

# A G E N D A I T E M

## BUSINESS OF THE CITY COUNCIL City of Des Moines, WA

SUBJECT: Passenger Ferry Pilot Test  
Implementation

FOR AGENDA OF: June 23, 2022

DEPT. OF ORIGIN: Administration

ATTACHMENTS:

1. Operating Agreement with Puget Sound Enterprises
2. Consulting Agreement with Maritime Consulting Partners
3. Budget

DATE SUBMITTED: June 15, 2022

CLEARANCES:

- Community Development \_\_\_\_\_
- Marina SW
- Parks, Recreation & Senior Services \_\_\_\_\_
- Public Works \_\_\_\_\_

CHIEF OPERATIONS OFFICER: \_\_\_\_\_

- Legal /s/ TG
- Finance [Signature]
- Courts \_\_\_\_\_
- Police \_\_\_\_\_

APPROVED BY CITY MANAGER

FOR SUBMITTAL: [Signature]

**Purpose and Recommendation**

The purpose of this agenda item is for the City Council to review and approve the agreements that will enable the City to implement a passenger ferry pilot program for two months this summer. The Council has previously been briefed on the program and authorized administration to negotiate these agreements.

**Suggested Motion**

**Motion 1:** “I move to approve the Operating Agreement with Puget Sound Enterprises to operate the passenger ferry pilot program in an amount not to exceed \$200,000, and authorize the City Manager to sign the Agreement substantially in the form as attached.

**Motion 2:** “I move to approve the Consulting Agreement with Maritime Consulting Partners in an amount not to exceed \$90,000, and authorize the City Manager to sign the Agreement substantially in the form as attached.”

## **Background**

A passenger ferry system has long been considered as a project of potential value for our City. Recent events, including multi-modal transportation demands, prospects for Marina redevelopment and sustainable options to reduce environmental impacts of vehicular traffic have all created an opportunity to move forward with passenger ferry service.

The City Council has been briefed a number of times as this project developed. Most recently, on April 14, 2022, the City Council authorized the City Manager to negotiate contracts in an amount not to exceed \$975,000 in order to implement this pilot project.

## **Discussion**

In the context of reviewing and moving forward with our Marina redevelopment process including development of Marina Steps and significant capital investment in our Marina (primarily dock replacement, and infrastructure improvements to the north bulkhead), opportunities to pursue passenger ferry service, initially linking Des Moines and the Seattle waterfront have arisen.

Last September (2021), the City sponsored a maiden voyage round trip between Des Moines Marina and Pier 57 in Seattle. The trip was very positively received by those in attendance and the public. We now are recommending the next step in this process. Initiating a pilot beta test passenger ferry service for this summer, with a start date in early August and end date in early October. At the conclusion of this trial period, staff working with our consultants, will compile a report to City Council that will summarize the pilot study and offer City Council options related to future service.

As part of the process in reviewing passenger ferry options, the City commissioned a statistically valid demand study which surveyed residents regionally. The results were provided to City Council and were posted on the website. The study results were very positive in terms of regional demand and respondents having a positive view of passenger ferry service in Des Moines, including City residents and regional interests.

## **Alternatives**

The alternative is to not move forward with a pilot passenger ferry service trial for Des Moines.

## **Financial Impact**

In order to implement this pilot program, City administration requested an allocation not to exceed \$975,000. After negotiating the required agreements, the anticipated costs for this pilot program are much lower. As this is a pilot project, there may be unexpected expenses incurred along the way, therefore administration has included some contingency funds in the total contract amount requests. The budget is included in Attachment 3.

In the future, if City Council wants to proceed with passenger ferry service beyond this beta test, we anticipate that passenger ferry service would be financed through a public/private partnership. We are not currently associating this effort with the Washington State ferry service.

## **Recommendation**

To proceed with this pilot program passenger ferry service in 2022.

**VESSEL OPERATING AGREEMENT**

**Between**

**City of Des Moines**

**and**

**Puget Sound Express, Inc.**

**May 25, 2022**

## Contents

<b>1. Definitions</b> .....	<b>2</b>
<b>2. Commencement and Appointment</b> .....	<b>3</b>
<b>3. Term of Agreement</b> .....	<b>3</b>
<b>4. Authority of Operator</b> .....	<b>3</b>
<b>5. Vessel and Systems Management</b> .....	<b>3</b>
<b>6. Crew Management</b> .....	<b>4</b>
<b>7. Management of Routine Maintenance and Repair</b> .....	<b>5</b>
<b>8. Management of Major Repairs and Capital Projects</b> .....	<b>5</b>
<b>9. Insurance Arrangements</b> .....	<b>5</b>
<b>10. Mutual Indemnifications</b> .....	<b>5</b>
<b>11. Operator's Obligations</b> .....	<b>5</b>
<b>12. Owner's Obligations</b> .....	<b>6</b>
<b>13. Income Collected and Expenses Paid on Behalf of Owner</b> .....	<b>6</b>
<b>14. Mobilization and Demobilization Expenses</b> .....	<b>6</b>
<b>15. Operating Fee and Operating Expenses</b> .....	<b>7</b>
<b>16. Payments</b> .....	<b>7</b>
<b>17. Operator's Right to Sub-Contract</b> .....	<b>7</b>
<b>18. Responsibilities</b> .....	<b>7</b>
<b>19. General Administration</b> .....	<b>8</b>
<b>20. Inspection of Vessel(s)</b> .....	<b>9</b>
<b>21. Compliance with Laws and Regulations</b> .....	<b>9</b>
<b>22. Duration of the Agreement</b> .....	<b>9</b>
<b>23. Termination</b> .....	<b>9</b>
<b>24. Dispute Resolution</b> .....	<b>10</b>
<b>25. Notices</b> .....	<b>11</b>
<b>26. Entire Agreement</b> .....	<b>12</b>
<b>27. Partial Validity</b> .....	<b>12</b>
<b>28. Interpretation</b> .....	<b>12</b>
<b>ANNEX A - Facilities</b> .....	<b>14</b>
<b>ANNEX B - Vessel(s)</b> .....	<b>15</b>
<b>ANNEX C - Schedule</b> .....	<b>16</b>
<b>ANNEX D - Insurance</b> .....	<b>17</b>
<b>ANNEX E - Responsibilities</b> .....	<b>Error! Bookmark not defined.</b>

## 1. Definitions

For the purposes of this Agreement, the following terms (whether capitalized or not) shall have the meanings set forth in this Section.

“Agreement” means this Agreement between the City of Des Moines (Owner) and Puget Sound Express (Operator) for operation of the Des Moines Ferry Pilot Project.

“Capital Expenditure” means an expense incurred for a newly purchased capital asset or an investment / improvement that extends the useful life of an existing capital asset and / or increases its value. This shall also include Major Repairs in excess of \$2,500.

“Crew” means those personnel employed by the Operator aboard the Vessel(s). Crew meet the definition of “Seamen” under federal wage and hour laws.

“Demobilization Expenses” means all expenditures or obligations of whatever kind or nature, incurred by the Operator to suspend, shutdown and wrap up Ferry Services at the conclusion of Ferry Service.

“Emergency Expenditure” means any expenditure, which is not included in the Annual Operating Budget or Capital Improvement Budget necessary to correct any condition that jeopardizes the vessels, facilities, employee or public safety.

“Facilities” means any and all portions or parts of the Ferry Service, its docks, landings, grounds, and real property as identified in Annex “A” attached hereto. Facilities does not include the Vessel(s).

“Ferry Service” means the Des Moines Ferry Pilot Project.

“Flag State” means the United States of America.

“Operating Fee” means the fee paid to the Operator by the Owner for the Operations Services described in this Agreement. The Operating Fee covers all overhead and profit for the Operator during the scheduled Ferry Service.

“Mobilization Expenses” means all expenditures or obligations of whatever kind or nature, incurred by the Operator to bring the Ferry Service into operation.

“MTSA” means the Maritime Transportation Security Act of 2002.

“Operating Expenses” means the actual expenditures or obligations of whatever kind or nature, incurred by the Operator for the operation of the Ferry Service. Operating Expenses begin with the commencement of scheduled Ferry Service (following the mobilization phase of the project).

“Operating Income” means any and all fares, fees and commissions collected from riders for use of the Ferry Service.

“Operations Services” means the services specified in Sections 5 through 8 and all other functions performed by the Operator under the terms of this Agreement.

“Owners” means the City of Des Moines.

“Parties” means the Parties to this Agreement, who are the Owner and the Operator. “Party” means one or the other.

“

“Schedule” means the operating schedule for the Ferry Service identified in Annex “C” attached hereto.

“SMS” means the Safety Management System (as defined by the ISM Code).

“Term” means the period commencing as of the effective date of this Agreement identified in Section 3 (Term of Agreement).

“Vessel(s)” means the vessel or vessels managed by the Operator as set out in Annex “B” attached hereto. When Vessel is used it shall be construed to be mean all the Vessels identified in Annex “B.”

## **2. Commencement and Appointment**

With effect from the date stated in Section 3 (Term of Agreement) for the commencement of the Operation Services and continuing unless and until terminated as provided herein, the Owner hereby appoints the Operator, and the Operator hereby agrees to operate the Ferry Service and Vessel(s) on the Owner’s behalf.

## **3. Term of Agreement**

This Agreement shall commence as of August 10, 2022, and continue and remain in full force until October 9, 2022 or as other terminated as provided herein.

## **4. Authority of Operator**

Subject to the terms and conditions herein provided, during the period of this Agreement the Operator shall carry out the Operations Services in respect of the Vessel(s) . The Operator shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform the Operations Services in accordance with sound vessel operations practice, including but not limited to compliance with all relevant rules and regulations.

## **5. Vessel and Systems Management**

The Operator shall provide vessel and systems management as follows:

(a) ensuring that the Vessel(s) comply with the requirements of the law of the Flag State;

(b) providing competent personnel to supervise the general operational efficiency of the Vessel(s);

(c) ensuring necessary operating procedures and instructions are in place and in effect;

(d) arranging the supply of necessary operating parts and consumables, fuels and lubricants; and

(e) directing best effort to deliver the published operating Schedule.

## **6. Crew Management**

The Operator shall provide suitably qualified. The provision of such Crew Management services include the following services:

(a) screening, selecting, engaging and providing for the administration of the Crew, including, as applicable, payroll arrangements, pension arrangements, tax, social security contributions and other mandatory dues related to their employment;

(b) ensuring the applicable requirements of the laws of the Flag State in respect of rank, qualification and certification of the Crew and employment regulations, such as Crew's tax and social insurance, are satisfied;

(c) ensuring all Crew have passed national criminal history background check and a pre-employment drug test and remain in a random drug testing program;

(d) ensuring all Crew are physically fit and capable of carrying out the duties for which they have been employed;

(e) ensuring the Crew are US citizens and command of the English language of a sufficient standard to enable them to perform their duties safely;

(f) ensuring the Crew receives all necessary familiarization, safety and position-specific training;

(g) arranging transportation of the Crew, including repatriation;

(h) conducting union negotiations (as applicable); and

(i) ensuring that the Crew, on joining the Vessel, are given proper familiarization with their duties in relation to the Vessel's SMS, or other safety program(s), and that instructions which are essential to the safety program(s) are identified, documented and given to the Crew prior to sailing.

## **7. Management of Routine Maintenance and Repair**

The Operator shall perform routine pre-start procedures, shut-down procedures, and conduct routine maintenance and repair activities as required for the Vessel(s). Operator will maintain required operating and maintenance logs.

The Operator shall track all costs and maintain proper records.

## **8. Management of Major Repairs and Capital Projects**

The Operator shall arrange and supervise any major repairs and capital projects consistent with the laws of the Flag State.

The Operator shall track all costs and maintain proper records.

## **9. Insurance Arrangements**

The Owner and Operator shall arrange insurances as described in Annex "D" under such terms as mutually agreed regarding conditions, insured values, deductibles, franchises and limits of liability.

## **10. Indemnifications**

The Operator shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

It is further specifically and expressly understood that the indemnification provided herein constitutes the Operator's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

## **11. Operator's Obligations**

The Operator undertakes to use best endeavors to provide the Operations Services in accordance with sound vessel operations practice in all matters relating to the provision of services hereunder.

Provided however, that in the performance of their operations responsibilities under this Agreement, the Operator shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Operator shall be required to allocate available supplies, manpower and services in such



manner as in the prevailing circumstances the Operator in their absolute discretion consider to be fair and reasonable so as to fulfill its obligations under this agreement

## **12. Owner's Obligations**

(a) The Owner shall pay all sums due to the Operator's punctually in accordance with the terms of this Agreement.

(b) The Owner shall arrange insurances in accordance with Annex "C" under such terms as mutually agreed.

(c) The Owner shall arrange for any improvements required of the docks, floats, fendering, gangways, mooring fixtures, and utilities to support the Des Moines Ferry Service. Including signage and security.

(d) The Owner shall arrange for any required notifications and approvals by the Washington Utilities and Transportation Commission.

(e) The Owner shall arrange for any reservations and fare collection software / applications. Operator shall be responsible for collecting tickets prior to entry to the Vessel as well as offering tickets for sale at the Vessel.

(f) The Owner shall arrange for marketing and communications activities.

## **13. Income Collected and Expenses Paid on Behalf of Owner**

(a) All Operating Income collected by the Operator under the terms of this Agreement shall be deposited in a dedicated revenue account and transferred to the Owner, in entirety, on a weekly basis.

(b) All Operating Expenses incurred by the Operator under the terms of this Agreement shall be Operator's sole responsibility.

(c) Operating Expenses include all project related costs including project specific management and administration.

(d) Corporate overhead and profit is covered in the Operations Fee (stated in Section 15).

(e) Operator shall arrange for and staff concessions on the Vessel to include food and drink sales. All profit from those sales shall be retained by the Operator.

## **14. Mobilization and Demobilization Expenses**

All Mobilization and Demobilization Expenses incurred by the Operator under the terms of this Agreement are the responsibility of the Operator.

### **15. Operating Fee and Operating Expenses**

(a) The Owner shall pay to the Operator an Operating Fee of \$87,000 per month for 2 months (August 10 – October 9) for the service called out under this Agreement. Payments shall be paid by the 15<sup>th</sup> day of the month in question. Upon signature of the Operator on this Agreement, Owner will make a deposit payment of \$30,000 to be credited toward first month's operating fee.

(b) The Owner shall pay for fuel directly.

(c) The Owner shall reimburse the Operator for moorage in Seattle.

(d) Additional operations outside of the official schedule (Annex "C") may be negotiated separately from this agreement.

### **16. Payments**

The Owner shall make payments to the Operator as follows:

(a) Payments shall be by wire transfer or ACH to the account designated by the Operator.

The first (1<sup>st</sup>) payment no later than August 15, 2022, or two weeks after start of charter.

Thereafter, subsequent payments will be made one a month in equal installments.

(d) To the extent they occur, reimbursable fuel expenses shall be due 15 days following receipt of invoice (with all supporting back-up) by the Owner from the Operator

(e) The mark-up on moorage is 5%.

(f) In the event any payment is not made on time, the Operator shall be entitled to charge interest on those outstanding amounts at the rate of 12% per annum.

### **17. Operator's Right to Sub-Contract**

The Operator shall not subcontract any of their obligations hereunder without the prior written consent of the Owner that shall not be unreasonably withheld. In the event of such a sub-contract the Operator shall remain fully liable for the due performance of their obligations under this Agreement.

### **18. Responsibilities**

(a) Force Majeure - Neither party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimize or prevent the effect of such events and/or conditions:

(i) acts of God;

(ii) any Government requisition, control, intervention, requirement or interference;

(iii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;

(iv) riots, civil commotion, blockades or embargoes;

(v) pandemics, epidemics;

(vi) earthquakes, landslides, floods or other extraordinary weather conditions;

(vii) strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the party seeking to invoke force majeure;

(viii) fire, accident, explosion except where caused by negligence of the party seeking to invoke force majeure; and

(ix) any other similar cause beyond the reasonable control of either party.

## **19. General Administration**

(a) The Operator shall keep the Owner informed in a timely manner of any incident of which the Operator becomes aware which gives or may give rise to delay to the Vessel or claims or disputes involving third parties.

(b) To the extent that a claim falls under and is covered by the Operator's insurance, Operator shall handle and settle all claims and disputes arising out of the Operations Services hereunder, unless the Owner instructs the Operator otherwise. The Operator shall keep the Owner appropriately informed in a timely manner throughout the handling of such claims and disputes.

(c) On giving reasonable notice, the Owner may request, and the Operator shall in a timely manner make available, all documentation, information and records in respect of the matters covered by this Agreement either related to mandatory rules or regulations or other obligations applying to the Owner in respect of the Vessel to the extent permitted by law.

(d) On giving reasonable notice, the Operator may request, and the Owner shall in a timely manner make available, all documentation, information and records reasonably required by the Operator to enable them to perform the Operations Services.

## **20. Inspection of Vessel(s)**

The Owner may at any time after giving reasonable notice to the Operator inspect the Vessel(s) for any reason they consider necessary.

## **21. Compliance with Laws and Regulations**

The Parties will not do or permit to be done anything that might cause any breach or infringement of the laws and regulations of the City of Des Moines, the State of Washington and the United States.

## **22. Duration of the Agreement**

(a) This Agreement shall come into effect upon the receipt of the Deposit Payment and the date stated in Section 3 (Term of Agreement) and shall continue until terminated by either party by giving notice to the other; in which event this Agreement shall terminate upon the completion of the Ferry Service, unless terminated earlier in accordance with Section 23 (Termination).

## **23. Termination**

(a) Owner's or Operator's default.

If either party fails to meet their obligations under this Agreement, the other party may give notice to the party in default requiring them to remedy it. In the event that the party in default fails to remedy it within 30 calendar days, to the reasonable satisfaction of the other party, that party shall be entitled to terminate this Agreement with immediate effect by giving notice to the party in default.

(b) Notwithstanding Section 23(a):

(i) The Operator shall be entitled to terminate the Agreement with immediate effect by giving notice to the Owner if any monies payable by the Owner have not been received in the Operator's nominated account within five business days of receipt by the Owner of the Operator's written request (which may be provided electronically), or if the Vessel(s) is repossessed by the Mortgagee(s).

(ii) If the Owner proceeds with the employment of or continues to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Operator is unduly hazardous or improper, the Operator may give notice of the default to the Owner, requiring them to remedy it as soon as practically possible. In the event that the Owner fails to remedy it within 3

business days to the satisfaction of the Operator, the Operator shall be entitled to terminate the Agreement with immediate effect by notice.

(iii) If either party fails to meet their respective obligations under Section 9 (Insurance Arrangements), the other party may give notice to the party in default requiring them to remedy it within 10 business days, failing which the other party may terminate this Agreement with immediate effect by giving notice to the party in default.

(c) Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or, if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing or, if bareboat chartered, unless otherwise agreed, when the bareboat charter comes to an end.

(d) For the purpose of Section 2c(c) hereof:

(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Vessel's owners cease to be the registered owners of the Vessel;

(ii) the Vessel shall be deemed to be lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred; and

(iii) the date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first. A missing vessel shall be deemed lost in accordance with the provisions of Section 23(d) (ii).

(e) This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

(f) In the event of the termination of this Agreement for any reason other than default by the Operator the Operations Fee payable to the Operator according to the provisions of Section 15 (Operations Fee), shall continue to be payable in full, for the then current period.

(g) The termination of this Agreement shall be without prejudice to all rights accrued due between the parties prior to the date of termination.

## **24. Dispute Resolution**

(a) This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Agreement shall be referred to three persons at Seattle, Washington, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.

(b) In cases where neither the claim nor any counterclaim exceeds the sum of USD 50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.

## 25. Notices

(a) All notices given by either party or their agents to the other party or their agents in accordance with the provisions of this Agreement shall be in writing and shall, unless specifically provided in this Agreement to the contrary, be sent to:

### For the Owner

Michael Matthias  
City Manager  
21630 11<sup>th</sup> Ave S., Suite A  
Des Moines, WA 98198

### For the Operator

Christopher Hanke  
Operations Manager  
227 Jackson Street  
Port Townsend WA, 98368

(b) A notice may be sent by registered or recorded mail, facsimile, electronically or delivered by hand in accordance with this Section 25(a).

(c) Any notice given under this Agreement shall take effect on receipt by the other party and shall be deemed to have been received:

- (i) if posted, on the seventh (7<sup>th</sup>) day after posting;
- (ii) if sent by facsimile or electronically, on the day of transmission; and
- (iii) if delivered by hand, on the day of delivery.

And in each case proof of posting, handing in or transmission shall be proof that notice has been given, unless proven to the contrary.

## **26. Entire Agreement**

This Agreement constitutes the entire agreement between the parties and no promise, undertaking, representation, warranty or statement by either party prior to the date stated in Section 3 (Term of Agreement) shall affect this Agreement.

Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the parties.

## **27. Partial Validity**

If any provision of this Agreement is or becomes or is held by any arbitrator or other competent body to be illegal, invalid or unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible, the provision shall be deemed to be deleted from this Agreement to the extent of such illegality, invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.

## **28. Interpretation**

In this Agreement:

(a) Singular/Plural

The singular includes the plural and vice versa as the context admits or requires.

(b) Headings

The index and headings to the Sections and Annexes to this Agreement are for convenience only and shall not affect its construction or interpretation.

(c) Day

“Day” means a calendar day.

IN WITNESS THEREOF, this Contract has been duly executed by the Parties herein named, on the day and year first above written.

OWNER, CITY OF DES MOINES

OPERATOR

By \_\_\_\_\_  
Its City Manager

\_\_\_\_\_  
Puget Sound Express, INC.

Dated \_\_\_\_\_

Dated \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



## **ANNEX A - Facilities**

### **Landings**

Des Moines Marina

Bell Harbor Marina

\* Operator to enter into a landing and moorage agreement with the Port of Seattle.

## ANNEX B - Vessel(s)

### Chilkat Express

Official Number	1110737
Pax Capacity	63
Length:	63 Ft
Breadth:	20 Ft
Depth:	3 Ft
Tonnage:	Gross: 35 GRT
Built:	2001
Manufacturer:	All American Marine
Hull:	Aluminum
Propulsion:	Water-jet
Engines:	Caterpillar 3406 E (2)
Horsepower:	800 each

## ANNEX C - Schedule

Wednesday through Sunday

4 round-trips per day (estimated times are):

Depart Des Moines	Depart Seattle
10:00 am	11:00 am
12:00 pm	1:00 pm
2:00 pm	3:00 pm
4:00 pm	5:00 pm

\*Crew on at 9:00 am

\* Crew off at 7:00 pm

10-hour work day

## ANNEX D - Insurance

### Obtained by Operator

Operator shall maintain the following insurance on its own behalf with insurance companies lawfully authorized to do business in or on an admitted basis or who are an authorized insurance carrier in the jurisdiction in which the vessel is being operated and furnish to the Owner Certificates of Insurance and additional insured endorsements evidencing same.

1. Workers' Compensation and Employers Liability: Statutory benefits as required by the Workers' Compensation laws of The State of Washington and reference to such compliance made on all certificates of insurance.

a) Workers' Compensation Coverage: Self insured.

b) Employers Liability Limits not less than:

Bodily Injury by Accident:	\$1,000,000 Each Accident
Bodily Injury by Disease:	\$1,000,000 Each Employee
Bodily Injury by Disease:	\$1,000,000 Policy Limit

c) Coverage shall be provided for the United States Longshore and Harbor Workers' Compensation Act.

2. Marine General Liability (Occurrence form): Bodily Injury, Property Damage and Personal Injury (including Premises - Operations, Independent Contractors, Products/Completed Operations, Personal Injury, Broad Form Property Damage). Owner shall be endorsed as an additional insured on Marine General Liability policy.

(1)	General Aggregate:	\$2,000,000
(2)	Products/Completed Operations Aggregate:	\$1,000,000
(3)	Each Occurrence:	\$1,000,000
(4)	Personal and Advertising Injury:	\$1,000,000
(5)	Fire Legal Liability (Damage to rented premises)	\$ 100,000
(6)	Medical Payments (any one person)	\$ 5,000

3. Automobile Liability:

- a) Coverage to include:  
All Owned, Hired and Non-Owned Vehicles (Any Auto)
- b) Per Accident Combined Single Limit \$1,000,000

4. Marine Umbrella Liability:

- a) Occurrence Limit: \$10,000,000
- b) Aggregate Limit (where applicable): \$10,000,000
- c) Policy to apply following form of the Marine General Liability. Owner shall be endorsed as an additional insured on Marine Umbrella Liability policy.

5. Protection & Indemnity Liability:

Protection & Indemnity: As per Form "SP23" or equivalent P&I Club rules, including vessel pollution liability, to an amount no less than Ten Million (\$10,000,000).

6. Property, Equipment, Machinery &/or Stored Equipment:

Operators shall maintain insurance on their owned or leased equipment, tools, trailers, etc.

7. Marine Pollution Legal Liability/Environmental Impairment Liability Insurance:

All insurance required by any regulatory commission or other governmental agency to be carried by a passenger boat services including but not limited to Marine Pollution Legal Liability/Environmental Impairment Liability Insurance in an amount no less than Ten Million Dollars (\$10,000,000) for each single occurrence to provide coverage for all necessary and reasonable costs or expenses of removing, nullifying, cleaning up, transportation or rendering ineffective, any substance which has caused environmental impairment provided, however, that notice of such an occurrence be given the Owner within 24 hours of said occurrence. Additionally, Operator will provide the Owner with copies of all current licenses and/or permits required by the Federal government, the State(s) or local jurisdiction(s) where the vessel is to be operated prior to the seasonal operation date.

8. Hull & Machinery:

Operator shall maintain insurance against direct damage to the vessels, such insurance to be written on American Institute Hull clauses including collision liability for an amount equal to the vessels fair market value.

Any deductible, self-insured retention, co-insurance, co-payment or percentage of participation shall be the responsibility of the Owner.

9. Financial Rating and Admitted Status of Insurance Companies:

- a) A.M. Best Rating: A- (Excellent) or Higher
- b) A.M. Best Financial Size Category: Class VII or Higher

With insurance companies that are admitted or authorized to do business in the jurisdiction in which the Premises is located

10. If the Operator maintains higher insurance limits than the minimums shown above, the Owner shall be insured for the full available limits of Marine General and Excess or Umbrella liability maintained by the Operator, irrespective of whether such limits maintained by the Operator are greater than those required by this Contract or whether any certificate of insurance furnished to the Owner evidences limits of liability lower than those maintained by the Operator.

11. The Operator's Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the Owner. Any insurance, self-insurance, or self-insured pool coverage maintained by the Owner shall be excess of the Operator's insurance and shall not contribute with it.

12. Operator's maintenance of insurance, its scope of coverage and limits as required herein shall not be construed to limit the liability of the Operator to the coverage provided by such insurance, or otherwise limit the Owner's recourse to any remedy available at law or in equity.

**Obtained by Owner**

Owner shall maintain liability coverage in the amount of \$4,000,000. Owner's membership in Washington Cities Insurance Authority, a self-insured municipal risk pool, satisfies this requirement.



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June 15, 2022

Michael Matthias  
Des Moines City Manager  
21630 11th Ave. S. Suite A  
Des Moines, WA 98198

**Project/Reference:** Des Moines Ferry Project GCSA; 29 April 2021

**Task Order #3:** Ferry Operations Management

*This Task Order is subject to the terms and conditions set forth in the General Consulting Services Agreement except where explicitly stated.*

## SCOPE OF WORK

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As a follow-on to the Project Scoping and Reconnaissance Report and Ferry Operations Plan, Maritime Consulting Partners (MCP) proposes to provide the following services under Task Order #3.

Owner's Representation including Ferry Operations Management.

### I. Project Management, Management Systems and Reporting

Management of mobilization activities to include:

- Submission of WA Utilities and Transportation Commission (UTC) notifications
- Submission of US Coast Guard notifications
- Coordination of installations of docks, ramps, and gangways at Des Moines and Bell Harbor Marinas
- Set-up and testing of fare payment system
- Set-up and testing of rider alert system
- Observation of route proving and operational testing
- Coordination of security systems
- Coordination of signage and customer queuing strategy
- Development of emergency procedures

### II. Operations Management and Vessel Oversight

Provide ferry operations management to include:

- Interface between the vessel crew and City of Des Moines
- Monitoring of contract compliance
- Monitoring of customer service standards
- Monitoring of fare collection and reconciliation
- Interface with the Port of Seattle (for use of Bell Harbor Marina)
- Collection and tracking of performance metrics
- Operation of rider alert system

- Tracking and resolution of customer service issues
- Tracking of fuel usage and other reimbursable expenses items
- Monitoring and advising on marketing and social media activities
- Interface with regulatory agencies on behalf of Des Moines
- Completion of regular budget tracking and reporting
- Function as incident commander in case of emergency activities / operations

### III. Demobilization and Reporting

Project demobilization and reporting to include:

- Coordination of all dock and gangway removals at City of Des Moines and Bell Harbor Marinas
- Final reconciliation of all projects costs (mobilization, operations, and demobilization)
- Collection and analysis of performance metrics
- Development and submittal of Pilot Project Summary Report

### DELIVERABLES

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The deliverables for Task Order #3 are:

- Owner's representation services including ferry operations and management (described above)
- Submission of Pilot Project Summary Report

### SCHEDULE

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- Mobilization: On or about July 11 – August 9, 2022
- Operations: August 10 – October 9, 2022
- Demobilization: October 10 – October 14, 2022

### COST AND TERMS

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This is a fixed fee agreement.

#### Consulting

Mobilization: \$23,000  
Operations: \$47,840  
Project Report: \$9,200

#### Expenses

Expenses for travel and third party professional services will be billed at cost plus 10%, not to exceed a total of \$4,500.

Does not include cost for ticketing software, rider alert subscription, or customer survey software.



Progress Payments

Progress invoices shall be submitted on a bi-weekly basis.

All work performed under this agreement is subject to MCP's standard terms and conditions.

**SUBMITTED / APPROVED**

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This Task Order submitted by:

Gregory A. Dronkert

A handwritten signature in black ink, appearing to read "Gregory A. Dronkert", written over a horizontal line.

6/15/22

Proposal approved by:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name and Title)

\_\_\_\_\_  
(Date)

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# Summary Page

Attachment #3

## Des Moines

### PROJECT ESTIMATE

1 Vessel - 2 Month Ops

as of:

6/3/2022

Operating Days

#### Mobilization

MCP Project Management			\$	18,400.00
MCP Management Systems and Reporting			\$	4,600.00
Set up ticketing system			\$	2,500.00
Dock and gangway modifications			\$	25,000.00
Insurance rider for dock liability			\$	9,500.00
Related expenses for travel and meetings			\$	550.00
			\$	60,550.00

#### Operations

MCP Operations Management and Vessel Oversight	920		\$	47,840.00
Time Charter (less fuel) - PSE	87,000	2	\$	174,000.00
Fuel		0	\$	93,600.00
Moorage	167	2	\$	14,473.33
			\$	329,913.33

#### Marketing

Marketing Plan			\$	4,600.00
Branding			\$	2,500.00
Web page linked to City site			\$	10,000.00
Printing and signage			\$	3,500.00
Marketing Activities			\$	50,000.00
			\$	70,600.00

#### Project Report

MCP Professional Services	9200		\$	9,200.00
			\$	9,200.00

#### PROJECT SUMMARY

Mobilization			\$	60,550.00
Operations			\$	329,913.33
Marketing			\$	70,600.00
Project Report			\$	9,200.00
<b>Project Expense Total</b>			<b>\$</b>	<b>470,263.33</b>

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