

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

RESOLUTION NO. 2008-102

**APPROVE ACTIONS RELATIVE TO THE PROCUREMENT OF
TWO NEW HIGH-SPEED PASSENGER FERRIES**

November 21, 2008

WHEREAS, the Board of Directors, by Resolution No. 2006-052 at its meeting of June 23, 2006, authorized a competitive negotiation process for the procurement of a high-speed ferry as a replacement for one of the existing Spaulding ferries; and,

WHEREAS, the Board of Directors, by Resolution No. 2008-006 at its meeting of January 25, 2008, approved actions relative to ferry emission standards for the procurement of a high-speed replacement ferry, including the installation of Tier 2-20 engines that exceed current federal Environmental Protection Agency and state California Air Resources Board requirements, as well as the testing of Biodiesel fuel in the new vessel with the possibility of expanding this type of fuel to all other ferries in the Golden Gate Ferry fleet; and,

WHEREAS, on May 20, 2008, the District issued RFP No. 2008-FT-1, *Construction of New High-Speed Passenger Ferry*; and;

WHEREAS, by the due date of July 25, 2008, the Office of the District Secretary received one proposal for RFP No. 2008-FT-1, from Nichols Brothers Boat Builders (NBBB) of Freeland, WA, with a bid price of \$18,618,600; and,

WHEREAS, during negotiations with NBBB that resulted in a reduced bid price of \$16,976,724, the District became aware of Washington State Ferries' (WSF) desire to sell two of their high-speed ferries, the *M.V. Snohomish* and the *M.V. Chinook*, which have been out of use for several years and are of very similar design to the District's *M.V. Del Norte*; and,

WHEREAS, the Board of Directors, by Resolution No. 2008-079 at its meeting of September 12, 2008, authorized the General Manager to enter into negotiations with WSF for the acquisition of the two high-speed ferries, the *M.V. Snohomish* and the *M.V. Chinook*, at a cost of \$2,000,000 each, with the understanding that the offer was subject to a number of conditions, including Board approval of the final purchase, and with the further understanding that the total cost of purchase and refurbishment of the two high-speed ferries is estimated to be \$23,410,000; and,

WHEREAS, the District's conditional offer was accepted by WSF, and staff subsequently inspected the two ferries to confirm that: (1) the hulls are in excellent condition; (2) the passenger capacity of each ferry can be increased to carry a minimum of 450 passengers; and, (3) there is sufficient space to install the necessary seating and other improvements; and,

WHEREAS, staff has prepared a detailed estimate that identifies each improvement necessary to prepare the vessels for service in the District's ferry fleet, and has outlined the details of the ferry refurbishment to be undertaken on the two WSF ferries, with the first fully refurbished ferry to be delivered to the District in December 2009, and the second ferry to be delivered in July 2010; and,

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WHEREAS, based upon staff analysis of the two options, it is recommended that the District reject the bid of NBBB relative to RFP No. 2008-FT-1, and proceed with purchase and refurbishment of the two WSF ferries; and,

WHEREAS, the Building and Operating Committee, at its meeting of November 20, 2008, has so recommended; now, therefore, be it

RESOLVED that the Board of Directors of the Golden Gate Bridge, Highway and Transportation District hereby approves the following actions relative to the procurement of new two high-speed passenger ferries:

1. Reject the sole bid of Nichols Brothers Boat Builders relative to Request for Proposals No. 2008-FT-1, *New High-Speed Passenger Ferry*;
2. Authorize the purchase of two existing high-speed ferries from Washington State Ferries, at a price of \$4 million (\$2 million per vessel), subject to completion of all regulatory actions required by the Federal Transit Administration;
3. Authorize a contingency fund in the amount of \$310,000, for sales/use tax that may be payable to the State of California, which amount is equal to 10% of the purchase price; and,
4. Authorize a budget increase in the FY 08/09 Ferry Transit Division Capital Budget in the amount of \$11,510,000, as concurred with by the Finance-Auditing Committee at its meeting of November 20, 2008, to be funded by \$6,400,000 of Federal Transit Administration grant funds and \$5,110,000 from District reserves, for a total project budget of \$19.1 million.


ADOPTED this 21st day of November 2008, by the following vote of the Board of Directors:

AYES (16): Directors Brown, Cochran, Dufty, Eddie, Grosboll, Kerns, McGlashan, McGoldrick, Newhouse Segal, Reilly, Sanders, Sobel and Stroeh; Second Vice President Ammiano; First Vice President Boro; President Moylan

NOES (0): None

ABSENT (3): Directors Hernández, Pahre and Sandoval

ATTEST:


Janet S. Tarantino
Secretary of the District


John J. Moylan
President of the Board of Directors