession of cruise operations of Berths I, II and III and the Concession Area which will be leased to the Proponent.
- 5.1.2 Term – not more than 20 years plus (1) 10-year extension.
- 5.1.3 Cost – Proponent will be responsible for proposing a capital program that includes all four (4) parts as described in Section 4.
- 5.1.4 Construction – Proponent will be responsible for the design and construction of Parts I, 2 and 3 of the Project as described in Section 4. Proponent will be responsible for any construction cost overruns. All improvements will be subject to the approval by the City once the proponent submits a master plan and capital plan. The Proponent will be responsible for all required permitting.
- 5.1.5 Risk – All investment will be at the sole risk of the Proponent without any guarantees from the City.
- 5.1.6 Operations –
 - i. Proponent will operate the facility subject to the restrictions described in the RFP.
 - ii. Proponent will operate the berths and their assignment to provide a level, transparent berthing allocation process to all potential customers. No preferential berthing will be allowed for any cruise company without the prior approval of the City Council.
- 5.1.7 Berth requests – The Proponent will be responsible for receiving and assigning berths based on an agreed upon fair and transparent system. The City reserves the right to participate in decisions that may occur when there are scheduling conflicts.
- 5.1.8 Pricing – Proponent will propose a pricing strategy as part of its proposal that will allow the proponent to recover its investment, operational costs and profit through an additional passenger fee. The City will not share its current passenger fee as may be amended from time to time with the Proponent. The City’s current fees are shown in Ordinance 19-1902 (see Appendix E). The City may in

its sole discretion discuss use of the City passenger fees for projects that benefit the City, passengers, and Concession holder. Recognizing that there may be additional revenue opportunities deriving from the Project; the City is open to ideas of the Proponent to obtain additional ancillary revenues.

- 5.1.9 The Proponent is expected to collect fees on the City's behalf and make the necessary payments to the City. The Agreement might include a negotiated sharing of other fee(s) of any ancillary revenue.
- 5.1.10 Marketing – The City will participate with the Proponent in marketing the facility.

5.2 Preferential Berthing Approach

In a Preferential Berthing approach, the City will entertain Proposals from interested Proponents to invest and or commit funding for the Project under the following conditions:

- 5.2.1 Type – Preferential berth guarantee for either, Berths I & II, Berth III or the combined Berths I, II & III and the applicable upland area.
- 5.2.2 Term – not more than 20 years plus (1) 10-year extension.
- 5.2.3 Cost – Proponent will be responsible for providing sufficient funding guarantees for the full term of the agreement to the City to allow the City to implement the Project, or the Proponent may propose an upfront payment for the improvements for the totality of the Project. The proponent's preferential berth proposal may vary depending on which berthing scheme it chooses, but it needs to provide sufficient funding for the City to undertake the following:
 - i. Cost of the improvements to the berth or berths that the Proponent is interested in and
 - ii. For each berth that the Proponent is interested, the proposal needs to include a commitment of sufficient funding at a minimum of one third (1/3) of the costs for Parts 3 and 4 of the Project.
- 5.2.4 Construction – The City will be responsible for the design and construction of the Project as described in Section 4. Improvements will be mutually agreed upon between the Proponent and the City.
- 5.2.5 Risk – Should the Proponent propose annual payments; the City will raise the necessary capital relying on the unconditional guarantees provided by the Proponent.
- 5.2.6 Pricing – The Proponent will propose the additional port fees and the Minimum Annual Guarantees (“MAG”) that it is willing to commit in order to secure the Preferential Rights. Guarantees need to be sufficient to allow for the City to obtain the necessary financing including financing costs, reserves, and meet coverage ratio as established by the lenders which the City may use. The City will not share its current passenger fee as may be amended from time to time with the Proponent. The City's current fees are shown in Ordinance 19-1902 and included in the Appendix E.
- 5.2.7 Operations
 - i. City will operate the facility
 - ii. Berth requests – The City, or its agent, will be responsible for receiving and assigning berths subject to the Preferential Berthing commitments.

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- iii. Preferential rights will provide for the City sufficient time to be able to assign the Berths to any other customer upon the expiration of preferential berthing rights

5.2.8 Marketing – The City will be responsible for marketing the facility.

5.2.9 Subleases and licenses shall be subject to approval of the City Council.

5.3 Form and Terms

The City proposes to negotiate Agreement(s) with the selected Proponent(s) for the terms as stipulated above. The Agreements would also set out agreed-upon parameters for modifying rates into the future and will set out other rights and liabilities of the parties. If a Concession Approach is chosen, the most likely form of an agreement for the Project is a lease, However, the City will consider other proposed arrangements as appropriate.

The City intends to issue the Agreements in its first Addenda to the Proponents or as soon as may be practical depending on initial comments or inquiries from Proponent(s).

6 REQUIREMENTS FOR RFQ SUBMISSION

The City is seeking concise responses highlighting the Proponent's information in a way that they can be compared, as such the City requires that each Proponent follow the guidelines described below.

- The Response should be limited to no more than 50 pages (single sided), not counting any covers, dividers, title page, index, Bid Form, Proposal Security Documentation or Appendices.
- It is suggested that the document be dedicated 50% to the Background Sections (6.1 thru 6.4) and the balance for the detailed proposal, however, the Proponent may use the allocated pages as desired.
- The Response should be specific as to financial commitment, guarantees and operation, rather than provide generalities and concepts so as to allow the City a fair opportunity to evaluate the Responses
- The Proponent will clearly identify if their Proposal is for a Concession Type Agreement or a Preferential Berthing Agreement, and for which Berths the Proponent is interested in having a Preferential Berthing Agreement.
- The Proponent will identify if any of the documents are "CONFIDENTIAL" which will be subject to the guidelines as provided in Section 7.3 of this RFP

The proposal should include the following:

6.1 Cover Letter

The Proponent shall provide a cover letter that sets out the structure and members of its team and the location of the Proponent's home office.

6.2 Description of Alignment with the City's Objectives

The City is interested in the Proponent's view on how the Proponent can support the City's goals as described in Section 3. Include the following:

- 6.2.1 Operational approach.
- 6.2.2 Environmental sustainability approach.
- 6.2.3 Community participation approach.
- 6.2.4 Transportation approach.
- 6.2.5 The City would like to know how the Proponent envisions the role of the facility within the City waterfront.
- 6.2.6 Future growth by explaining how the Proponent believes its team can facilitate the securing and maintaining the optimal market position.

6.3 Team Members and Qualifications

The Proponent shall provide a narrative description of its team as follows:

- 6.3.1 List of the operations team, roles & responsibilities and the background of each.

-
- 6.3.2 If not all team members are known, describe your approach to assembling a team as identified in the operations team.
- 6.3.3 The Proponent shall discuss the allocation of responsibilities between the team members, establishing how each of the required elements of the Project will be addressed including:
- i. The lead Proponent, or, if a joint venture, Proponents, and the legal relationships between the team members and experience working together.
 - ii. The equity sponsor or sponsors and the proposed allocation of equity contributions.
 - iii. In an organization chart, the responsibilities and relationships of team members with lead individuals identified.
 - iv. In an appendix (which will not count towards page limit), resumes of key individuals and their relevant experience.
- 6.3.4 Background explaining the Proponents commitment to developing proactive environmentally sustainable practices.

6.4 Operating Experience (for Concession only)

For a Concession Type Proposal, the Proponent will set out how it will operate the Project referring to any team members intended to be involved in operations and maintenance activities and experience in the operation of cruise facilities generally. The City seeks to evaluate the Proponent's operating experience and requests information for up to three projects for which the Proponent has provided similar services within the past three years.

- 6.4.1 The contractual relationship between the owner of the berths and the Proponent.
- 6.4.2 Term of the operating contract and key business terms.
- 6.4.3 Period of time Proponent has provided services, the term of the operating contract (if any) and the services provided.

6.5 Development Experience (for Concession only)

For a Concession Type Proposal, provide a minimum of two case studies of successful completion of cruise capital projects where the Proponent or team members had a primary or secondary role in project completion.

- 6.5.1 Describe in detail the role of the Proponent, risks assumed, time frames for project design, permitting and construction, and the involvement of key members of the proposed development team.
- 6.5.2 If there was a public partner to the project, discuss how input was received from the public partner into both the design and construction phases of the project and how differences were resolved. The City may request proponents furnish previous agreements made with a public partner upon being selected for further negotiations

6.6 The Project

Provide the City a description of the Project that the Proponent wishes to fund and execute. The Proponent may select the City's approved approach or submit an alternate. For this section please provide a description of the elements included in each of the following components of the Project:

- 6.6.1 A description of the Part 1 – Marine Works
- 6.6.2 A description of the Part 2 – Port Upland Improvements including the Cathodic Protection
- 6.6.3 A description of the Part 3 – Improvements to the Current Infrastructure

6.7 Financial proposal

Depending on the Proponents desired approach, the Proposal will contain either of the documentation described below:

6.7.1 Concession Approach

Under a Concession Agreement, the City envisions a business arrangement whereby the Partner would pay annual lease payments ("Ground Rent") to the City and be responsible for collecting the City's Passenger Fee and remitting it to the City. Currently, the City collects a per-passenger fee or a per passenger tariff. The City will continue to receive these revenues as amended from time to time for all future passengers.

As a base case, the Ground Rent payment would be subject to a CPI escalator. The operator could separately set its own customer charges or fees (in addition to the City's Passenger Fee) from which it would secure its return on invested capital.

Based on the scope described above the proposal shall include:

- i. Provide a complete cash flow spreadsheet for the initial term of the Agreement. The information should be submitted in Excel format. The Excel document shall not count toward the general page limitation for this submittal.
- ii. Describe the basis for the forecast and including:
 - o Demand analysis.
 - o Assumptions regarding the cruise lines' capability to meet that demand at this facility.
 - o Challenges that may impact the forecast, including assessment of the capacity of other Alaska homeports and ports of call to berth the sailings embedded in your forecast.
- iii. Describe in detail the proposed plan of finance for the Project. For any assumed debt funding, describe in detail the mechanism for such funding and document all committed funding for the Project. Describe all sources of funds.

- iv. Describe the additional passenger fee structure that the Proponent is seeking. In a Concession Agreement, the additional passenger fee will be applied to all passengers moving through Berths I, II, III and IV.
- v. Discuss your forecast for future capital investments and your proposed plan for funding these capital investments.
- vi. Describe the financial feasibility of the investment, including the key risks and opportunities.
- vii. Proponents are to indicate the Upfront Fee that they are proposing to pay upon Financial Closing for the City's Off-site Improvement Project (Part 4). The Proposal submitted is considered an offer to pay this Upfront Fee on the target date of Financial Closing. The upfront fee must be equal to or greater than \$35,000,000 in order to be considered a responsive Proposal. Describe your funding approach and whether the Proponent wishes to fund the entire amount upon Financial Closing or in 7 equal annual installments.
- viii. Proponents are to indicate the amount of annual Lease payment to the City offered for the concession.
- ix. Provide a description on how the Proponent would impact on-going cruise operations while any construction is on-going. It is the goal of the City not to impact any future operations and for the Proponent to provide their commitment to achieve this goal.

6.7.2 Preferential Berth Approach

Under a Preferential Berthing Agreement, the City envisions a business arrangement whereby one or more Proponent(s) would pay and guarantee an additional passenger fee and remit this to the City. The City will collect the current and new per-passenger fee for the Berth or Berths that the Proponent has selected. As a base case, the tariffs would be subject to a CPI escalator. The amount of the additional passenger fee needs to be sufficient to provide the necessary funds to the City to execute the Project as described in Section 5.2.

Based on the scope described above, the proposal shall include:

- i. Provide a complete cash flow spreadsheet for the initial term of the Agreement. The information should be submitted in Excel format. The Excel document shall not count toward the general page limitation for this submittal.
- ii. Describe the basis for the forecast including:
 - o Demand analysis
- iii. Identification of berth or berths being requested; either:
 - o Berth I & II combined
 - o Berth III
 - o Berths I, II & III combined
- iv. Proponents are to indicate the Upfront Fee that they are proposing to pay upon for the Improvements to Current Infrastructure (Part 3). This upfront fee must be equal to or greater than \$15,000,000 for all three berths or \$5,000,000 per berth in order to be a compliant bid. Describe your funding approach and whether the Proponent wishes to fund the entire amount upon Commercial Closing or in 7 equal annual installments.

- v. Proponents are to indicate the Upfront Fee that they are proposing to pay upon Commercial Closing for the Off-site Improvement Project (Part 4). The Proposal submitted is considered an offer to pay this Upfront Fee on the target date of Commercial Closing. The upfront fee must be equal to or greater than \$35,000,000 for all three berths or \$11,666,667 per berth in order to be considered a responsive Proposal. Describe your funding approach and whether the Proponent wishes to fund the entire amount upon Commercial Closing or in 7 equal annual installments.

6.8 Schedule (for Concession only)

The City has set as a priority objective that the Project or an Alternate Project (if Approved) as proposed by Proponent be completed as quickly as possible, preferably by the start of the 2022 cruise season but no later than the beginning of the 2023 cruise season. Please describe your approach and / or commitment to meet this target.

6.9 Exceptions to the Agreement

The Proponents will set forth any comments or issues on the Agreements to be issued by the City and that they wish to discuss with the City if selected to negotiate. Any items of the proposed Agreement not identified by the Proponent in their Proposal Submission, will be taken by the City as accepted by the Proponent and will not be subject to further negotiation.

6.10 Proposal Form (Form of Offer)

The Proponent shall submit in a separate sealed envelope the completed filled out Form of Offer included in Appendix B. Proponent shall be responsible for using the correct Form of Offer depending on whether it is Concession or Preferential Berth Proposal. Failure to submit this filled in form will result in disqualification. The Proposal form will not count to the 50-page limit to the response.

6.11 Binding proposal

Proposals are irrevocable and open for acceptance by the City for a period of 180 days following the Submission Deadline (or such later period as mutually agreed between the City and the respective Proponent(s)).

6.12 Security

Each Proponent is required to submit a "Proposal Security" as part of its Proposal to secure the commitment of a Proponent to its Proposal until financial closing.

The Proposal Security must be either a cash deposit ("Cash Deposit") or one or more Letters of Credit with (i) a validity period of at least 180 days from and after the date of Proposal submission and up to Commercial Close in an aggregate amount equal to \$1 million (One Million US Dollars) for the period from the date of Proposal submission to Commercial Close and (ii) \$2 million (Two Million US Dollars) for the period from

Commercial Close to Financial Close. The Letters of Credit must be in form and content acceptable to the City, and issued by an issuer, reasonably acceptable to the City prior to submission of such Letter(s) of Credit, to be held by the City for the sole purpose described below. The Letter of Credit or Cash Deposit shall be submitted with the Proposal.

If at any time an issuer of the Letter of Credit ceases to be an eligible financial institution, the affected Proponent shall promptly notify the City of such cessation. No later than 20 Working Days following the Proponent becoming aware of such cessation, the Proponent is required to submit to the City a Cash Deposit, or a replacement Letter(s) of Credit issued by an eligible and acceptable financial institution that fully satisfies the requirements of this Section. Following the City's receipt of such replacement Proposal Security, the City shall promptly return the replaced portion of the Proposal Security to the Proponent.

In submitting a Proposal, each Proponent understands and agrees that the City will be entitled to draw on such Proponent's Proposal Security in its entirety if and only if, the Proponent does any one or more of the following:

- 6.12.1 Withdraws, or attempts to withdraw, any part or all of its Proposal Security during the Proposal Validity Period without the prior written consent of the City, other than pursuant to replacement where provider ceases to be an Eligible Financial Institution as per above.
- 6.12.2 Fails to comply with requirement to replace where provider ceases to be an Eligible Financial Institution as per above.
- 6.12.3 Refuses or fails to enter into the Contract in its form as of the Proposal submission deadline (subject to any changes agreed by the City and Proponent after such date).
- 6.12.4 Prior to execution of the Contract, withdraws or attempts to withdraw its Proposal, or refuses or fails to meet any commitments made therein that were to be fulfilled prior to execution of the Contract.

The City will not be entitled to draw on a Proponent's Proposal Security if:

- 6.12.5 Proponent is unable to comply with any modifications made to the RFP after the submission of such Proposal Security to the extent that such Proponent does not agree to such modifications and, as a result, withdraws its Proposal.
- 6.12.6 If the City deems a Proposal non-responsive.
- 6.12.7 The City exercises its right to not proceed with the Proposal.

Without limiting the Reserved Rights, following a draw on the Proponent's Proposal Security, the City may identify the next Proponent that provides the Best Value to the City, select it as the Preferred Proponent and proceed to execute a Contract with that Proponent.

If any of the conditions which entitle the City to draw on the Proponent's Proposal Security in its entirety set forth above are met, then the City shall be entitled to draw immediately, without notice to the Proponent, the full amount of the Letter of Credit

upon presentation of a sight draft and a certificate confirming that the City has the right to draw under the Letter of Credit in the amount of such sight draft, and the City shall be entitled to retain all of the proceeds as the sole remedy or right of the City against the Proponent.

The right of the City to draw the Proposal Security is intended to be, and shall constitute, liquidated damages to compensate the City for the cost of foregoing alternative opportunities and for other costs incurred by the City in reliance on the Proponent's Proposal to enter into the transaction contemplated hereunder.

The Parties acknowledge that the damages suffered by the City as a result of such termination would be impossible to ascertain and that the Proponent Security is a reasonable estimate thereof and is not intended as a penalty.

Upon receipt by the City of the Agreement duly executed by the Proponent and the Closing Letter of Credit and/or Cash Deposit contemplated by the Agreement, the City will promptly return the Proponent Security to the Proponent.

7 SELECTION AND AWARD PROCESS

7.1 Schedule and Approach

This RFP is part of a process that the City is following to reach a final decision on this matter. The RFP will result in selection of Preferred Proponent(s) that will be invited to negotiate a final Agreement(s) with the City. The general steps and anticipated key dates are provided for planning purposes only:

- | | |
|--|------------------------------|
| • RFP Issue Date | October 21, 2019 |
| • City Area Tour / Pre-proposal conference | Week of November 18-22, 2019 |
| • Questions Due to City | January 8, 2020 |
| • City's Answers to Questions | January 10, 2020 |
| • Submission Deadline | January 21, 2020 |
| • Execution of Agreement | To be determined |

Proposal submissions are to be received no later than the Submission Deadline. Late Proposals will not be accepted and will be returned to Proponents unopened. Proposals received on or before the due date set in the RFP will be stamped (date and time of receipt) and will be kept in the custody of the City. Such Proposals will not be opened until the above date and time.

7.2 Pre-proposal conference (mandatory)

The City will coordinate pre-Proposal Conference and site tours ("Conference") with each of the Proponents. The City will attempt to address any questions or requests for clarification during the Conference(s). Any information provided at the Conference that may be construed to be inconsistent with the express terms and conditions of this RFP is unofficial and non-binding on the City unless and until that information is issued by the City via written RFP Addenda.

Attendance at the Conference is mandatory for any Proponent that wishes to submit a Proposal. Failure to attend the Conference may result in disqualification of that Proponent(s) proposal. No employee, council member, or representative of the City has any authority to orally agree to or bind the City in any manner during this Conference and site visit.

7.3 Addenda

RFP Addenda will be issued electronically. Each Proponent shall acknowledge in its submitted Proposal that it has obtained all RFP Addenda issued. It is the sole responsibility of the Proponent to obtain all RFP Addenda. All RFP Addenda issued shall become part of this RFP. All RFP requirements shall remain unchanged except as expressly modified by an RFP Addendum. Under no circumstances is the City responsible or liable for a Proponent's not obtaining or reviewing any and all RFP

Addenda. Failure to acknowledge any and all RFP Addenda may result a nonresponsive bid determination.

7.4 Proposals and Process

- 7.4.1 Proponents are responsible for submitting Proposals (both the initial Proposal and any revisions thereto) so as to reach the City before the due date and time specified for submission of Proposals in this RFP through the City's electronic bid system, but in addition, the Proponent must submit one original and seven (7) copies of the Proposal which includes the Proposal Security. The submission is also to include one (1) electronic copy in searchable portable document format ("PDF") on compact disc.
- 7.4.2 The format and contents of the Proposal submission are identified in Section 6. Proponent shall limit its Proposal, to the maximum number of pages indicated in Section 6.
- 7.4.3 The City will evaluate the Proposals based on the evaluation criteria identified below. The City's evaluation will be based solely on the Proposals received in connection with this RFP process.
- 7.4.4 The City reserves the right to shortlist and or conduct negotiations with some or all the Proponents or to request Best and Final Offers.
- 7.4.5 The City expects to name a Committee to evaluate the Proposals.
- 7.4.6 The City expects to request revisions to Proposals. The City reserves the right to conduct meetings, discussions, and interviews and request revised Proposals at its sole discretion. Any revised Proposals shall be provided in the same format as the initial Proposals, or as otherwise directed by the City. Proponents are instructed to submit their best prices and technical solutions in revised Proposals, as the City reserves the right to further shortlist to those Proponents determined to have a reasonable chance of award based on the most recent iteration of the revised Proposals.
- 7.4.7 The City is not responsible for the Proponent's technical difficulties in submitting Proposals electronically.
- 7.4.8 Proponents shall submit Proposals in response to this RFP in English and in U.S. dollars.
- 7.4.9 Proponents may submit modifications to their Proposals at any time before the due date and time established for the submission of Proposals.
- 7.4.10 Proposals shall generally be on letter-sized (8.5" x 11") paper and use a font no smaller than size 11.
- 7.4.11 The page limit associated with the submittal document is identified herein.
- 7.4.12 All questions and requests for clarification and/or interpretation regarding this RFP shall all be submitted in writing by email to the City's Point of Contact.
- 7.4.13 Proponents shall promptly notify the City of ambiguities, inconsistencies, or errors, if any, which they may discover upon examination of the RFP. Proponents are strongly encouraged to submit any and all questions and requests for clarification and/or interpretation as soon as practicable. Questions and requests for clarification and/or interpretation must be received by the date specified above. Responses to questions will be provided by the date specified

above. Questions and requests for clarification and/or interpretation received after this time and date will not be considered.

- 7.4.14 The City will issue all formal responses to all questions and requests for clarification and/or interpretation (including answers, interpretations, and clarifications) in writing via RFP Addenda to all Proponents. Only responses issued in RFP Addenda will be binding on the City. All other responses (including oral interpretations, clarifications, or submittal instructions) will be without legal effect and shall not be binding on the City. Proponents shall not seek clarification or interpretations or answers to questions verbally from any City employee, Council member or representative.
- 7.4.15 The City maintains a neutral competitive environment for all Proponents to protect the integrity of the selection process. A Proponent, or anyone on its behalf, may only contact the City through the email address of the City's Point of Contact concerning this RFP. **Any communication concerning the content of this RFP initiated by any Proponent, or anyone on its behalf, with any City elected official or employee other than through the email address may result in the rejection of that Proponent's response.**
- 7.4.16 The Proponent shall be familiar with all federal, state, and local laws, ordinances, and regulations that in any manner might affect those engaged or employed in meeting requirements in the Agreement resulting from this RFP or the materials, equipment, or procedures applicable to meeting the requirements in the Agreement resulting from this RFP, or that in any other way would affect the conduct of meeting the requirements of the Agreement resulting from this RFP.
- 7.4.17 Proponents submitting Proposals that include the Proponents (or a construction contractor) making public improvements to the City's Port are advised that Alaska Statute Title 36 sets forth certain requirements which include but are not limited to:
- i. Performance and Payment Security. The Contractor will be required to submit performance bonds and payment bonds secured from a surety company authorized to transact business within the State of Alaska and satisfactory to the City, each in the amount of one hundred percent (100%) of the contract price.
 - ii. Minimum Wage. The Contractor shall at times pay not less than the minimum wage per hour for each classification of laborers, workers, or mechanics as set forth in the general prevailing wage rate schedule applicable at the time the work is performed published by the State of Alaska, as amended from time to time, and shall comply with all other provisions of Alaska Statutes, Title 36, Chapter 5 [Wages and Hours of Labor]. The wage rate scale is available from www.labor.alaska.gov/ss/pamp/600htm.
 - iii. Employment Preference. The Contractor shall comply with the employment requirements set forth in Chapter 10 [Employment Preference] of Title 36 (AS 36.05.005, et seq.), and any amendments thereto and all regulations implementing the same. This section does not set forth a complete description of all the Alaska Statutes and regulations and other laws governing public construction or contractors performing work in the State of Alaska. By submitting a Proposal which includes making public improvements, the

Proponent represents that it is familiar with all such regulations and agrees to comply with them.

7.4.18 The Proponents shall bear all costs associated with the preparation and submission of its Proposal, as well as those costs incurred during the negotiation and discussions with the City. The City shall not be responsible or liable for any of these costs under any circumstances.

7.5 Proponent's Representation

The Proponent represents that:

- 7.5.1 The Proponent has read and understands the RFP and that the Proposal is offered in accordance with the RFP requirements. The failure or omission of the Proponent to examine all forms, documents, instruments, federal, state and local statutes and regulations, or other requirements shall in no way relieve the Proponent from the RFP requirements.
- 7.5.2 The Proponent has the qualifications and is eligible to receive an award of this RFP under applicable laws and regulations.
- 7.5.3 The Proposal is based upon the requirements described or presented in the RFP and described in detail in the Scope of Work.
- 7.5.4 The Proposal submitted is unconditional in all respects except as expressly noted.
- 7.5.5 The Proponent bears full responsibility for all costs associated with the preparation, submittal, and delivery of the Proposal and any revisions thereto.
- 7.5.6 Proponent has consulted with counsel of its choice before submitting any response and is not relying in any way on any advice or representations by City attorney or any counsel retained by the City

7.6 Negotiations

- 7.6.1 Proposals shall be opened so as to avoid disclosing their contents to competing Proponents during the process of negotiation. Except for confidential information submitted as set forth in Section 7.11. Proposals, tabulations, and evaluations thereof shall be open to public inspection only after the issuance of a notice of intent to award.
- 7.6.2 The City may negotiate with those responsible Proponents whose Proposals are determined by the City to be reasonably responsive to the request for Proposals. Negotiations shall be used to clarify and assure full understanding of the requirements of the request for Proposals. The City may permit Proponents to revise their Proposals after submission and prior to award to obtain best and final offers. Proponents deemed eligible for negotiations shall be treated equally regarding any opportunity to discuss and revise Proposals. In conducting negotiations or requesting revisions, neither the manager nor any other city officer or employee shall disclose any information derived from Proposals of competing Proponents.
- 7.6.3 If an agreement can be reached with the proponent that offers the Best Value to the City, the agreement shall be entered with that Proponent.
- 7.6.4 If an agreement cannot be agreed upon with the Proponent that offers the Best Value to the City, the City shall advise the Proponent of the termination of

negotiations. If the Proposals were submitted by one or more other Proponents determined to be qualified, negotiations may be conducted with such Proponents. The contract may be awarded to the Proponent then determined to offer the Best Value to the City.

- 7.6.5 The City will evaluate each Proposal (as may be revised) in accordance with the evaluation criteria identified herein. The City reserves the right to conduct negotiations and/or discussions with any or all Proponents remaining in the competition.
- 7.6.6 Upon the conclusion of evaluations, the City may enter into negotiations for an Agreement with the Proponent determined to offer the Best Value to the City.

7.7 Agreement

Upon successful negotiation and approval by the City Council, the Proponent offering the Best Value to the City will enter into an Agreement with the City that will govern the Project.

The City intends to negotiate an Agreement(s) that includes provisions substantially in accordance with the attached general terms and conditions, which are included in this RFP. If a Proponent believes that specific changes to the City's proposed general terms and conditions are necessary, the Proponent should provide a description of any exceptions or modifications as part of a response to Submittal along with explanations for all requested changes. Proponents should additionally include any other required terms, conditions, or any other agreements that Proponents desire as an appendix to the Proposals.

7.8 Commercial Close

The Preferred Proponent must execute and deliver the Agreement to the City within the timeframe contemplated in Section 7.1 of this RFP as such schedule may be modified by the City. If the Agreement is not executed and delivered by the Preferred Proponent by this deadline, then, unless the City in its sole discretion extends or waives the deadline, the City shall have the right to terminate all discussions with the Preferred Proponent. Proponent shall have no claim or recourse against the City in any manner whatsoever as a consequence thereof.

The City shall not have any binding obligation, duties or commitments to the Preferred Proponent until and unless the Agreement has been duly executed and delivered by the City after approval by the appropriate governmental authorities. Similarly, the City shall not have any obligation to proceed to Financial Close under the Agreement unless and until all of the conditions precedent under that document been satisfied or waived in accordance with that document.

7.9 Selection Criteria

The City intends to review the responses including the Alternate Proposal and evaluate them relative to the qualification criteria provided below. Submission requirements in Section 5 will be used to evaluate responses based upon the criteria.

7.9.1 For Concession Agreement

- i. Amounts of Payments to the City, including an up-front payment
- ii. Strength of financial package
- iii. Demonstrating a commitment to the City's Objectives
- iv. Project Development Experience
- v. Project Operating Experience
- vi. Demonstrating a commitment to meeting highest environmental operational standards and outlining an operation plan the provides for responses to environmental events that may occur
- vii. Material conditions

7.9.2 For Preferential Agreement

- i. Berth(s) requested
- ii. Amounts of Payments to the City, including an up-front payment
- iii. Strength of financial package
- iv. Number of passengers guaranteed
- v. Demonstrating a commitment to meeting highest environmental operational standards of ships to use the facility.
- vi. Material conditions

All criteria are important; therefore, Proponents should provide equal attention to thoroughly responding to each criterion. In responding to the evaluation criteria, responses should be organized so that the qualifications are clearly illustrated in each of the categories, using the requirements for each criterion.

Rating	Description
Outstanding	Response indicates an exceptional approach and understanding of the requirements and contains multiple strengths which far outweigh any weaknesses. Risk of unsuccessful performance is low.
Good	Response indicates a thorough approach and understanding of the requirements and contains at least one strength, and risk of unsuccessful performance is low.
Acceptable	Response meets requirements and indicates an adequate approach and understanding of the requirements, and risk of unsuccessful performance is no worse than moderate.
Marginal	Response has not demonstrated an adequate approach and understanding of the requirements, and/or risk of unsuccessful performance is high.
Unacceptable	Response does not meet requirements and therefore contains one or more significant weaknesses or deficiencies, and/or risk of unsuccessful performance is unacceptable. Response is disqualified from further consideration.

The ratings shown in the table above will be used to measure the degree to which the response meets or does not meet the criteria above through an assessment of the strengths, weaknesses, deficiencies, and risks of a response. Note that an “unacceptable” rating for any criterion will disqualify the entire response from consideration.

As part of the evaluation of all criteria, the City will consider the overall quality of the material presented, such as formatting and layout; spelling and grammatical accuracy; legibility of figures and chart information; quality and relevance of graphical presentations; coherent and logical flow of written responses; and accuracy of information presented.

Proposals will be reviewed by the City’s Selection Committee established for this particular project. Interviews may be required at the discretion of the City. Qualification decisions will be made based on the responses that offer the best value to the City.

7.10 City’s Rights

The City retains the right to cancel this RFP and reject any or all Proposals with no liability to the City and its sole discretion:

- 7.10.1 The City may reject any or all Proposals if such action is in the City's best interest.
- 7.10.2 The City may waive formalities and minor irregularities in any Proposals received.
- 7.10.3 The City reserves the right to conduct clarifications or discussions at any time with one or more of the Proponents in its sole discretion.
- 7.10.4 The City reserves the right to conduct simultaneous negotiations with one or more of the Proponents.
- 7.10.5 The City reserves the right to terminate negotiations with any Proponent, and to immediately commence negotiations with the next highest rated Proponent.
- 7.10.6 The City reserves the right to reject any Proponent that submits an incomplete or inadequate Proposal or is not responsive to the requirements of this RFP.
- 7.10.7 The City reserves the right to take any action affecting the RFP process that is determined to be in the best interest of the City.
- 7.10.8 The RFP and selection schedule is subject to change based on the discretion of the Ketchikan City Council.
- 7.10.9 Upon receipt by the City, all Proposals including any and all attachments to a Proposal will become the property of the City. The City will have the right to copy, reproduce, or otherwise dispose of each Proposal received including any idea, scheme, design, technique, suggestion, layout, or plan received during the process. The City will be free to use any information received during the process for any purpose related to the RFP process without payment of any kind or liability of any kind and shall not be liable for any use of such information in any format by anyone.

7.11 Public disclosure

All RFP submissions shall become the property of the City, except for documents or information submitted by prospective Proponents which are trade secrets, proprietary information or privileged or confidential information of the prospective Proponents.

Proposals are subject to disclosure under the Alaska Public Records Act ("the Act") (AS 40.25.100-40.25.295). If a Proponent believes that any portion of a Proposal is confidential it must clearly label it as such and submit in writing a specific detailed reason including any relevant legal authority stating why the Proponent believes such material is protected from disclosure at the time it submits its Proposal. Upon issuance of a notice of intent to award all Proposals or parts of Proposals not identified confidential as required by this section will automatically be considered public information.

The City cannot guarantee it will not be required to disclose information designated as confidential because it may not be considered confidential under the Act. In the event the City receives a request under the Act for portions of a Proposal designated as confidential as specified above it will notify the Proponent of such a request so that the Proponent may oppose the request or seek an appropriate protective order at Proponent's cost. By submitting a Proposal, Proponent agrees that it will indemnify, defend and hold the City harmless from all claims, actions and expenses including but not limited to the Proponent paying all of the City's attorneys' fees and costs in any court action filed by the Proponent or by the person or entity making the Public Records request.

If a prospective Proponent has special concerns about confidential or proprietary information that it would desire to make available to the City prior to its RFP submission, such Proponent may wish to:

- Make a written request to the City for a meeting to specify and justify proposed confidential or proprietary documents.
- Make an oral presentation to the City staff and legal counsel.
- Receive written notification from the City accepting or rejecting confidentiality requests.

7.12 Protest procedure

This solicitation is issued under the authority of Ordinance 19-1899 which is attached in Appendix D. Appeals to any decision for this solicitation will follow the procedures as outlined in the Municipal Code Chapter 3.12.042:

<https://www.codepublishing.com/AK/Ketchikan/#!/Ketchikan03/Ketchikan0312.html#3.12.042>

