



Agenda Item No. (4)

To: Building and Operating Committee/Committee of the Whole
Meeting of December 19, 2019

From: James P. Swindler, Deputy General Manager, Ferry Division
Denis J. Mulligan, General Manager

Subject: **APPROVE ACTIONS RELATIVE TO A LEASE EXTENSION OF THE
HIGH-SPEED FERRY, *M.V. MILLENNIUM***

Recommendation

The Building and Operating Committee recommends that the Board of Directors approve the following actions relative to a lease extension of the high-speed ferry *M.V. Millennium* as follows:

1. Authorize the General Manager to negotiate and execute an extension to the Golden Gate Bridge, Highway and Transportation District's lease with Rhode Island Fast Ferry for the high-speed ferry *M.V. Millennium* for a term of 129 additional days at the existing rate of \$6,850.00 per day, for an additional amount of \$883,650, and;
2. Approve an additional estimated amount of \$116,350 for engineering and support services, for a total not-to-exceed amount of \$1 million for the extension.

This matter will be presented to the Finance-Auditing Committee, at its meeting of December 19, 2019, for concurrence and to the Board of Directors on December 20, 2019, for appropriate actions.

Summary

At its meeting on October 26, 2018, the Board of Directors approved a one-year lease for the vessel *M.V. Millennium* from Rhode Island Fast Ferry. After delivery from Rhode Island, the one-year lease term commenced in early February 2019 and will expire on February 19, 2020. Leasing the vessel is of critical importance as it has allowed the Golden Gate Bridge, Highway and Transportation District (District) to have a replacement vessel available for service while other ferries are in the shipyard for repowering and rebuilding projects.

While some of the ferry shipyard projects are complete, the major rebuild and repower of the *M.S. Sonoma* is still ongoing and not scheduled for completion and redelivery to the District until June 27, 2020. Consequently, the District is in need of the continued use of the *M.V. Millennium* vessel for the additional time period, between the lease's current expiration of February 19, 2020 to the projected redelivery date of the *M.S. Sonoma* of June 27, 2020.

The California Air Resources Board (CARB) previously approved the District's use of the *M.V. Millennium* for one year, and CARB has now extended its approval until June 27, 2020. The owner of the *M.V. Millennium*, Rhode Island Fast Ferry, has agreed to extend the lease at the existing rate of \$6,850 per day, for a total amount of \$883,650 for the lease extension. The District has also agreed to pay the vessel owner for on-site engineering and support services, which costs must also be extended to cover the lease extension period.

Fiscal Impact

The total cost of extending the lease of the *M.V. Millennium* will not exceed \$1,000,000. The lease, as well as this extension, is federally assisted because it supports the timely completion of an active, federally funded capital project: the *M.S. Sonoma Refurbishment and Repower (Project #1740)*. Staff will bring a separate item to the Finance and Auditing Committee to adjust the budget for the lease extension, and other costs related to the lease and to the *M.S. Sonoma* Project.