

Monday, December 15, 2008

MEMORANDUM

To: Sawmill Cove Industrial Park (SCIP) Board of Directors
From: Garry White, Director
Subject: Draft RFP for Marine Service Industry

Background

Both the SCIP Board and SEDA Board's strategic plans address creating a Marine Service Industry at the SCIP.

Proposal

Attached is a DRAFT Request for Proposal (RFP) to be sent to local, state, and regional marine industry operators. The RFP will also be advertised in local, state, and regional publications.

The suggested plan is to inform the public on the assets located at the SCIP, the existing users of marine service industry, and results of 2007 Marine Industries Survey. The hope is generate interest in having an operator(s) propose operating an industry in Sitka that will provide jobs and meet the needs of the marine industry.

Request for Proposals Private Sector Development of Marine Service Industry



Request for Proposals
By the City and Borough of Sitka, Alaska and
The Sawmill Cove Industrial Park Board of Directors
Selection of a private company(s) to build and operating a marine haul out, ship yard, or
other marine related industry(s) that will provide local jobs and support the marine
industry in Sitka and Southeast Alaska.

Proposals will be received at the Office of the Municipal Clerk, City Hall, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 until 2:00 P.M., March 26, 2009. The time of receipt will be determined by the City Clerk's time stamp. Proposals received after the time fixed for the receipt of the bids may not be considered.

For Proposal Specifications and Evaluation Criteria contact:

City and Borough of Sitka
Sawmill Cove Industrial Park Director
329 Harbor Drive, Suite 212
100 Lincoln Street, Sitka, Alaska 99835
(907) 747-2660

The project consists of selecting a private company(s) (developer or developers) willing and able to privately fund and operate a marine haul out, ship yard or other marine related industry(s), furnishing all financing, labor, materials, equipment, tools, supervision, and other facilities necessary to create and manage the marine facility(s). The work includes, but is not limited to the following:

Fund, design, construct and operate a marine haul out, ship yard, or other marine related
industry(s)
at the Sawmill Cove Industrial Park

Please direct all questions regarding this project to:

Garry White
Sawmill Cove Industrial Park Director
907-747-2660

Sitka reserves the right to accept or reject any or all proposals, to waive irregularities or informalities in the proposals, and to negotiate a contract with the respondent that best meets the selection criteria.

Dated this ____ day of _____, 2009.

CITY AND BOROUGH OF SITKA

Jim Dinley, Administrator

Advertise:

SAWMILL COVE INDUSTRIAL PARK
Marine Haul Out, Shipyard or other Marine related industry(s)
Fund, Design, Construction and Operation

Sitka, Alaska is requesting proposals from qualified firms for the project described herein.

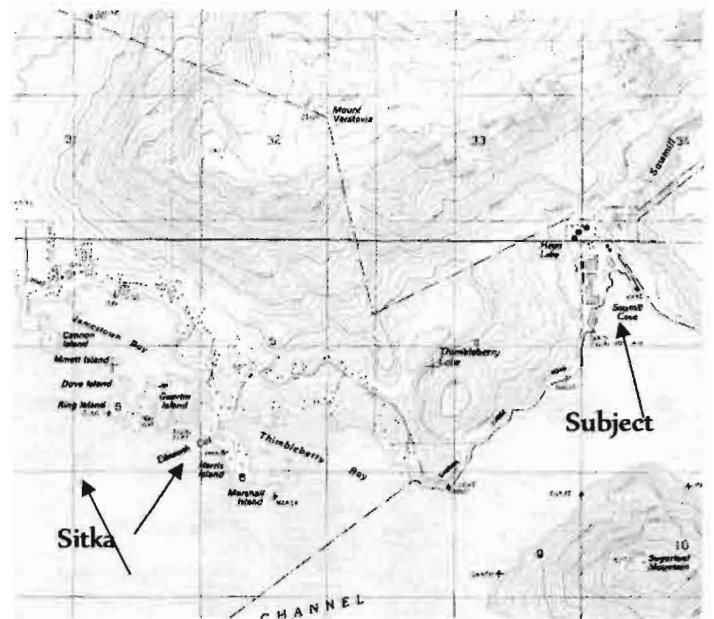
The following subjects are discussed in this RFP to assist you in preparing your proposal.

- I. Introduction & Additional Information
- II. Preferred Outcome
- II. Scope of Services
- III. General Requirements
- IV. Relationship with City and Borough of Sitka
- V. Proposal Format and Content
- VI. Evaluation Criteria and Selection Process
- VII. Schedule
- VIII. Project Location Map
- IX. Environmental Overview

I. Introduction

The Sawmill Cove Industrial Park (SCIP) Board of Directors, through the City and Borough of Sitka (CBS), desires to select a private company(s) to fund, construct, and operate marine facilities to form a marine service sector. The site is located at the Sawmill Cove Industrial Park, the site of the former Alaska Pulp Company (APC) pulp mill located five miles southeast of downtown Sitka. The site is on the road system.

Sawmill Cove Industrial Park is under development by a five member board of directors appointed by the Sitka Assembly and chaired by Grant Miller, Vice-Chair Trevor Harang with Charles Horan, Chris Fondell and Lowell Frank as board members. The Board manages the day to day operations of the Park working with and through the City Administrator and a Park director. The Board serves in an advisory capacity to the Assembly, who has final authority on leases at the Park.



Sitka needs family wage jobs and the Park has both operational and capital requirements today and in the future so every effort is being made by the Board to secure tenants at the

Park that will: 1) Create family wage jobs for Sitkans and; 2) Generate operating and capital funds for the Park.

The former Alaska Pulp Corporation and CBS reached agreement and APC transferred ownership of the site to CBS in 1999. Prior to that transfer, both APC and CBS reached agreements with EPA and the Alaska Department of Environmental Conservation (ADEC) regarding future uses of the site. Attached to this RFP is an overview of the environmental restrictions and agreements between CBS and ADEC and the Park management plan.

Submerged land and uplands may be leased long-term or possibly sold. Access to the water front by the public must be maintained at all times to assure access to the marine industrial facility for those willing and able to meet operation criteria and fees.

The design project also includes environmental permitting. Developer(s) will be expected to provide CORPS, ADEC and Coastal Zone permits for the haul out, ship yard or other marine related industry. Permits from the CBS will be required for utility connections and for any upland structures.

Additional Information:

Please see attached Land Use Map approved by the SCIP Board. This Map designates Lots 3, 4, 6, 7, and 8 as use for marine services facilities. The Board will also take proposals for Lots 16, 17, 18, 19. Also attached is corresponding square feet associated with each lot and utility locations in the SCIP.

Sitka has a substantial marine customer base. Attached is information regarding vessels located in Sitka and surrounding areas. The attached information was obtained from public sources. CBS does not guarantee the accuracy of the attached information. All developers are encourage to complete their own due diligence of proposed customer base.

II. Preferred Outcome:

The Sawmill Cove Board of Director's preferred outcome from this RFP is the selection of an experienced and well financed Developer(s). Once that selection is made, the Board would like to carry out further negotiations as might be necessary. The Sawmill Cove Board will make their determination of the ideal Developer(s) and forward that recommendation to the City & Borough of Sitka who has final authority in these matters.

The Board believes the Park needs either a marine haul out, shipyard or other marine related industry(s) to meet the long term uses envisioned for the industrial park. The marine facility design should provide jobs and support the marine industry in Sitka and Southeast Alaska. In October 2007, a Sitka Marine Industries Survey was conducted to determine criteria for a marine service industry in Sitka. Results of the survey are attached. The following is a list of requested marine facilities:

- a. EPA Approved Boat Haul Out or Shipyard:
- b. Covered Sand Blast and Paint Facility:
- c. Covered or Indoor Fiberglass Facility:
- d. Workfloats:
- e. Small Boat Storage:

The Board recognizes that proposals might not include all of the above facilities or might contain marine facilities not envisioned by the Board. The Board is accepting proposals on portions or complete marine service sector development. The Board also recognizes it may be viable to select two developers, i.e. one for a Boat Haul Out and another for related facilities.

Lease Rates: CBS will provide tidal and uplands lease area or property sales for Developer's facilities on case by case basis. The proposal should clearly indicate how many square feet is required for both submerged and uplands. The Board anticipates land leases or sales will be at a minimum of a market value.

Retail Development: The City and Borough of Sitka Assembly has set a retail and business use table for the Park. Please see attached Table.

Additional: The City and Borough of Sitka reserves the right to negotiate with the finalist(s). The City and Borough of Sitka retains the right to refuse or accept all proposals.

III. Scope of Project

The project consists of furnishing all funds, labor, materials, equipment, tools, supervision, and other facilities necessary to perform the design, construction and operation of the proposed marine facility(s) in accordance with the standards and criteria of the City and Borough of Sitka and State and Federal agencies.

This work includes, but is not limited to the following:

Task 1: Ownership Criteria

The Sawmill Cove Board of Director's prefers long term leases that match the anticipated life of the proposed marine facility(s), but will accept all proposals including ownership options, for submerged and uplands. Business entity type must be included in proposal. Proposal should include lease rate or purchase amount desired.

Task 2: Location Analysis

In the proposal, discuss various marine facility(s) alignment alternatives and the budget costs for each alignment. The selected Developer(s) shall provide a marine facility(s) design survey and a tidelands boundary survey for CBS use in developing a tidelands lease.

Task 3: Geotechnical Investigation, Facility Design and Permits.

- a. The project site is known to have pulp mill debris offshore. Substantial subsurface (surface of ocean floor) information has been developed in the past by APC and CBS. This information is available.
- b. The selected Developer(s) shall perform sufficient geotechnical investigations to accurately describe the work in the construction documents. A geotechnical report (tech memo format is sufficient) shall be provided for CBS review before proceeding with design.
- c. Upland work within the Industrial Park will involve excavation in areas with abandoned structures remaining from the APC pulp mill. Developer(s) should expect to encounter concrete foundations and other difficult excavation conditions.
- d. Selected Developer(s) shall design a marine facility(s) in accordance with good engineering practice. Sitka will review the project design at the 50% and 90% levels of completion.
- e. The selected Developer(s) shall acquire permits from State and Federal agencies necessary to construct the project. Uplands infrastructure will require approval from CBS Public Works Department, CBS Electric Department and CBS Building Official.
- f. All designs shall be sealed by an Engineer registered to practice engineering in the State of Alaska.

Task 4: Facility Construction

- a. The selected Developer(s) shall construct a marine facility(s) and supporting facilities in a manner consistent with the approved design. Provide performance and payment bonds equal to 50% of the estimated construction cost.

CBS desires to have an operational facility by June 1, 2010.

Provide insurance in amounts listed below:

Type of Coverage

General Liability

Single Limit	\$2,000,000
Aggregate	\$4,000,000

- *premises operations
- *products/completed operations
- *blanket contractual
- *broad form property damage
- *personal injury
- *independent contractors

Workman's Compensation

State of Alaska Limits

<u>Comprehensive Automotive Liability</u>	\$1,000,000
including all owned, hired and non-owned vehicles	

Insurance Notes

a. The City and Borough of Sitka shall be named as an additional named insured on all insurance policies. Sitka shall also be granted a full waiver of any rights of subrogation. These requirements extend to all sub-contractors.

Task 5: Facility Operations

- a. The selected Developer(s) shall provide operational management of the marine facility (s).
- b. CBS will operate utility systems such as water, sewer and electricity. Developer(s) will be required to tie into the existing service locations in the industrial park.
- c. Developer(s) shall maintain facilities in a safe and operational condition at all times.
- d. Developer(s) is responsible for safety of persons using the facilities.
- f. Developer(s) will allow access to the waterfront to the general public.

IV. Relationship with City and Borough of Sitka / Sawmill Cove Industrial Park

a. Selected Developer(s) and CBS shall enter into a long term lease that describes all aspects of the project. Buy/Sell agreements will contain provisions in the contract to ensure the proposed plan goes forward and jobs are created.

b. CBS will charge Developer(s) property tax on the real property, the assessed value of facilities constructed by Developer(s) and upon the assessed value of the possessory interest.

c. Developer(s) shall collect and remit CBS sales tax for services or sales Developer(s) provides at the Sawmill Cove site.

h. Developer(s) will follow all CBS zoning and building codes.

V. Proposal Format and Content

Direct questions regarding this proposal to Garry White, Director, Sawmill Cove Industrial Park, (907) 747-2660.

Proposals, which do not address the items listed in this section, may be considered incomplete and may be deemed non-responsive by the City.

PROPOSAL FORMAT

A. Letter of Transmittal

B. Narrative

1. Brief description of the company including its experience, the experience of its key individuals and its ability to finance this project. Brief resumes of the Developer(s), managers and lead design engineers and of the key technical and operational personnel to be assigned to this project. Discuss the experience of these persons and relate that experience to this project. Include what portion of this contract each person would be working upon.

2. Provide a list of other marine facilities owned and/or operated. Provide three client references.

3. Include a plan/program that is designed to satisfy the requirements listed in the "Scope of Project." Describe your understanding of the project, the proposed work plan, and the schedule you intend to follow in order to complete the project in a timely manner.

4. Provide a schedule for completion of the project.

5. Provide a concept level layout of proposed marine facility(s) and uplands facilities and identify what concept the facility(s) includes as identified in the Preferred Outcome.

6. Provide proposed submerged and upland lease rates and/or purchase prices offers.
7. Provide a concept level operations plan for the facility(s). Describe the estimated number of employees and how operation would benefit the Sitka and Southeast marine industry.

Submit eight (6) copies of the completed Proposal in an opaque envelope marked as follows:

**SAWMILL COVE INDUSTRIAL PARK
Fund, Design, Construction and Operation of a marine haul out, shipyard, or other related
marine industry.**

PROPOSAL DATED: _____, 20__

The Proposals shall be addressed to:

Municipal Administrator
City & Borough of Sitka
Office of the Municipal Clerk
City and Borough of Sitka
100 Lincoln Street; Sitka, Alaska 99835

Proposals shall be received at the office of the City Clerk until 2:00 PM, March 26, 2009.

VI. Evaluation Criteria and Selection Process

A selection committee consisting of the Sawmill Cove Board of Directors and the CBS Public Works Department will evaluate the proposals and make a recommendation to the Borough Assembly.

The committee will use the following criteria in deriving a numerical score for each proposal:

- a. Qualifications, Financial Ability & Experience of the Developer(s) and the Design Engineer. From the proposal and from your own knowledge of this firm, give from 1 to 20 points with the best score as 20.
- b. Concept Plan. Does the concept plan express and understanding of the Request for Proposals? Does the plan accommodate other users of the marine facilities? Does the plan accommodate other uses of the Sawmill Cove waterfront

and uplands? Does the plan provide jobs to the community? How many? Does the plan support the marine industry? Score from 1 to 20 points.

c. Rates & Fees Bid. Does the proposal define what size of land and at what rate the Developer(s) is willing to lease both submerged and uplands or purchase uplands? What is the offered rate? Does it define a fee for the use of marine facility? Score from 1 to 20 points with higher lease rates or purchase price receiving a higher score.

d. Operations Plan. Does the proposal provide for adequate management and maintenance of the facilities? Will other users of the marine facilities be accommodated? Score from 1 to 20 points.

e. Confidence in Developer(s). This is a judgement call based upon the subjective experience of the evaluator. Score from 1 to 5 points.

f. Ability to Meet Project Schedule. Should the proposal clearly reflect that the Developer(s) could meet the design, permitting and construction schedule identified in this request for proposals, the firm shall be awarded 20 points. Otherwise, the firm shall be awarded less than 20 points.

TOTAL POSSIBLE POINTS = 105

VII. SCHEDULE

SAWMILL COVE INDUSTRIAL PARK MARINE HAUL OUT, SHIPYARD, OR OTHER RELATED MARINE INDUSTRY(S)

- Proposals due 2:00 PM Date:
03/26/09
- Sawmill Cove Board Selection
04/16/09
- Assembly Approval of Development Agreement
05/26/09
- Site Evaluation complete
- Preliminary design
- Permits complete

- Completion of construction documents
- Construction Start
- Operational
06/01/10