#### CITY OF UNALASKA UNALASKA, ALASKA

#### **RESOLUTION 2015-16**

# **RESOLUTION 2015-16:** APPROVAL TO PUBLISH A REQUEST FOR PROPOSALS TO SHIPPING COMPANIES FOR A PREFERENTIAL USE AGREEMENT AT UNALASKA MARINE CENTER POSITIONS 4-7.

WHEREAS, the City of Unalaska has received requests from shippers for a Preferential Use Agreement; and

WHEREAS, the last Preferential Use Agreement expired December 31, 2013; and

WHEREAS, the City of Unalaska believes that a Preferential Use Agreement would benefit both shippers and the City of Unalaska long-term; and

WHEREAS, the City of Unalaska is committed to following the public process for proposals for a Preferential Use Agreement; and

WHEREAS, The City of Unalaska has drafted a Request For Proposal with reasonable and fair scoring criteria;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Unalaska approves the publishing of a Request For Proposals from shippers for a Preferential Use Agreement at Unalaska Marine Center Positions 4-7.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 31<sup>st</sup> DAY OF March 2015.

MAYOR

ATTEST:

CITY CLERK

#### MEMORANDUM TO COUNCIL

TO:	MAYOR AND CITY COUNCIL MEMBERS
FROM:	PEGGY MCLAUGHLIN, PORT DIRECTOR
THRU:	DON MOORE, CITY MANAGER
FROM:	PORT DEPARTMENT
DATE:	MARCH 31, 2015
RE:	RESOLUTION 2015-16 APPROVAL TO PUBLISH A REQUEST FOR PROPOSALS TO SHIPPING COMPANIES FOR A PREFERENTIAL USE AGREEMENT AT UNALASKA MARINE CENTER POSITIONS 4-7.

#### **SUMMARY:**

Resolution 2015-16 is for approval to publish a "Request For Proposal" to shipping companies for a Preferential Use Agreement (PUA). This PUA would include positions 4-7 at the Unalaska Marine Center (UMC) and the adjacent backreach. The City of Unalaska, Ports Department is seeking a long-term partnership with a shipper or shippers that would meet the shipping needs of the community and local processors as well as define any design needs for infrastructure improvements for the UMC Expansion and Replacement project. A PUA would also define revenue streams for UMC Positions 4-7 for short and long-term forecasting and support financing of the UMC Expansion and Replacement project.

#### **PREVIOUS COUNCIL ACTION:**

There have been two work sessions held on this issue. This is the first request for Council action.

#### **BACKGROUND:**

In 1990, the City of Unalaska entered into a Preferential Use Agreement with a shipping company to help leverage the financing for the construction of Positions 5-7 at the Unalaska Marine Center. The previous PUA expired in December of 2013, and the City has been operating for over a year without a PUA for containerized shipping. The City has received requests for preferential use from cargo container shippers. The City recognized that there are benefits to the community, shippers, and to the City in securing long-term agreements. For these reasons the public process was initiated to solicit bids for proposals. Two work sessions have been held with the City Council on this RFP for preferential use.

#### **DISCUSSION:**

The memo from the February 20, 2015 and the March 10, 2015 meeting are attached for reference and this memo serves as a recap of the process and adjustments made to the original draft of the RFP.

The RFP presented to Council outlines the criteria for public proposals for contractual use of the Unalaska Marine Center. Seeking bids for agreements and services is the responsible, and transparent practice for the City to pursue long-term agreements for assets and services. It is generally good business practice when managing public assets to encourage and solicit proposals from interested parties. By encouraging proposals, the City is protected from unreasonably excluding any one entity access to public facilities. It also allows the City to negotiate agreements and contracts that are in the best interest of the City and the community. Under City Code, this process is required for many of the City agreements and contracts. For the Unalaska Marine Center, a public bid process is required for a long-term lease of the back-reach.

By nature of the public process, we seek input and facilitate the involvement of those potentially affected or interested in the decision. In this case, we are requesting bids for all interested parties to fairly and reasonably manage long-term agreements for the critical containerized freight services at the Unalaska Marine Center, with the goal of maintaining existing services and facilitating growth opportunities for both containerized shippers and the City of Unalaska.

In February, Council received the first draft of the RFP for preferential use of the UMC for positions 4-7 and adjacent back-reach which marked the beginning of the public process. This was followed by an additional work session on March 10, 2015.

As we drafted the first RFP, our intent was to capture what we knew was critical for maintaining existing services and providing opportunity for growth in the next 20-25 years. The RFP allows successful bidders the opportunity to participate in the design process for Position 4 soliciting their input on their needs and future growth.

The Unalaska Marine Center is a critical cargo hub for movement of freight for the community and the State. This cargo movement provides the residents of Unalaska with their groceries, mail, and other goods. The cargo movement across the UMC also is a critical component of the shipment of product to both domestic and international markets. This is vital to the community and to local industry.

With more than one existing container shipping company interested in securing a regularly scheduled berth and cargo operational space, and no existing agreement for preferential use, we needed a reasonable process to support those shipping needs and existing services. We also recognize that the City could use such agreements for leverage as we pursue funding for the Unalaska Marine Center Expansion Project. Securing agreements would also allow the Port to manage docking schedules efficiently and continue to accommodate the increasing requests for dock space and operational space from non- PUA users of the UMC. These were and are the goals for the RFP.

Ultimately, the adjustments that have been made in the RFP serve to narrow the selection criteria to meet the overall goal of securing existing services and providing the opportunity for growth, with a fair and equitable process for potential Proposers. These adjustments include requesting proposals from domestic and international maritime shippers with regularly scheduled linehaul service and consideration to "feeder vessels". An emphasis on "established local labor" was also added to give priority to the organization that provides labor for existing and future services.

The public bidding process is the reasonable and equitable approach to a long-term agreement/s at a public facility. It also protects the City's immediate and long-term business interests to plan and design the expansion of positions 3 and 4, and is a means for other facility users to schedule and predict space availability for their operations.

This is not the last step in the public process. Should Council approve publishing this RFP, Council will review and provide input on future negotiations and ultimately authorize the City Manager to enter into an agreement with the shipper/s.

Staff recommends that Council approves publishing the RFP in order to pursue and secure long-term agreements for the existing containerized cargo movement at the Unalaska Marine Center.

## **ALTERNATIVES:**

- 1. Council approve this resolution authorizing the Publishing of the RFP
- 2. Council could choose not to approve publishing the RFP
- 3. Council could provide further options for an anchor tenant or tenants at UMC.

## FINANCIAL IMPLICATIONS:

A successful proposal would result in long-term predictable revenues

## LEGAL:

Legal support would be used to negotiate and complete a Preferential Use Agreement

#### STAFF RECOMMENDATION:

Staff recommends adopting Resolution 2015-16 to pursue proposals for long-term use agreement/s at the Unalaska Marine Center.

## **PROPOSED MOTION:**

I move to approve Resolution 2015-16

<u>CITY MANAGER'S COMMENTS:</u> The Manager recommends Council approval of Resolution 2015-16.

## Attachment:

1. Draft RFP and Attachments

#### MEMORANDUM TO COUNCIL

TO:MAYOR AND CITY COUNCIL MEMBERSFROM:PEGGY MCLAUGHLIN, PORT DIRECTORTHRU:CHRIS IILADICK, CITY MANAGERFROM:PORT DEPARTMENTDATE:02/20/15RE:RESOLUTION 2015-16 APPROVAL TO PUBLISH A REQUEST FOR PROPOSALS TO SHIPPING<br/>ONTANIES FOR A PREFERENTIAL USE AGREEMENT AT UNALASKA MARINE CENTER

#### SUMMARY:

Resolution 2015-16 is for approval to publish a "Request For Proposal" to shipping companies for a Preferential Use Agreement (PUA). The PUA would include positions 4-7 at UMC and the adjacent backreach. City of Unalaska, Port Department is seeking a long-term partnership with a shipper or shippers that would meet the shipping needs of the community and local processors as well as define any design needs for infrastructure improvements for the UMC Expansion and Replacement project. A PUA would also define revenue streams for UMC Positions 4-7 for short and long-term forecasting and support financing of the UMC Expansion and Replacement project.

#### **PREVIOUS COUNCIL ACTION:**

This is a new request before Council.

#### BACKGROUND:

In 1990 the City of Unalaska entered into a Preferential Use Agreement with a shipping company to help guarantee the payments for the construction of positions 5-7 at the Unalaska Marine Center. This PUA expired December 31, 2013.

#### **DISCUSSION:**

In 1990 the City of Unalaska entered into a Preferential Use Agreement (PUA) with Sealand. This agreement was, in essence, for 20 years. It had a 10-year term with 2 5-year renewal options. Sealand and its subsequent companies opted to use all 20 years of the agreement and was successful in negotiating a 3-year extension that expired December 31, 2013.

From December 31, 2013 to the present we have continued to have regular shipping activity at the Unalaska Marine Center. We have had numerous requests from shipping companies for a PUA. Based on the dynamics of shipping, cargo volumes with various carriers, and the multiple requests for the valuable space of the Unalaska Marine Center, staff believes that the public process of requesting proposals is appropriate to meet the needs of shippers, the supply chain of Unalaska, and secure a long-term, predictable revenue stream for the Port.

A responsive proposal would define the amount of time UMC positions 4-7 would be in use by the shipper both for linehaul vessels (ships) and vessels with connecting carrier agreements (barges and feeder vessels). This could be defined in terms of a Performa and/or amount of time at the dock each week. The RFP also requires the shipping company to define improvements for positions 4-7 including any additional crane rail (length or gage) required for their operations.

This RFP has been developed specifically for shippers. With that in mind, we have also offered up the option to include the backreach for use of a "lay-down" yard in support of dockside operations. A responsive proposal would include any need for the backreach and any infrastructure improvements needed to support the operations including utilities. The traffic approaches are outside of this RFP and will need to remain available for public access for all other operations.

A successful response will also identify estimated cargo volume, proposed rates for shipping activity, and backreach rental.

The benefits of reaching a long-term agreement with a shipper/s are multi-faceted. Shipping companies benefit when they have long-term operations secured. This helps them with their financing and business models. A parent company is more likely to invest in equipment and assets if they have the security of knowing they have a space for meeting their customers' shipping requirements and providing consistent service. This also provides the shipper's customers with a certain amount of confidence when negotiating shipping contracts.

The shipping needs in Unalaska are great and UMC is a key facility to meeting the needs of the local supply chain. This includes inbound supplies and outbound product both international and domestic. By creating a partnership with a shipper/s, the City of Unalaska will be able to secure operational space to meet this on-going demand.

The benefits are not only for the shipper, but also have long-term benefits for the City and the Port. We are in the design phase of the UMC Expansion and Replacement Project. We need to define the long-term use of the Unalaska Marine Center, including any needs for infrastructure development for cargo operations. For example, do we need to include additional crane rails in the design phase? This is the time to define our needs for the expansion project. We are pressing forward to meet the construction of this beginning in FY17 and we need to continue progress with the design.

As the Council is aware, we are working toward funding the expansion project and are anticipating that bonding will be part of the financing for construction. Including a partnership/s with secured long-term revenue will enhance our ability to finance the UMC Replacement and Expansion Project and it will ensure that the City of Unalaska and Port are an integral part of a competitive environment for the supply chain demands.

It is for these reasons that Port desires to pursue Request for Proposals for shipper/s at the UMC to find and secure the best fit for the City of Unalaska.

## **ALTERNATIVES:**

- 1. Council approve this resolution authorizing the Publishing of the RFP
- 2. Council could choose not to approve publishing the RFP
- 3. Council could provide further options for an anchor tenant or tenants at UMC.

## FINANCIAL IMPLICATIONS:

A successful proposal would result in long-term predictable revenues

## LEGAL:

Legal support would be used to negotiate and complete a Preferential Use Agreement

## **STAFF RECOMMENDATION:**

Staff recommends adopting Resolution 2015-16 to secure an anchor tenant/s for Unalaska Marine Center.

#### **PROPOSED MOTION:**

I move to approve Resolution 2015-16

#### **CITY MANAGER'S COMMENTS:**

"I recommend approval of Resolution 2105-16. A PUA can be a key component to financing the needed UMC improvements and establishing long-term relationships to support Port operations well into the future."

#### Attachment:

1. Draft RFP and Attachments

#### MEMORANDUM TO COUNCIL

TO:MAYOR AND CITY COUNCIL MEMBERSFROM:PEGGY MCLAUGHLIN, PORT DIRECTORTHRU:CHRIS HLADICK, CITY MANAGERFROM:PORT DEPARTMENTDATE:MARCH 10, 2015RE:RESOLUTION 2015-16 APPROVALS TO PUBLISH A REQUEST FOR PROPOSALS TO SHIPPING<br/>COMPANIES FOR A PREFERENTIAL USE AGREEMENT AT UNALASKA MARINE CENTER<br/>POSITIONS 4-7.

#### **SUMMARY:**

This memo serves as a follow-up discussion for Resolution 2015-16 the RFP for a Preferential Use Agreement at Unalaska Marine Center. Staff has outlined and explained the various changes in the RFP. These changes were based on Council concerns for local labor, local shipping needs, and sole sourcing the agreement by bypassing the bidding process.

#### **PREVIOUS COUNCIL ACTION:**

This is a new request before Council.

#### **BACKGROUND:**

In 1990 the City of Unalaska entered into a Preferential Use Agreement with a shipping company to help guarantee the payments for the construction of positions 5-7 at the Unalaska Marine Center. This PUA expired December 31, 2013. This memo is follow-up discussions to Council's questions and comments from the previous work session.

#### **DISCUSSION:**

The last work session on this draft RFP Council asked staff to address certain areas in the RFP to meet the needs of the current operators at the UMC. The biggest concern was that bidding for preferential use was going to negatively impact the current operations and local labor. These comments and questions centered on the bidding process, filling the need for existing services, and the impacts to local labor. Those comments and questions were reviewed and the adjustments were made in the draft RFP based on Council's requests, the current operations, local interest for continued service, and legal opinion where applicable. The following changes were made based on questions and comments from Council:

Question: Can the City negotiate a Preferential Use Agreement without a formal bidding process?

The long-term PUA that began in 1990 expired over a year ago. This places the City in a position to determine if they want another long-term agreement and/or to define a process for another long-term agreement(s). This prompted a discussion with Council by which Council wanted to confirm what the City was obligated to do through the bid process and what latitude the City has to negotiate outside of the bid process. By City Code we must bid the lease on the back-reach. The preferential berthing is not as defined. City Code does not specifically speak to this nor does the UMC Tariff or UMC Operating Plan.

We asked Brooks Chandler to research this issue and he found that the Federal Shipping Act governs how to proceed with this issue. This act provides latitude to negotiate and enter into agreements as long as we do not unreasonably discriminate in the provision of terminal services. I have attached Brooks Chandler's legal analysis on the issue.

It is concerning that if we negotiate with one entity (sole source) for preferential use we may create a liability for the City by ignoring the requests of other shippers to come to the bidding table. Coincidentally, dock side operations must co-exist with a certain amount of back-reach. It makes sense that we would bid these together. By requesting bids for this operating space we create a fair and equitable conduit for firms to bid on space and dock time to support their already existing operations. It also provides the City with the framework to be able to efficiently manage UMC. This applies both to finances and general operations.

Question: Could the City just solicit a Jones Act Carrier for an anchor tenant?

The discussion in the above paragraphs addresses part of the legal concerns of sole sourcing a Preferential Use Agreement. The other part of this discussion is really about meeting the service requirements that exist today and the potential growth of those services.

We have adjusted the RFP to solicit regular linehaul container ship service for international and domestic carriers. We also asked the bidders to identify "feeder vessel" activity. The current operations at Unalaska Marine Center encompasses local supply chain needs including groceries, mail, and supplies for processing plants and vendors through weekly container-ship services. These same vessels also ship seafood product to the domestic market via Tacoma. UMC also provides operating space for weekly container-ship (linehaul) service for seafood shipping to international markets, and operates as a hub for cargo arriving from and departing to other communities in the region through connecting carriers

Positions 5-7 of the Unalaska Marine Center were built and designed for container shipping. It is our desire that this section of the Unalaska Marine Center remains dedicated primarily for containerized shipping.

The shipping industry has grown and changed considerable since 1990 when the first PUA was signed. The volume of cargo has increased, the international market for seafood is well established, and the class of ships is ever-changing as new services are developed to accommodate the seafood market. This RFP gives an opportunity for shippers to secure long-term operating space for linehaul vessels and feeder vessels, and to weigh-in on any

development needs that should be incorporated in the design for the UMC expansion of position 4.

The intention of the RFP is to protect these vital shipping services, by providing preferential use to the linehaul vessels first and with consideration to the connecting carrier services provided to other communities in the region. These primary services are pivotal pieces to consider when addressing the development needs and operations of the UMC and also align the agreement with the requirements of the Federal Shipping Act.

Question: Can the City require local labor?

The biggest concern from the public was a concern that local jobs would be lost by bringing in an outside company who would import their labor. We have made a concerted effort to address this in the RFP. We have requested that containership companies identify their intentions to use established local labor. This section is included in the scoring of the RFP. If a bidder does not indicate the use of established local labor no points will be received for this section. This essentially provides an opportunity for local container shipping companies to score better because they have established local labor. Defining the RFP to solicit linehaul vessels, makes it is highly unlikely that any other labor group would be able to take over the stevedoring of the container ship operations.

Question: Who sits on the scoring committee?

The RFP will be scored in accordance with the scoring table in the RFP. City staff will be responsible for and accountable to the Council for the scoring process. This is consistent with our existing practicing for scoring RFPs. As Council has the authority for approving future agreements the ultimate decision is with Council as a whole. The RFP is written so that Council could decide that a long-term agreement does not benefit the City and no agreement is signed. The Port would continue to operate as we have for over a year under the tariff and on a first come first serve basis for berthing.

## ALTERNATIVES:

Staff is not requesting Council Action at this meeting.

#### **FINANCIAL IMPLICATIONS:**

A successful proposal would result in long-term predictable revenues

#### LEGAL:

Legal support would be used to negotiate and complete a Preferential Use Agreement

#### **STAFF RECOMMENDATION:**

Staff recommends moving Resolution 2015-16 to the next meeting for approval.

## **PROPOSED MOTION:**

No proposed motion at this time

## **CITY MANAGER'S COMMENTS:**

City Manager recommends approval of this resolution at the next Council meeting.

## Attachment:

- 1. Draft RFP and Attachments
- 2. Legal Memo on Federal Shipping Act- Brooks Chandler



CITY OF UNALASKA UNALASKA, ALASKA

# REQUEST FOR PROPOSALS FOR PREFERENTIAL USE OF UNALASKA MARINE CENTER POSITIONS 4-7 AT THE INTERNATIONAL PORT OF DUTCH HARBOR

Date Issued: April 3, 2015

CITY OF UNALASKA 43 Raven Way, P.O. Box 610 Unalaska, Alaska 99685

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## **EXHIBITS**

Α.	Standard	Form	of Prefe	erential l	Use Ag	reement
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- **Overall Concept Layout** Β.
- Survey/Drawing Showing Back-Reach Property Terminal Tariff No. 6 C.
- D.

## I. Solicitation

The City of Unalaska ("Owner" and "City") is soliciting competitive sealed proposals from domestic and international maritime shippers for preferential use of Unalaska Marine Center Positions 4-7 at the International Port of Dutch Harbor.

A successful proposal will provide details of regular linehaul vessel service to the Unalaska Marine Center (UMC), and the successful Offeror(s) will be given the opportunity to negotiate a Preferential Use Agreement (PUA) with the City of Unalaska. Offeror(s) given a PUA for Positions 4-7 or a combination of Positions 4-7 will also be allowed to lease a portion of uplands in the area commonly known as the "back-reach" (up to 81,000 square feet). This back-reach rental area is located between the traffic approaches at Positions 5-7. The traffic approaches will remain accessible to the public. The selected Offeror(s) will join the Owner and Design Team in finalizing details of the design to fit the needs of the Offeror, such as utility requirements and the gauge and location of any additional crane rails. A schematic of the design concept is included with this RFP package. Offerors should be aware that the information presented is at a design development level of completion and will be finalized with the Offeror's participation. The successful Offeror(s) will be provided preferential berthing at Position 4 or a combination of Positions 4-7 for a specified number of hours each week or month at a negotiated rate for dockage and wharfage, which may be more or less than the published tariff rate.

This document sets forth information regarding the selection process. The intent is to select an Offeror(s) providing the best combination of attributes and financial incentives for use of Positions 4-7 and the adjacent back-reach.

Any costs incurred in response to this request are at the Offeror's sole risk and will not be reimbursed by the Owner. The City of Unalaska reserves the right to reject any and all proposals, to waive informalities, to reject non-conforming, non-responsive, or conditional proposals, and to proceed utilizing a different process.

## II. Proposals

All proposals must be submitted in sealed envelopes bearing on the outside the title "Preferential Use Proposal – Unalaska Marine Center" and shall be submitted at the place and no later than the time specified below. Proposals not submitted at the time and place specified shall not be opened or considered.

Offerors are advised that "overnight" and "express mail" deliveries to Unalaska take longer than in many parts of the United States. Questions of fact regarding circumstances such as weather, delay of mail, etc., which circumvent legitimate timely receipt of an otherwise responsive proposal will be decided by the Owner.

Proposals shall be opened so as to avoid disclosing their contents to competing Offerors during the selection process. Proposals will be reviewed by a Selection

Committee as outlined below, and will not be publicly opened or read aloud. Proposals, tabulations, and valuations thereof shall be open to public inspection only after issuance of a recommendation by the Selection Committee to the City Council for award of a contract.

SUBMITTAL DEADLINE: Friday, May 15, 2015 at 2:00 p.m.

**SUBMIT RESPONSES TO:** City of Unalaska, C/O Cat Hazen, City Clerk, 43 Raven Way, P.O. Box 610, Unalaska, Alaska 99685.

MARK SUBMITTALS: "Preferential Use Proposal – Unalaska Marine Center".

**REQUIRED COPIES:** Five (5) paper copies and one (1) copy in PDF format stored on a portable USB storage device (flash drive).

## III. Background, Project Summary and Funding

Unalaska is a 1<sup>st</sup> Class City with a population 4,768, located in the eastern Aleutian Islands, 50 miles from the Great Circle Route. Unalaska is 800 air miles southwest of Anchorage, Alaska.

The International Port of Dutch Harbor operates the only deep-draft, ice-free port from Unimak Pass to Adak. The Unalaska Marine Center dock has a depth of 45-50 feet at MLW and is currently used to load and unload domestic and international container ships and container barges through a single designated position. A 40-ton crane owned and operated by Horizon Lines on City-owned rails serves containerized vessels. North Pacific Fuel operates fueling facilities at the UMC. The Unalaska Marine Center also manages a storage and staging area commonly referred to as the back-reach. This area is approximately 81,000 square feet and is shown in Exhibit C.

Rates for dockage, wharfage, and use of the back-reach are set by tariff. A copy of the current tariff is attached as Exhibit D.

The City is in the design concept phase of a project that will create an additional 220 feet of continuous dock space at Position 4. When combined with the existing 700 feet of dock at Positions 5-7, the combination of Positions 4-7 will be capable of handling container vessels in excess of 1,000 feet in length. Position 4 as currently designed will have approximately 220 feet of available dock face. The new position is intended to provide the Unalaska Marine Center with the capability of docking and unloading larger container ships or multiple container vessels simultaneously. PND Engineers, Inc. is providing design services for this project. The current design concept is shown in Exhibit B.

The total project cost is estimated at \$46 million. The City intends to seek financing of a portion of the project cost based on commitments from shippers to use the new positions, which interest will be expressed in responses to this Request for Proposals.

A similar approach was used to finance the original construction of the Unalaska Marine Center in 1989. The City of Unalaska is now ready to solicit interest in preferential use of Position 4 and/or Positions 5-7 from the maritime shipping community.

## IV. Project Schedule

The following is an anticipated schedule for this project, which is subject to change:

October 2015:	Complete design of the dock improvement
February 2016:	Complete final construction documents
2016 and 2017:	Construction of the dock improvements
September 2017:	New positions in service

## V. Scope of Proposals

The selected Offeror will enter into a Preferential Use Agreement with the City which will contain details of the following terms:

- Term
- Guaranteed minimum annual payment
- Proposed wharfage and dockage rates for both large vessels and barges connecting with larger vessels for cargo transshipments
- Specific improvements required to serve Offeror's anticipated needs for utilities
- Whether additional crane rails are needed and the specification of the rails, including length and gauge
- Dock time required per week
- Volume of cargo
- Back-reach space needs and proposed lease rate for back-reach
- Details of anticipated barge use in conjunction with cargo transshipments
- Reporting methodology for payment
- Utilization of established local labor

## VI. Type of Contract

A Preferential Use Agreement will be used for the contract between the selected Offeror(s) and the City of Unalaska and a standard form of agreement is attached as Exhibit A. Note that the Agreement leaves a number of details to be determined based on either the Offeror's response to this RFP or additional negotiations between the successful Offeror(s) and the City. Being selected as the successful Offeror(s) does not compel the City to accept all terms of the proposal or even to enter into a PUA with the Offeror(s). The City will negotiate terms initially with Offeror(s) selected in response to this RFP.

The Offeror(s) must provide a guaranteed minimum annual payment (GMP) based on a designated amount of tonnage with a proposed rate for wharfage that will apply when the GMP tonnage amount is exceeded. GMP will be based on anticipated use. Compensation for use beyond the GMP tonnage amount will be based on the current tariff and be either at a premium to or discount from the current tariff. Each Offeror must identify on a percentage basis the amount of premium or discount proposed.

## VII. Bonds, Certifications, and Other Requirements

Offerors are not required to submit a bond. Insurance requirements are contained in the Preferential Use Agreement.

#### VIII. Selection Process

Proposals will be reviewed by a Selection Committee established for this particular RFP. Each committee member will rate each proposal.

The selection criteria will be scored on the maximum points available as listed below. An Offeror's total score will be the sum of the points received. An Offeror may receive a maximum of 100 points from any single committee member.

Offeror Selection Criteria	Maximum Points	Percent of Max. Score				
<b>GMP Proposal</b> <ol> <li>Guaranteed Minimum Annual Payment (GMP)</li> </ol>	50	50%				
Other Proposed Terms						
2. Term of PUA	5	5%				
3. Proposed Barge Use Procedures and Payments	5	5%				
4. Time Required Per Week	10	10%				
5. Proposed Back-Reach Lease Area and Rental Rate	e 10	10%				
6. Proposed Premium or Discount to Tariff Rate	5	5%				
7. Past Compliance with City Ordinances and Port Ta	riff 5	5%				
8. Anticipated Total Tonnage	5	5%				
9. Utilization of Local Labor	5	5%				
Total Possible Points	100	100%				

The highest responsive GMP proposal shall receive full points for this criterion, which shall be 50. All other GMP proposals shall be awarded points based on the percentage that each proposal is below the highest bid. The formula is GMP divided by Highest GMP, multiplied by criteria points available: [(GMP/HGMP) x Points = Score]. The score for the GMP criteria will be derived using a formula that compares all Offerors to each other, and then added to each Committee member's score sheet.

For each Other Proposed Terms, the individual category scores awarded by a particular Selection Committee member will be added together to calculate a total non-price score for that Proposal. The maximum total non-price score is 50.

The combined Committee score will be assigned to each proposal to determine an initial ranking. The highest rated Offerors from this list may be invited to make oral presentations to the Committee on/or about the week of May 26, 2015, in Unalaska. Interviewed firms will be re-scored by the Committee using the same criteria listed above. The City's intent is to exercise this option only in the case of a tie or substantially equal score between proposals. The Committee may elect to forego oral presentations and recommend a contract award after initial rankings are compiled. In either case, the Committee's recommendation for contract award will be forwarded to the Unalaska City Council for review and approval.

The City of Unalaska intends to award a contract to the Offer(s) which, in the Committee's judgment and with the City Council's approval, will provide the most benefit to the City.

## IX. Proposal Content and Format

Offeror shall provide their business name, address, telephone number and website, as well as identification of contact person(s) for this RFP and their address, telephone number(s) and email address(es).

Include a brief overview of your company and operations and a copy of Offeror's State of Alaska Business License.

Include a statement acknowledging all addenda to this RFP, and if no addenda are received by the Offeror, please so indicate.

Additionally, proposals should address only the selection criteria listed in section VIII, and brevity is encouraged.

## GMP Proposal:

- 1. <u>Guaranteed Minimum Annual Payment:</u>
  - a. The guaranteed minimum annual payment (GMP)
  - b. Anticipated total tonnage.

## Other Proposed Terms:

2. <u>Term</u>: Identify the proposed length of the initial term for the PUA in years.

3. <u>Proposed Barge Use Procedures and Payments</u>: Proposals must include a summary of the frequency of anticipated use of the facilities under the PUA by barges

connecting for transshipment of cargo; whether those barges are included within the scope of PUA provisions; procedures for scheduling such barges; and wharfage and dockage rate for use of the facilities by such barges.

4. <u>Time Required per Week</u>: Identify the number of hours the Offeror intends to be at the dock each week during the term of the PUA. Hours shall include both large vessels and barges connecting to large vessels for cargo transshipments.

5. <u>Proposed Back-Reach Lease Area and Rental Rate</u>: Identify the amount of backreach space in square feet up to a maximum of 81,000 square feet, and a proposed rental rate. City retains right to assign specific area of back-reach.

6. <u>Proposed Premium or Discount to Tariff Rate</u>: Proposals should identify on a percentage basis the amount of increase or decrease from tariff rates for wharfage desired on a percentage basis once the GMP payment equals the applicable tariff rates based on actual use of the dock.

7. <u>Past Compliance with City Ordinances and Port Tariff</u>: Provide a summary of the Offeror's compliance with City Ordinances (primarily sales and property tax, and land use) and whether there are any current disputes with the City based in whole or in part on the tariff, tax codes or other provisions of City Code or the terms of any current or past agreement between Offeror and the City. Include a brief description of any past compliance issues or disputes.

8. <u>Anticipated Total Tonnage</u>: Provide summary of anticipated annual tonnage by linehaul vessels and barges or feeder vessels if applicable.

9. <u>Utilization of Local Labor</u>: Provide summary of the Offeror's intent to use local labor. Include a description of recruitment and training plans intended to increase the pool of qualified local labor to service Offeror's vessels.

**Format:** Submittals must adhere to the following criteria:

Cover Letter: One (1) page maximum

Total Page Count: Ten (10) pages maximum, excluding cover letter, table of contents, dividers, and Business License.

A page is defined as one side of a standard 8<sup>1</sup>/<sub>2</sub>" x 11" sheet of paper

## X. Additional Information

1. The City of Unalaska is not liable for any costs incurred by Offerors prior to the issuance and execution of a Preferential Use Agreement with any Offeror selected as a result of the RFP process. Costs of preparing a proposal and other costs in responding to this RFP shall be the sole responsibility of the Offeror.

- 2. The City reserves the right to waive any informality, and to make a selection as deemed in its own best interest. This includes the right to cancel the solicitation at any time; reject any or all proposals when such rejection is in the interest of the City; and to reject the proposal of an Offeror who is not, in the opinion of the City, in a position to perform as promised; and the right to proceed utilizing a different process.
- 3. All information submitted in response to this RFP is considered Public Records under the Alaska Public Records Act. If Offeror regards the estimate of Anticipated Total Tonnage as proprietary or otherwise confidential, such information should be submitted in a separate sealed envelope prominently marked "CONFIDENTIAL". Any information clearly designated as confidential by any Offeror (by stamping pages of the proposal "Confidential") will not be made available for public inspection unless the City determines disclosure is required by law, in which case the Offeror will be provided prior written notice and an opportunity to object to public inspection.
- 4. Questions will be accepted in writing until May 15, 2015, at 5:00 p.m. Submit questions to Peggy McLaughlin, Port Director, City of Unalaska, telephone (907) 581-1254, email <u>pmclaughlin@ci.unalaska.ak.us</u>. Reasonable effort will be made to insure that Offerors receive all addenda when issued. Notification of Addenda will only be sent by email. Receipt of email notification is requested for each addendum. All addenda shall be acknowledged in Offeror's proposal, and if no addenda are received by the Offeror, please so indicate.
- 5. Proposals may be withdrawn by written notice received by the City Clerk no later than 10:00 a.m. on Monday, May 18, 2015. This notice may be delivered by facsimile and the fax number to use is (907) 581-1417. It is the Offeror's responsibility to ensure that faxes are received and are legible. Negligence on the part of the Offeror in preparing the proposal does not confer the right for the withdrawal of the proposal after it has been opened.
- 6. This RFP package with a complete set of exhibits and attachments in PDF format is available from several sources, including the City Clerk, telephone (907) 581-1251, email <u>chazen@ci.unalaska.ak.us</u>; and the City Website at <u>www.ci.unalaska.ak.us</u>.
- 7. It is the City's intent to review and score the proposals and to enter into one or more Preferential Use Agreements based on the results of the proposal review and scoring process. The City will enter into Preferential Use Agreements which, in the Committee's judgment and with the approval of the City Council, will provide the most benefit to the City.

### SUBLEASE, EASEMENT AND PREFERENTIAL USE AGREEMENT

This Sublease, Easement and Preferential Use Agreement ("Agreement") is dated \_\_\_\_\_\_, 201\_, and is made between the City of Unalaska ("City") an Alaskan municipal corporation and

("User"). The City and User are collectively

referred to as "the parties". Terms negotiated in this agreement are for User owned and operated domestic or international linehaul vessels, or vessels carrying cargo for User's domestic connections to a User Jones Act qualifying linehaul vessel. The terms do not apply to third party carriers or vessels carrying cargo under an agency agreement with User.

## I. LEASE OF BACKREACH

A. The City leases to User, real property located on a dock constructed on filled and improved tidelands as depicted on the drawing ?? survey attached hereto as Exhibit A and identified therein as "Parcel 1".

Parcel 1 is referred to herein as the "Leased Premises".

B. User may use Parcel 1 for the storage, maintenance, repair and use of its equipment.

C. User shall pay for use of Parcel 1 at a rate equal to the tariff rate plus/less \_\_\_\_ per cent.

#### II. EASEMENT FOR CRANE RAILS

A. The City grants to User a non-exclusive easement to operate a crane rail in an area approximately \_\_\_\_\_\_\_ feet along the face of the northerly end of the City of Unalaska Marine Center. This area is referred to in this Agreement as "the Easement". The attached Exhibit "B" illustrates the Easement.

B. User may use the Easement only for the operation of one or more cranes during the periods when it is moving, loading, or discharging cargo or maintaining the cranes.

C. The City may not grant any other entities the right to use the crane rail without User's consent. However, the City may grant to other entities the right to cross the Easement or to install equipment or fixtures or other improvements in the Easement that do not interfere with User's use of the Easement.

D. User shall pay City at the tariff rates less/plus \_\_\_\_ per cent for the Easement.

## III. PREFERENTIAL USE AGREEMENT

A. The City grants to User's barges calling to load and discharge containerized cargo on a scheduled basis the preferential use of that portion of the City of Unalaska Marine Center described in the attached Exhibit "C" as Position III and/or Position IV ("PUA Area"). This preferential use right does not apply to barges carrying only empty containers. User shall notify the City as soon as practicable, and at least 24 hours in advance, of the berthing of such vessels. The City will grant priority berthing to User's barges in the PUA Area for a maximum period of time equal to \_\_\_\_\_\_ hours per week. If the berth is needed to accommodate another vessel, the City Port Director may direct the User's barge to vacate the berth except during periods of loading and unloading or when the barge captain determines that adverse weather conditions would make moving the barge unsafe.

B. The City grants to User's container vessels (other than barges) calling to load and discharge cargo on a scheduled basis the preferential use of that portion of the City of Unalaska Marine Center described in the attached Exhibit "C" as Position III or Position IV ("PUA Area 2") for a maximum of \_\_\_\_\_\_\_hours per week. The amount of time that User's barges occupy the PUA Area 1 on Exhibit "C" shall not be part of this \_\_\_\_\_\_\_hour period. The continued moorage of a User vessel in PUA Area 2 for safety reasons when the vessel captain has determined that adverse weather conditions would make it unsafe for the vessel to leave the dock shall not be considered part of the allowed hours per week. In exercising this right, User may not obstruct access to any of the City of Unalaska Marine Center other than PUA Area 2. Four hundred feet (400) of docking space shall always remain available for public use at the City of Unalaska Marine Center when a User export service vessel is berthed.

C. The City also agrees to allow User to own, operate and maintain a container crane for the purpose of discharging or loading vessels at its preferential berth. At the written or oral request of the Port Director, User shall move either of the container cranes to the location identified by the Port Director (Weather Permitting) for as long as reasonably necessary to avoid interference with use of the UMC by others. If the Port Director requests User to move a crane between the hours of 8 AM and 5 PM Monday-Friday, User shall bear all costs of relocation. If

User is requested to move a crane at any other time User may charge relocation costs to the Port Department which shall collect the charge from the vessel requiring relocation. Subject to the above requirement and the provisions of Tariff No. 6 of the International Port of Dutch Harbor, User may use its container crane for purposes other than discharging or loading its own vessels and maintains sole authority and control of its container cranes at the UMC facility and may allow use for other purposes at its discretion at rates and charges mutually agreed upon between User and a third party.

E. The start and ending points of User's hours of priority berthing, begin at 12:00 a.m. on Monday and extends to 11:59 p.m. on Sunday. Late arrivals (as measured from the last 24-hour notice) reduce priority time on an hour-by-hour basis.

F. **Scheduling Priority Berthing**. Anticipated barge arrivals are included on a schedule provided to the Port office on a weekly basis. At lease twenty-four (24) hours' notice of changes to the schedule shall be given. If the 24-hour notice indicates that a barge will arrive while a vessel is on the dock, User will make reasonable, good faith efforts to accommodate the City's interest in allowing the vessel to complete loading and unloading activity. User, in addition to other legitimate operational issues, will consider the following factors in making the determination regarding whether to "bump" a vessel from the dock:

- 1. the number of hours User would have to wait for the dock to be available;
- 2. whether waiting for the dock to be available would result in User containers missing connections with a D-7;
- 3. the number of User's containers on the barge;

- 4. the impact that waiting for the dock to be available would have on User's labor costs or unloading the barge;
- 5. the length of time required to unload User's cargo;
- 6. the impact interrupting loading or offloading the vessel on the dock would have on the City;
- 7. the timeliness of the barge's arrival relative to the first 24-hour notice of any change to the initially scheduled arrival; and
- 8. the availability and practicability of an alternative space for the barge.

## G. Treatment of Barges Containing Only "Empties".

1. Barges which contain only empty containers will not be permitted to

"bump" other vessels which are utilizing the dock.

- 2. All barges containing only empty containers will be subject to dockage.
- 3. Barges containing only empty containers will not be subject to minimum

wharfage.

## IV. PAYMENTS

A. In partial consideration of the lease granted under Article 1, the Easement granted in Article II and the Preferential Use Agreement granted in Article III of this Agreement, User shall pay the City on an annual basis at least \$\_\_\_\_\_\_ in wharfage and dockage charges at the published tariff rate (Guaranteed Minimum Payment or GMP). Should the total annual payments not equal the GMP, User shall pay City the difference between the GMP and the total annual annual payments made in the previous calendar year on or before December 31 of each year.

B. Until the GMP amount has been reached, User shall pay to the City wharfage fees at the tariff rate. The amount of payment due the City each month for wharfage fees is based on PREFERENTIAL USE AGREEMENT- PUA-RFP Page 5 of 15 RFP Draft the tonnage of cargo billed or invoiced by User to its customers during the month without regard to the amount of payments actually received by User during the month with respect to such cargo.

C. After the GMP amount has been reached, User shall pay to the City wharfage fees at the tariff rate less/plus \_\_ per cent.

D. User shall submit to the City an accurate, verifiable statement of tonnage for the total gross cargo in each container crossing the dock during a vessel working scheduled by User. This shall be submitted within 48 hours of the vessel's departure. User shall submit to the City within ten days of the end of each month a statement detailing the tonnage of cargo handled during the previous month. City shall review these statements. If errors are found City may invoice User for the actual cost of City labor spent reviewing and correcting statements. User shall pay such costs no later than thirty (30) days from the date of the City invoice.

E. Relay cargo shall be subject to a single-move, one-time wharfage charge at the rates specified in the applicable City tariff.

F. All User vessels shall pay dockage fees under the City's tariff both before and after the GMP amount has been reached..

G. User shall be the responsible "bill to" party for all vessels scheduled by User.This will include dockage and wharfage for all cargo. The obligation for wharfage payments is without regard to owner or carrier of cargo.

H. Payments made under this Agreement do not reduce or modify the liability of
 User for other fees or charges set out in the general tariff applicable to the City of Unalaska
 Marine Center.

I. All amounts due under this Agreement that are not paid when due shall bear interest at the rate of 1% per month for as long as the delinquency continues.

## V. TERM OF AGREEMENT

A. This Agreement shall begin on October 2, 2017.

B. This Agreement shall terminate at midnight on October 2,

## VI. CONDITION OF AREA

User acknowledges that it has inspected the Leased Premises and Easement in their present condition and agrees that the area is suitable for User's intended use.

## VII. <u>USE OF AREA</u>

A. User shall not use the Leased Premises or Easement or any facilities on the City of Unalaska Marine Center for any unlawful purposes.

B. User agrees not to discontinue its operations on the Leased Premises or Easement

or to abandon them during the term of this Agreement without the written consent of the City.

User's obligations under this Agreement shall not be reduced by abandonment or discontinuance

of operations.

C. User shall use the area affected by this Agreement solely for transportation

purposes.

PREFERENTIAL USE AGREEMENT- PUA-RFP Page 7 of 15 D. User is entitled to quiet enjoyment of the Leased Premises under this Agreement provided that User is not in breach of any of the terms of this Agreement.

### VIII. MAINTENANCE AND REPAIR OF LEASED PREMISES AND EASEMENT

A. The City shall make any repairs at its own expense to the paved surfaces, line striping, common roadways, underground utilities, or general terminal lighting made necessary by the normal use of the Leased Premises and Easement. If any damage is caused to the Leased Premises or Easement by User, its agents or employees, that damage shall be repaired by User at its own expense. All structural repairs not caused by User shall be the City's responsibility.

B. User shall, at its own expense, keep the Leased Premises and Easement clean, orderly and free of rubbish.

C. User shall maintain, at its' expense, all structures and appurtenances past, present or future that are installed for their equipment, or personnel.

D. If the Leased Premises and/or Easement are at any time during the term of this Agreement damaged or destroyed by fire or other casualty, however caused, the City may apply all collectable insurance proceeds to repair, rebuild, replace and restore the Leased Premises and Easement to a condition comparable to that which existed immediately prior to the fire or other casualty if the City decides to rebuild the City of Unalaska Marine Center.

#### IX. INDEMNITY

A. User shall indemnify and hold harmless the City and its elected or appointed officials, executives, employees, agents and servants from any and all losses, expenses, damages,

demands, and claims by any person in connection with or rising out of any injury or alleged injury (including death) to persons or in connection with damage or alleged damage to property or the natural environment sustained or alleged to have been sustained as a result of User's use and operation of the cranes, its occupancy of the Leased Premises or use of the Easement, and/or exercise of its rights under this Agreement or User's breach of this Agreement. User shall defend all suits and actions brought against any Indemnitee from any alleged injury or damage and shall pay all damages, costs, and expenses, including attorney's fees incurred in connection with the suits or actions. The only exception to this indemnity provision shall be for claims resulting from the sole negligence of the City or its officials, executives, employees, agents, or servants.

B. This indemnity provision specifically includes all environmental damage that may result from User's operations under this Agreement.

C. This indemnity provision shall survive the expiration or termination of this Agreement.

#### X. <u>REMEDIES</u>

A. If User is in material default under any provision of this Agreement for a period of Thirty days after the City delivers written notice of that default to User, the City may terminate this Agreement. If default occurs, the City may reenter the Leased Premises by summary proceedings or otherwise, expel User from the area and remove all User's property at User's expense. The City may re-lease the Leased Premises and Easement at the best possible rental rate obtainable and receive the fees. User shall remain liable for the equivalent of all payments due under this Agreement unless released from that obligation by the City after payment is received for re-leasing the Leased Premises and Easement and the reasonable cost of obtaining possession of the Leased Premises and Easement (including attorney's fees) and any repairs or alterations necessary to prepare for re-lease are deducted from all payments received.

B. If User shall be adjudicated bankrupt, or if User shall make a general assignment for the benefit of creditors, or if in any proceeding based on the insolvency of User a receiver is appointed, then the City may terminate this Agreement by giving notice to User of its intention to do so. However, neither bankruptcy, insolvency or an assignment for the benefit of creditors nor the appointment of a receiver shall affect this Agreement or permit its termination provided that the covenants on the part of User to be performed under this Agreement are performed by a receiver or a trustee in bankruptcy.

#### XI. <u>UTILITIES</u>

During the term of this Agreement, User shall pay the City or other providers directly for all utility bills and accounts for utility services used or consumed by User in the Leased Premises or Easement.

#### XII. INSURANCE

A. While this Agreement is effective, User shall either (i) carry and keep in force, liability insurance covering the City for its operations under this Agreement in an amount not less than \$2,500,000 in the aggregate for injury or death to persons and \$2,500,000 in the aggregate for property damages or (ii) prove to the satisfaction of the City that it has sufficient financial resources to be self-insured.

PREFERENTIAL USE AGREEMENT- PUA-RFP Page 10 of 15

B. While this Agreement is effective the City shall keep in force sufficient fire and extended coverage insurance to insure against loss or damage that may occur to the Leased Premises or Easement. User understands that the City's insurance will not cover physical damage, theft or other loss of User's cargo, containers, container cranes or equipment stored in the Leased Premises. User will carry all insurance it deems necessary to protect its cargo, containers or equipment, including the container cranes. In addition, the City will carry and keep in force, liability insurance to cover the City's operations under this Agreement.

C. Either party may provide for the foregoing required insurance coverage under a blanket policy affecting the Leased Premises and Easement and other areas leased or owned.

D. Within ten days after the date this Agreement is signed by the parties, each party shall furnish to the other sufficient evidence of insurance. All insurance required under this Agreement shall contain a provision that it can be cancelled only after thirty days written notice to the other party.

#### XIII. RIGHT OF INSPECTION

A. The City shall have the right to inspect the Leased Premises upon reasonable notice to User to ensure compliance with the terms of this Agreement.

B. The City shall have the right to audit User's records to determine compliance with the payment terms of this Agreement or the Tariff.

#### XIV. ASSIGNMENT OF RIGHTS

User may not assign or sublease any rights or interests under this Agreement except to a subsidiary or affiliated corporation without the prior written consent of the City. That consent shall not be unreasonable withheld.

### XV. <u>SEVERABILITY</u>

If any part, term or provision of this Agreement is declared null or unenforceable by a court or competent jurisdiction, the validity and enforceability of the rest of this Agreement shall not be affected.

## XVI. <u>WAIVERS</u>

No waiver by User or the City of any covenant or condition of this Agreement shall be construed as a waiver of any other covenant or condition, nor shall the waiver of one breach be considered as a waiver of any other breach.

#### XVII. FEDERAL MARITIME COMMISSION REVIEW

This Agreement shall be filed with the Federal Maritime Commission pursuant to Title 46, Code of Federal Regulations. The Federal Maritime Commission shall be promptly notified of any modification of, amendment to, or termination of this Agreement for any reason other than its expiration.

#### XIII. SURRENDER

User agrees not to encumber the Leased Premises or Easement at any time during this Agreement. User agrees that the Leased Premises and Easement shall not be subject to any liens, charges or encumbrances and agrees that at the expiration of this Agreement it will deliver to the City or its designee, the Leased Premises and Easement in good condition (ordinary wear and tear excepted) and without liens, charges or encumbrances.

## XIX. SPECIFIC PERFORMANCE

It is agreed that one of the remedies for breach of this Agreement is specific performance.

## XX. MODIFICATIONS AND NOTICES

A. No modification of this Agreement shall be effective unless submitted in writing and agreed to by User and the City in writing. No modification of one provision of this Agreement shall be considered a waiver, breach or cancellation of any other provisions.

B. All notices required to be given under this Agreement shall be effective on the date of receipt and shall be mailed to the parties following addresses:

City Manager City of Unalaska P.O. Box 610 Unalaska, Alaska 99685

## XXI. <u>ALASKA LAW</u>

The parties agree that this Agreement was entered into in the State of Alaska and that Alaska law will govern its interpretation and application.

## XXII. BINDING ON SUCCESSOR AND ASSIGNS

All provisions of this Agreement shall inure to the benefit of and be binding on the

parties, their successors and assigns.

CITY OF UNALASKA

BY: Chris Hladick City Manager

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015, at Unalaska, Alaska.

Notary Public in and for Alaska My Commission Expires: This Agreement has been approved by the City Council of the City of Unalaska.






S END ACCESS ROAD ASPHALT CONCRETE	6,030 405	
MID ACCESS ROAD (ADD ASPHALT CONCRETE	ALT) 3,310 775	
N END ACCESS ROAD ASPHALT CONCRETE	5,120 675	

# PORT OF DUTCH HARBOR UNALASKA MARINE CENTER

**TERMINAL TARIFF** 

NAMING

**RATES, RULES, AND REGULATIONS** 

for

## **TERMINAL SERVICES**

at

THE CITY OF UNALASKA AND PORT OF DUTCH HARBOR'S UNALASKA MARINE CENTER

Located at

UNALASKA/DUTCH HARBOR, ALASKA

TERMINAL TARIFF 6 REVISED AND ADOPTED 6/14/11 REVISED 7/1/11 EFFECTIVE 7/1/2011

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#### EXPLANATION OF SYMBOLS AND ABBREVIATIONS

- Cont. Continued
- Period 12 hours or less
- Ft. Foot
- Gal. U.S. gallons
- Lbs. Pounds
- LOA Length Overall
- MT Metric Ton
- N.O.S.- Not Otherwise Specified
- PUA Preferential Use Agreement
- LT Long Ton
- ST Short Ton
- Sq. Square
- Wt. Weight
- \$ U.S. Currency
- Day Calendar Day

#### **CONVERSION TABLES**

1	Pound	-	0.453592	Kilograms
1	Kilogram	-	2.20462	Pounds
1	Short Ton	-	2000	Pounds
1	Short Ton	-	0.892857	Long Tons
1	Short Ton	-	0.907185	Metric Tons
1	Long Ton	-	2240	Pounds
1	Long Ton	-	1016.05	0
	Long Ton	-	1.01605	Metric Tons
	Long Ton	-	1.120	Short Tons
1	U.S. Gallon	-	3.78543	Liters

1 Gallon Fresh Water - 8.34 Pounds 1 Short Ton Fresh Water - 239.808 Gallons

1 Foot	-	0.304801	Meters
1 Meter	-	3.28083	Feet
1 Metric Ton	-	1.1023	Short Ton

#### NOTICE TO THE PUBLIC

This tariff is published and filed as required by law and is, therefore, notice to the public, shippers, consignees and carriers, that the rates, rules and charges apply to all traffic without specific notice, quotation or arrangement.

#### SECTION 1 – GENERAL RULES AND REGULATIONS

#### ITEM 100 APPLICATION OF TARIFF

#### (A) GENERAL APPLICATION OF TARIFF

Vessel charges and assessments provided in this tariff are applicable to all vessels, selfpropelled or other than self-propelled, when such vessels are provided with dockage services or other vessel services named in this tariff. Information and applications for services are maintained by the Port Director/Harbormaster.

#### (B) SUBJECT TO CHANGE

The rates named in this tariff, revisions or supplements thereto, are based upon ordinary traffic and labor conditions. If and when these conditions change because of demand of labor for increased wages, strikes, congestion or other causes not reasonably within the control of the Port of Dutch Harbor, resulting in an increased cost of service, the rates are subject to change without notice, or the charge for services may be assessed on the basis as per Sections 2.5.

#### (C) TARIFF EFFECTIVE

The rates, charges, rules, and regulations named in this tariff, revisions, or supplements thereto, will apply on all freight received at terminals on and after the effective date of this tariff, or effective dates of additions, revisions, or supplements thereto. Unless otherwise specified, all transit freight received at terminals and undelivered prior to effective dates of tariff, revisions, or supplements thereto, will be charged the rates in effect on the date such freight was received, until entire lot or shipment has been withdrawn.

#### (D) USE OF TERMINAL, DEEMED ACCEPTANCE

Use of wharves or facilities will be deemed as acceptance of this tariff, revisions, or supplements, and the terms and conditions named herein.

#### (E) RESERVATION OF AGREEMENT RIGHTS

The Port of Dutch Harbor reserves the right to enter into agreements with common carriers, shippers, and/or their agents, concerning rates and services, provided such agreements are consistent with existing local, state, and national laws governing the civil and business relations of all parties concerned.

#### **ITEM 101**

#### THIRD PARTY ACCESS - INCLUDING STEVEDORE AND LONGSHOREMAN 101 ACCESS

All labor must be contracted through shipping agents, stevedoring agencies or vessel agents, owners/operators. This item provides information regarding access, responsibilities, and requirements related to third party employers and employees.

Third party access applies to stevedores, longshoremen, independent contractors, and other non-port employees with business at the Port.

#### (A) CARE IN THE PERFORMANCE OF OPERATIONS

Third party employees shall exercise care in the performance of their operations in order to prevent injury to or death of any person and damage to or destruction or loss of property, whether of the Port, of the third party, of the vessel being loaded/unloaded, or of any other party

#### (B) COMPLIANCE WITH FIRE AND SAFETY PRECAUTIONS

Any third party operating at the Port of Dutch Harbor shall take all necessary safety and fire precautions, and comply with recognized commercial and marine safety practices, procedures and regulations

#### (C) THIRD PARTY AND PORT INDEPENDENT CONTRACTORS

In any service relationship the Port of Dutch Harbor and any third party shall be independent contractors, each to the other, and shall not be agents or employees, one for the other, for any purposes

# (D) THIRD PARTY EMPLOYERS SHALL ENSURE EFFICIENT AND EXPEDITIOUS VESSEL WORK

In order to ensure efficient and expeditious loading and discharge of vessels, and the maximum utilization of the full capacity of the Port of Dutch Harbor, third party employers shall:

1. Make use of the appropriate facilities and equipment furnished by the Port of Dutch Harbor.

2. Have at least one qualified supervisor present at all times while a vessel is loading or unloading.

3. Have at least one responsible officer or representative, with full power to make all operating decisions concerning the third party's work at the Port, available for contact by the Port at all times and keep the Port informed at all times of how and where such officer or representative may be contacted by the Port.

4. Cooperate fully with the Port of Dutch Harbor in all respects by (i) advising as far in advance as possible the type of vessel, Master's estimate of the quantity of cargo to be loaded or discharged, estimated time to load or discharge, and any special problems that may exist or arise; (ii) determining the equipment needed for the operation; and (iii) coordinating sequence and timing of operations for the convenience and efficiency of the Port.

5. Promptly restore terminal working areas to a clean, safe and orderly condition on completion of third party operations.

6. Not bring pets/animals or small children to the Port unless permission of the port is specifically granted on an individual basis.

#### (E) PORT SHALL SUPPLY EQUIPMENT, FACILITIES, AND SERVICE

The Port of Dutch Harbor shall furnish, subject to the conditions and charges stipulated elsewhere in this tariff, the following:

1) Access, for third party employees, to the Port of Dutch Harbor property at places and in the manner as may be approved by the Port of Dutch Harbor.

2) Emergency office and telephone usage.

3) Port equipment to the extent it is available, required, and dedicated to third party employee use.

All Port of Dutch Harbor equipment utilized by the third party in performing its work is expressly understood to be under the direction and control of the third party and the third party is responsible for the operation thereof and assumes all risk for injuries or damages which may arise or grow out of the use or operation of such equipment. It is incumbent upon the third party to make a thorough inspection and verify the physical condition and capacity of the equipment, as well as the competency of the operator, there being no representation of warranty by the Port of Dutch Harbor with respect to such manner. (Subject to ITEM 102 herein.)

All such equipment will be properly used by the third party and not subjected to abuse or more than normal wear and tear. If there is any such abuse or more than normal wear and tear, the third party shall pay for the damage to such equipment. Upon determination of the period of use, all such equipment shall be returned to the Port in the same condition as when received, normal wear and tear excepted. It shall be incumbent on the third party to make a reasonable inspection of all accesses permitted to and from a work area and the work areas and to verify these are safe places for the access and the work to be performed. There is no representation of warranty by the Port of Dutch Harbor with respect to such matters.

#### (F) THIRD PARTY EMPLOYER WARRANTY

As a condition to the right to conduct business or operate on the Port of Dutch Harbor property, third party employers shall warrant that all their operations shall be conducted at all time with all necessary labor and equipment under competent supervision, with all proper dispatch and in good and workmanlike manner, and the conduct of such business or operations on the Port of Dutch Harbor property shall be deemed to be an offer of such warranty by the third party and its acceptance by the Port of Dutch Harbor.

If any breach of these warranties causes or subjects the port to any losses, suits, claims, damages or liabilities, the third party shall defend, indemnify and save harmless and reimburse the City of Unalaska and Port of Dutch Harbor for all such losses, suits, claims, damages or liabilities. (Subject to ITEM 102 herein.)

#### THIRD PARTY EMPLOYER – DEFINITION

The term "Third Party Employers" refers to employers of stevedores, vessel employees, longshoremen, independent contractors, and all other non-City employers. **(G) INDEMNITY** 

Third party employers and employees shall defend, indemnify and hold harmless the City of Unalaska and the Port of Dutch Harbor, its employees, and agents from and against any claims, damages, losses, and expenses (including attorney's fees) for injury to or death of any third party employees or for injury to any real or personal property.

#### (H) INSURANCE

Third party employers shall be required to obtain and/or maintain the following insurance coverage:

Worker's Compensation insurance (including Longshoremen and Harbor Workers Act Coverage) under all applicable federal and state statutes and municipal ordinances, and shall carry a minimum of \$1,000,000 in employer's liability insurance (including liability under the Jones Act). Third party employers shall carry and maintain, at their own expense, insurance not less than the amount and coverage herein specified, and the City of Unalaska, its employees and agents shall be named as additional insured under the insurance coverage so specified, including all liability coverage with the exception of Worker's Compensation. There shall be no right of subrogation against the City or its agents, and this waiver of subrogation shall be endorsed upon the policies. Insurance shall be placed with companies acceptable to the City of Unalaska; and these policies providing coverage hereunder shall contain provisions that no cancellation or material changes in the policy relative to the business and operations conducted on the City of Unalaska's UMC property shall become effective except upon 30 days prior written notice thereof to the City of Unalaska.

Commercial General Liability limits not less than \$1,000,000 per Occurrence and \$2,000,000 annual Aggregate for bodily injury and property damage including coverage for premises and operations liability, products and completed operations liability, contractual liability, broad form property damage liability, and personal injury liability. occurring on, in, or about the vessels being loaded by third party employees, or the premises of the Port and the adjoining areas.

Commercial Automobile Liability covering all owned, non-owned, hired, and rented vehicles with limits of liability of not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage per each occurrence or loss.

Third party employers shall be required to submit to the City of Unalaska certificates of insurance evidencing the foregoing coverage, and said certificates shall provide that the City is to be given 30 days prior written notice of any alteration or cancellation.

#### ITEM 102 LIMITS OF LIABILITY

No provision contained in this tariff shall limit or relieve the City of Unalaska and Port of Dutch Harbor from liability for its own negligence nor require any person, vessel or lessee to indemnify or hold harmless the City of Unalaska and Port of Dutch Harbor from liability for its own negligence.

# **ITEM 103**

#### APPLICATION OF RATES

Unless otherwise provided, rates are given in dollars per short ton, lineal foot, square feet, or U.S. gallon, whichever creates the greater revenue.

Users of the Port are required to furnish dock receipts, mate's tickets, certificates, or copies of invoices, certified by the shipper to be true and correct, and acceptable to the Port.

Specific commodity rates will take precedence over any general or N.O.S. rates.

All current rates & fee schedules will be available at the Port of Dutch Harbor office.

#### ITEM 104 INSURANCE

Rates named in this tariff do not include insurance of any kind.

#### ITEM 105 RESPONSIBILITY FOR COLLECTION AND TERMS OF PAYMENT

#### (A) RESPONSIBILITY FOR CHARGES

Vessels, their owners, agents, masters, and shippers or consignees of goods docking at or using the facilities covered by this tariff, agree to be responsible, jointly and severally, for the payments of charges assessed in accordance with this tariff. Rates, rules and regulations of this tariff and liability for charges apply without regard to the provision of any bills of lading, charter party agreement, third party agreement, contract or any other conflicting documents.

#### (B) TERMS AND CONDITIONS OF PAYMENT

Use of Port facilities or services is conditioned upon satisfactory assurance of the Port that applicable charges will be paid when due. All charges are due and payable, in U.S. currency, as they accrue or on completion of service or use.

The Port may require payment of charges in advance, as follows:

1. By the vessel, its owners, or agents before vessel is assigned a berth and commences its loading or unloading operations.

2. By the cargo owner, shipper, or consignee before cargo leaves the custody and control of the Port.

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Port of Dutch Harbor Unalaska Marine Center

**Terminal Tariff 6** 

3. For all charges on perishable cargo or cargo of doubtful value and household goods

Payment terms are cash unless the Port customer, prior to the use of Port facilities or services, has established credit worthiness or has posted adequate security acceptable to the Port and has thereby been relieved of cash payment requirements by the Port.

#### (C) COMPLIANCE WITH TERMINAL USE PERMIT CONDITIONS

Use of Port facilities and services shall comply with the Conditions of the UMC Terminal Tariff as published by the Port.

#### ITEM 106 DELINQUENT ACCOUNTS (A) TIME OF DELINQUENCY

All invoices will be declared delinquent 31 days after the date of the invoice. A monthly finance charge of 0.87% (10.5% per annum) will be applied to all accounts 60 days and older.

#### (B) COSTS AND EXPENSES RECOVERABLE

Should it become necessary for the Port to institute litigation to effect collection of a delinquent account, then all expenses incurred by the prevailing party shall be assessed to and become payable by the non-prevailing party. Such expenses shall include, but not be limited to, a reasonable attorney's fee and all costs of the suit.

#### (C) DELINQUENT LIST

The Port may record the vessels, their owners or agents whose invoices are delinquent on a Delinquent List. Vessels whose owners, operators or agents are on the Delinquent List may not be allowed to discharge to any Port dock or use any Port facilities until all past due charges are paid. A vessel whose owners, operators or agents have been on the Delinquent List and whose owners, operators or agents have satisfied past due charges must prepay all estimated charges on voyages subsequent to removal from the Delinquent List before being allowed use of any Port facility, unless other arrangements have been made in advance with the City Finance Department.

#### **ITEM 107**

#### LIABILITY FOR LOSS, DAMAGES, OR INJURY

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#### (A) LIMITS OF RESPONSIBILITY

The Port of Dutch Harbor will not be responsible for any loss, damage, or delay to merchandise which may arise from any cause beyond its direct authority and control, nor from any cause except for want of due diligence.

Further, the Port of Dutch Harbor shall not be liable for any loss, damage or delay to merchandise, or any other injury which results from animals, insects, rodents or vermin; not from decay, deterioration, evaporation, shrinkage or loss of quantity, quality or value from inherent vice of product; nor from fire, frost, leakage or discharge from fire protective sprinklers, oxidation or rusting; nor from civil disorder, insurrection, riot, strike or labor stoppage whether or not agents or the employees of the Port of Dutch Harbor be involved; not from delay caused by adverse weather; delay caused by shortage of

qualified labor, except to the extent that any of the aforesaid loss of damage results from negligent acts or omissions of the Port, its employees or agents. (Subject to ITEM 102 herein.)

#### (B) LIMITS OF RESPONSIBILITY

If and when others, other than the Port, are permitted to perform services on the wharves or premises of the Port, they shall be liable for the injury of persons in their employ and shall also be held accountable for malicious acts or thefts by themselves or persons in their employ

The provisions of this item are applicable to all persons, corporations, associations and the like who in any manner come upon or use the terminal facilities, except to agents or employees of the Port. All such persons, corporations, associations and the like shall be strictly liable and responsible for damage to property or for damage or injury to, or for the death of, any person or persons, which may be caused or occasioned by any acts or omission of such persons or the acts or omissions of their agents or employees. All such persons who come upon or use the terminal facilities shall be deemed to have irrevocably agreed to indemnify the Port of Dutch Harbor for any such loss or damage to persons or property for which a claim is or may be made against the Port, and all such persons shall save and hold the Port harmless from any or all such liability, together with all costs and expenses incurred by the Port in investigating or defending claims therefore, including, but not limited to, court costs, experts' fees and attorney's fees.

#### ITEM 108 RIGHTS OF THE PORT

#### (A) **RIGHTS RESERVED**

The Port of Dutch Harbor reserves the right to furnish equipment, supplies, and materials, and to perform all services in connection with the operation of its facilities, under rates and conditions named herein.

#### (B) **RIGHTS TO APPROVE**

The Port of Dutch Harbor reserves the right to approve, if it so deems necessary, the Vessel agent's or owner/operator's use of their own equipment, supplies and materials and performing all services in connection with the operation of the loading and unloading of cargo and gear.

#### (C) RIGHT TO REFUSE FREIGHT

The Port of Dutch Harbor reserves the right, without responsibility for demurrage, loss or damage attaching, to refuse to accept, receive, or unload, or to permit vessels to discharge freight:

For which previous arrangements for space, receiving, unloading or handling have not been made by shipper, consignee or carrier.

Deemed extra offensive, perishable, or hazardous.

The value of which may be determined as less than the probable Port charges.

Not packed in packages or containers suitable for standing the ordinary handling incident to its transportation. Such freight, however, may be repacked or reconditioned at discretion of the Port of Dutch Harbor, and all expense, loss or damage incident thereto will be for account of shipper, consignee, owner or carrier

#### (D) RIGHT TO REMOVE, TRANSFER, OR WAREHOUSE FREIGHT

Hazardous or offensive freight, or freight which, by its nature, is liable to damage other freight, is subject to immediate removal, either from the wharf or wharf premises, or to other locations within said premises, with all expense and risk of loss or damage for the account of owner, shipper or consignee. (Subject to ITEM 102 herein.)

Freight remaining on wharf or wharf premises after expiration of free time (See ITEM 202), and freight shut out at clearance of vessel, may be piled or re-piled to make space, transferred to other locations or receptacles within the wharf premises, or removed to public or private warehouses, with all expense and risk of loss or damage for account of the owner, shipper, consignee, or carrier, as responsibility may appear. (Subject to ITEM 102 herein.)

#### (E) EXPLOSIVES

The acceptance, handling, or storage of explosives or excessively inflammable material will be subject to special arrangements with the Port of Dutch Harbor and governed by rules and regulations of Federal, State and local authorities. USCG; (TITLE 49 CFR 176.100 & 176.415)

Special arrangements with the Port of Dutch Harbor may include handling fees.

#### (F) OWNERS RISK

(Subject to ITEM 102 herein.)

Glass, liquids, and fragile articles will be accepted only at owner's risk for breakage, leakage, or chafing.

Freight on open ground or on open wharf is at owner's risk for loss or damage.

All watercraft if and when permitted by the Port of Dutch Harbor to be moored, at wharves, or alongside vessels, are at owner's risk or damage.

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# ITEM 109

#### SHIPPER REQUESTS AND COMPLAINTS

For dockage and storage, shipper requests and complaints may be made by filing a written statement with the Port Director/Harbormaster. For handling of cargo and gear, requests and complaints must be first submitted to the vessel agent, owner/operator. Any shipper may submit a request or complaint.

### ITEM 110 DEMURRAGE OR DELAYS

In furnishing services related to loading and unloading vessels, no responsibility for any demurrage whatsoever will be assumed by the Port.

Delays in loading, unloading, receiving, delivering, or handling freight, arising from combinations, riots, or strikes of any person in the employ of the Port or in the services of others, or arising from any other cause not reasonably within control of the Port, will not entitle the owners, shippers, consignees, or carriers of the freight to waiver of wharf demurrage, or any other terminal charges or expenses that may be incurred.

The Port Director/Harbormaster may waive dockage charges for delays caused by extreme weather conditions, when such conditions prevent a vessel from departing at its scheduled time. However, the Port of Dutch Harbor does not accept liability for losses to vessel owners/operators, third party contractors, and others that are caused by adverse weather.

#### **ITEM 111**

#### MANIFESTS REQUIRED OF VESSELS

Masters, owners, agents or operators of vessels are required to furnish the Port of Dutch Harbor with complete copies of vessels' manifests showing the port of discharge and the weights or measurements of all freight loaded or discharged at the facilities of the Port of Dutch Harbor. Such manifest must also designate the basis weight or measurement of which ocean freight was assessed. In lieu of manifests, certified lists of copies of "boat notes", mates' receipts, or dock receipts containing all information as required above may be accepted.

# **SECTION 2 – DEFINITIONS AND SCHEDULE OF CHARGES**

#### **SECTION 2.1 – GENERAL DEFINITIONS**

#### ITEM 201 BERTHING

Vessels berthing or departing piers or wharves subject to this tariff must use sufficient tugs so the ship can be berthed or removed in a safe manner. Berthing speed shall be of a safe and controlled velocity—for example, the berthing speed shall not exceed 16 feet/minute. Line handlers shall be used as necessary.

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Port of Dutch Harbor Unalaska Marine Center

#### ITEM 202

#### FREE TIME FOR CARGO & MOORAGE

#### (A) DEFINITION OF FREE TIME

1. <u>CARGO</u> The initial twelve (12) hour period during which cargo may occupy space assigned to it on terminal property, free of wharf demurrage or terminal storage charges, immediately prior to the loading, or subsequent to the discharge, of such cargo on or off the vessel.

Free time applies to cargo in storage areas only. Cargo or equipment in working areas or that otherwise interferes with activities at the Port may be moved by the Port. In such cases, labor and equipment charges may be assessed.

2. <u>MOORAGE</u> Durations of two (2) hours or less during which a vessel may occupy space assigned to it or terminal property free of moorage charges. Examples of free moorage consist of medical emergencies, and short stops to pick up/drop off personnel.

#### (B) VESSEL DELAY

When the sailing date of a vessel has been announced or posted by the terminal operator and the sailing date is delayed due to stress of weather, accident, or other emergency, an extension of free time may be granted equivalent to the delay of the vessel, but not to exceed 24 hours. This exception does not apply on freight against which wharf demurrage and/or storage charges have accrued prior to the scheduled sailing date as announced.

#### (C) COSTS ASSOCIATED WITH VESSEL DELAY

If a vessel exceeds its sailing date and time without proper notice or permission to do so by the port, that vessel may be liable for related costs incurred by the Port. For example, the Port shall not be liable for any charges that may be assessed to the Port by a subsequent dock user that incurs labor costs for gang call-out when this user is unable to access the dock because of the unauthorized delay of the first vessel. The offending vessel shall be liable for such costs, plus a 30 percent administration charge.

#### ITEM 203 LOAD LIMITS

Cargo shall be stacked or piled on piers or wharves so as to produce a uniform loading for the areas covered and to be no greater than 600 pounds per square foot.

#### **ITEM 204**

#### NORMAL WORKING HOURS

Normal working hours of the Port office staff are 0800 to 1700 hours, five (5) days per week except during periods designated by the Port Director as a seven (7) day work week or on Port of Dutch Harbor / City of Unalaska holidays. Holidays are as follows: New Years Day; Martin Luther King, Jr. Day (3rd Monday in January); Presidents' Day (3<sup>rd</sup> Monday in February); Memorial Day (last Monday in May); Independence Day; Labor Day; Veterans Day (11th of November); Thanksgiving Day; Christmas Day; and every day

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designated by public proclamation by the President of the United States or the Governor of the State of Alaska as a legal holiday. Hours will be posted at the Port Office.

Reservations shall be made by way of fax at least 24 hours in advance so scheduling changes can be made and confirmed during normal scheduled working hours.

Cancellation of a confirmed schedule less than 24 hours in advance may result in a charge of \$287.76

#### **ITEM 205**

#### **RESPONSIBILITY FOR HOUSEKEEPING**

Users of the Unalaska Marine Center property will be required to maintain it in an orderly manner as directed by the Port Director/Harbormaster. If a user does not properly clean property used, the Port Director/Harbormaster shall order the work performed and the user will be billed at cost, plus a 30% overhead charge.

Housekeeping of flammable cargo requires special provisions. Users, shippers, consignee and persons in charge of ships will be held responsible for the following:

a) Providing steam or other heating means to assure proper flow of petroleum products requiring such heat.

b) Removal of temporary lines upon completion of receipt of discharge or flammable liquids.

c) Preventing or containing any and all spillage or leakage associated with the receipt or discharge of their cargo(s). Spillage and/or leakage of petroleum products or flammables must be cleaned up immediately.

d) Cleaning all petroleum products from lines located on or adjacent to the Terminal after vessel completes loading or discharge (unless otherwise authorized by the Port Director/Harbormaster).

#### ITEM 206 POINT OF REST

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Point of rest is defined as that area on the terminal facility which is assigned for the receipt of inbound cargo from the vessel and from which inbound cargo may be delivered to the consignee, and that area which is assigned for the receipt of outbound cargo from shippers for vessel loading.

# **SECTION 2.2 – DOCKAGE**

#### **ITEM 220**

#### DOCKAGE – GENERAL INFORMATION

#### (A) **DEFINITION**

The charge assessed against a vessel for berthing at a wharf, piling structure, pier, bulkhead structure, or bank, or for mooring to a vessel so berthed.

#### (B) DOCKAGE – HOW CALCULATED

The period of time upon which dockage will be assessed shall commence when the vessel is made fast to a wharf, or when a vessel is made fast to a vessel so berthed, or when a vessel comes within or moors within a slip; and shall continue until such vessel is completely free from and has vacated such berth or slip.

In calculating dockage, billing is based on twelve (12) hour periods. For billing purposes, partial periods will be rounded up to the next full period.

#### (C) BASIS FOR COMPUTING CHARGES

Dockage charges will be assessed on the length-over-all of the vessel published in "Lloyds Register". The Port reserves the right to: (a) Obtain the length-over-all from the vessel's register, or (b) measure the vessel.

#### (D) VESSELS DOCKED TO REPAIR, SHORE, OUTFIT OR OTHER

Full dockage will be charged if and when a vessel is permitted to make repairs or alterations, shore for special freight, outfit, and store or fumigate while docked at wharf unless otherwise negotiated with Port Director/Harbormaster.

#### (E) VESSELS REQUIRED TO VACATE BERTH

The Port reserves the right to order a vessel to shift its position at a wharf, to change berths or to vacate berth when not actually engaged in loading or discharging freight or when occupying a berth beyond the time scheduled by the Port Director/Harbormaster. Any vessel upon notice to move, which refuses or fails to move, may be shifted or moved by tug or otherwise, by wharf agent, and any expenses, damage to vessels or wharf during such removal will be charged to vessel so moved.

#### (F) CHARGES ON VESSEL SHIFTING

When a vessel is shifted directly from one wharf (berth) to another wharf (berth) operated by the Port of Dutch Harbor the total time at such berths will be considered together in computing the dockage charge.

#### (G) DOCK ASSIGNMENTS

The Port Director/Harbormaster has sole authority to determine how a vessel must use the Unalaska Marine Center (e.g., the exact location for berthing), to reserve the vessel arrival and departure time, and to maintain a written schedule of such reservations prepared from the Vessel Docking Request forms.

#### (H) **RESOURCE ALLOCATION RULES**

Vessels not taking or discharging cargo may be required to leave to accommodate vessels intending to take or discharge cargo.

In cases of emergency, the Port Director/Harbormaster shall have full authority to reset berthing and terminal use priorities.

#### (I) GOVERNMENT SHIPS

Government ships may use the Unalaska Marine Center. Only vessels belonging to the Alaska Marine Highway System are exempt from all charges at UMC facilities. Government vessels such as those registered with the U.S. Navy, National Oceanic and Atmospheric Administration, U.S. Fish and Wildlife Service, and Alaska Department of Fish and Game may use the UMC dock facilities on a space available basis if they call on an infrequent basis (no more than twice per calendar year) and for short periods of time (24 hour periods or less). In such instances, they are exempt from dockage charges only and must pay for all other services when rendered. All government ships must vacate the dock upon request by the Harbor Office\_to do so.

Government agencies that have use agreements on file with the City of Unalaska will pay for dockage and other services as outlined in individual agreements for the duration of those agreements.

#### (J) OTHER

The Port Director is permitted to charge rates applicable to other City Dock facilities if such activity is temporary, short in duration, and for the convenience of harbor operations. Upon advanced written approval by the City Manager and notification to the Finance Director, the Port Director may also create special rates for activities not covered by the tariff or in the interest of promoting services to new customers. Promotional rates shall not last more than one month.

#### ITEM 225 DOCKAGE – FEES AND CHARGES

#### **DOCKAGE RATES/ CARGO TRANSFER**

Dockage rates/cargo transfer, expressed in dollars per 12 hour period, will be assessed as follows:

_	Feet	Charge
<u>Over</u>	But Not Over	Dollars per 12-hour period
0	100	172.66
101	125	216.39
126	150	258.98
151	175	343.00
176	200	391.34
201	225	440.84
226	250	489.19
251	275	538.67
276	300	587.03
301	325	636.51
326	350	690.61
351	375	820.68
376	400	874.78
401	425	930.03
426	450	984.12
451	475	1,035.92
476	500	1,093.47
501	525	1,151.02
526	550	1,208.57
551	575	1,266.12
576	600	1,323.68
601	625	1,438.78
626	650	1,726.54
651	675	2,014.29
676	700	2,302.05
701	725	2,589.80
726	750	2,877.56
751	775	3,165.32
776	800	3,453.07
801		\$3,457.38 plus \$4.32 fo each foot LOA in exces of 800 fl

Cruise Ships will be charged at a \$1.73 per foot, per 12 hour period.

Lay-up fees for other vessels using the UMC Dock during period of overflow will be

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charged at the Spit/LCD rate.

### **SECTION 2.3 – STORAGE**

#### **ITEM 230**

#### STORAGE – GENERAL INFORMATION (A) DEFINITION:

Terminal storage, including closed or covered storage, open or ground storage, bonded storage and refrigerated storage after storage arrangements have been made, is the service of providing warehousing or other terminal facilities for the storing of inbound or outbound cargo or gear after the expiration of free time.

# (B) CONDITIONS GOVERNING ACCEPTANCE OF CARGO FOR MONTHLY STORAGE

When space is available and arrangements are entered into prior to arrival of cargo at the terminal, storage may be permitted on in-transit cargo interchanged with or between water carriers at rates named below.

When request for storage is not made prior to arrival of cargo at the terminal, and additional handling is required to move and/or re-pile cargo for storage, all labor and equipment in connection therewith will be assessed per Sections 2.5 and 2.7.

Storage charges are payable in advance and will be computed on the following basis:

1) Cargo received for storage will be billed on a daily/monthly rate.

Except as otherwise provided, no free time is allowed under the provisions of this section.

# (C) CONDITIONS GOVERNING ACCEPTANCE OF CARGO FOR Daily STORAGE

When space is available and arrangements are entered into prior to arrival of cargo at the terminal, storage may be permitted on in-transit cargo interchanged with or between water carriers at rates named below.

# **ITEM 235**

#### STORAGE – FEES AND CHARGES

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#### (A) MINIMUM CHARGES (SEE ITEM 270)

#### (B) STORAGE RATES – COVERED AREAS:

Rates herein named apply to storage in covered areas.

<u>Commodity</u>	Monthly Charge
Commodity	

Daily Charge

All Freight N.O.S. \$0.97 per sq. ft.

\$0.07 per sq ft per day

#### (C) STORAGE RATES – OPEN AREAS

Rates herein named apply to storage in open areas. Owner assumes the risk for loss or damage to cargo.

Com	<u>imodity</u>	Monthly Charge	Daily Charge
All F	reight N.O.S.	\$0.43 per sq.ft.	\$0.03 per sq ft per day
(D)	(D) WAREHOUSE Entire Warehouse Full Day \$529.47 ½ Day \$287.76		
1/2 Warehouse Full Day \$264.74 1/2 Day \$143.88			
1/4 Warehouse Full Day \$132.36 1/2 Day \$71.93			
(E)	<b>LOADING DOCK</b> \$287.76 per day / whole dock		\$287.76 per day / whole dock
			\$ 71.93 per day / bay
(F)	MOBILE LOA	ADING RAMPS:	\$172.66 PER DAY / PER RAMP

#### ITEM 240 WHARFAGE – GENERAL INFORMATION

#### (A) **DEFINITION**

A charge assessed against the cargo on all cargo passing or conveyed over, onto or under wharves or between vessels when berthed at a wharf. Wharfage is solely the charge for the use of the wharf and does not include charges for any other service.

#### (B) APPLICATION

Wharfage rates named in this tariff will be charged for all cargo received over the Unalaska Marine Center docks and will be in addition to all other charges made under provisions of this tariff, **Except the following:** 

No wharfage shall be charged to ship's gear, such as strongbacks, lines, hatch covers, walking boards, etc., placed on wharf during unloading operations. Fuel handled over wharf will not be considered as ship's stores and will be subject to wharfage (see sections below on fuel and petroleum products).

#### (C) SHIP'S STORES

Ship's stores dunnage used for vessel's cargo, and repair materials and supplies, when intended for vessel's own use, consumption, or repairs, will all be exempt from assessment of wharfage unless wharf employees are required to receipt for them. Fuel handled over wharf and ballast will not be considered as ship's stores and will be subject to wharfage and other charges that may be incurred.

#### (D) OVERSIDE

Unless otherwise specified in individual commodity items or unless other arrangements are made with the Port Director/Harbormaster, all freight loaded or discharged overside a vessel directly to or from another vessel, barge, lighter, draft, or to or from the water while vessel is berthed at wharf or moored in wharf slip, will be assessed regular wharfage rates.

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ITEM 245 WHARFAGE – FEES AND CHARGES			
(A) MINIMUM CHARGES: (SEE ITEM 27	70)		
(B) SCHEDULE OF CHARGES Unless otherwise specified, charges are in do	llars per short ton.		
<u>Commodity</u>	Charge		
Bulk Commodities, dry, N.O.S.	\$4.60		
(unloaded by owner's equipment)			
Seafood	\$4.60		
Vessel Gear & Equipment	\$4.60		
Crab Pots / Cod Pots	See Schedule of Fees & Charges		
Other Pots	See Schedule of Fees & Charges		
Petroleum or Petroleum Products – flowage fee per U.S. gallon, or negotiated contract rate.	e <sup>1</sup> \$4.60, or \$.02		

Bulk Petroleum Products – inbound Subject to contract and negotiations

<sup>1</sup>flowage fee charge to distributor is applicable unless preferential use agreement is in place or other contract has been negotiated.

#### ITEM 246 WHARF DEMURRAGE

#### (A) **DEFINITION**

Port of Dutch Harbor

A charge assessed against cargo/equipment remaining in or on terminal facilities after the expiration of free time unless arrangements have been made for storage. After expiration of free time demurrage will be assessed.

#### (B) MINIMUM CHARGES: (SEE ITEM 270)

#### (C) RATES

Except as otherwise provided below, Wharf Demurrage will be assessed at the following rates. Owner assumes the risk for loss or damage to cargo/equipment.

Per 24 hour day or part thereof, per square foot

First 12 hours	After 12 hours
\$0.00	\$0.57

### **SECTION 2.5 – HANDLING**

#### ITEM 250 HANDLING – GENERAL INFORMATION

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### (A) DEFINITION

Handling, when performed at the terminal, is the service of moving cargo or fishing gear from the end of ship's tackle on the wharf to the first place of rest on the wharf, or from the first place of rest on the wharf to within reach of ship's tackle on the wharf. It includes ordinary sorting, breaking down, and stacking on the wharf. Charges will be made at the man-hour and equipment rental rates. Charges for handling are assessed against vessels, their owners, operators, or the party ordering the service.

#### (B) LINE HANDLING

The Port Director/Harbormaster will not make any arrangements for handling of lines, cargo or gear. No preference will be given to any labor force working the terminal. All labor must be contracted through shipping agents, stevedoring agencies or vessel agent, owner/operator.

All vessels must have line handlers appropriate for vessel size and current conditions.

#### (C) RIGHT TO HANDLE FREIGHT RESERVED

The Port of Dutch Harbor, when equipped to perform the services of handling freight and to care for same on their terminals, reserves the right, in all instances, to perform such services.

#### (D) EXCEPTION – APPLICATION OF MAN-HOUR RATES ON HANDLING

When the services of handling of freight in containers or units of such unusual bulk, size, or weight as to preclude performing services at specified or N.O.S. rates named, or when such services are delayed on account of sorting, special checking, tallying, inspection, weighing, condition of freight, or other conditions or causes not incidental to the services, the Port of Dutch Harbor reserves the right to apply applicable man-hour rates, as named in this tariff on such service.

#### ITEM 255 HANDLING – FEES AND CHARGES

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(A) MINIMUM CHARGE: (SEE ITEM 270)

### (B) SCHEDULE OF CHARGES

<u>Commodit</u>	<u>y or Activity</u>	<u>Charge</u>
Vessel Ge	ar & Equipment	cost plus 18%
Putrid or R	Rotten Fish Products	cost plus 18%
Heavy Me	tal Discard or Similar <sup>1</sup>	cost plus 18%
Handling F	lammable Material	cost plus 18%
Cleaning a	and Other	cost plus 18%
(1)	Disposal of Items not normally	accepted by the landfill

### **SECTION 2.6 – LABOR**

#### ITEM 260 LABOR RATES

Labor described in this section refers to Port employees hired for specific tasks. It does not refer to third party employees.

#### **ITEM 265**

#### SPECIFIC LABOR COST SERVICES

Unless otherwise provided for individual items, man-hour rates will be charged on services not arranged through a third party, including but not limited to the following:

1) Services of loading, unloading, handling, or transferring commodities not provided for by third party employer.

2) Services of extra sorting, inspection, cleaning, etc. – See, for example, Section 2.5 - Handling.

Materials and supplies furnished by the Port of Dutch Harbor in connection with services shall be billed at actual cost plus 18% for administration costs.

When equipment is used in performance of services, the charge will not be less than the tariff rate as shown ITEM 276.

#### ITEM 267 SCHEDULE OF MAN-HOUR RATES

Unless otherwise stated herein, the basic rate for Port labor is \$106.70 per man-hour.

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# ITEM 268

Security (TWIC)

Security that is required, but not provided by the owner, shipper, agent, ort USCG regulations, will be provided by the Port and will be assessed at the following rates per hour for labor:

Straight Time Over Time Double Time \$ 108.56 per hour \$155.40 per hour \$207.18 per hour

#### ITEM 270 MINIMUM CHARGES

Unless otherwise specified under individual items in this tariff or supplements thereof, the following minimum charges shall apply:

Handling	\$ Labor + 18%
Service and Facilities	\$ Labor + 18%
Storage – Covered Areas	\$ 115.10
- Open Areas	\$ 57.56
Wharfage	\$ 218.70
Wharf Demurrage	\$ 115.10

Minimum charge based on 1 hour labor plus 18%.

#### ITEM 271 ELECTRIC SERVICE FOR VESSELS

Electric service for vessels must be arranged through the Harbor Office at least two hours in advance of required service.

Vessels using City-supplied electrical shore power at the UMC Dock will be charged the following:

Hook-up Fee:	\$57.56
Energy Charge, per kWh:	Port Department cost + 18%
Demand Charge, per kWh:	Port Department cost + 18%

#### ITEM 272 FRESH WATER FOR VESSELS

Water must be arranged through the Harbor Office. Anyone using the fire hydrant for the purpose of taking on of fresh water will be suspended from the use of the facilities and fined \$500.00 per day or occurrence, with no exceptions. (Note: the use of the fire hydrant can cause contamination to the ship's fresh water system and could cause serious contamination to the City of Unalaska's fresh water system.)

Port of Dutch Harbor Unalaska Marine Center	Terminal Tariff 6	
Fresh water will be furnished vessels as follows:		
VOLUME	RATE	
First 1,000 gallons(includes hook-up)	\$54.92	
Each additional 1,000 gallons or fraction thereof	\$ 6.59	
ITEM 273273WASTEWATER SERVICES FEES FOR VESSELSWastewater service for vessels must be made through the Harbor Office. The fees for discharge of vessel wastewater through the UMC sewer line are:		
Hook-up Fee:	\$ 57.56	
Rate per 24 hours or portion thereof:		
LOA 0'-300'	\$ 80.57	
LOA 301'-600'	\$149.63	
LOA over 600'	\$218.70	
ITEM 274 274 FUEL FLOWAGE FEE Unless otherwise specified in a preferential use agreement or other contract, charges will be assessed on outbound fuel as described in ITEM 245 (Wharfage).		
ITEM 276 EQUIPMENT RENTAL	276	
(A) <b>RATES</b> Equipment rental can be arranged. A list of available items and current rates is maintained by the Port Director/Harbormaster.		
(B) LESSEE'S AND RENTER'S RESPONS	IBILITY	

When equipment is rented or leased to others, it is expressly understood that the equipment will be operated under the direction and control of the renter or lessee, and the renter or lessee shall be responsible for the operation thereof and assumes all risk for injuries or damages which may arise or grow out of the use of operation of said equipment. It is hereby understood and agreed that in the event the renter or lessee uses the operator of said equipment employed by the Port of Dutch Harbor, such operator shall be under the direction of the Port of Dutch Harbor and such operator shall be responsible for his/her own actions during the time of the rental or lease. It is incumbent upon the renter or lessee to make a thorough inspection and satisfy himself as to the physical condition and capacity of equipment, as well as the competency of the operator. There is no representation or warranties by the Port of Dutch Harbor with reference to such matters.

#### **ITEM 278**

#### **REFUSE REMOVAL AND SOLID WASTE DISPOSAL CHARGES**

The following charges will be made when a ship places refuse in a Port supplied drop box or dumpster:

40 yard dumpster:	\$736.65
20 yard dumpster:	\$368.33
Three quarter (3/4) of a 40 yard dumpster:	\$552.50
One half (1/2) of a 40 yard dumpster:	\$368.33
One quarter (1/4) of a 40 yard dumpster:	\$184.17
One quarter (1/4) of a 20 yard dumpster:	\$ 92.08

**Note:** No wood, pallets, metal, heavy plastics, crab line, poly totes, fish waste, chemical or food additives, or hazardous materials are allowed in dumpsters. If vessels require metal, pallets, plastic, fish waste, or food additives to be hauled to the landfill by the Port Department, the following charges shall apply:

Pallets or wood, per flatbed truck load	\$663.92
Other waste or scrap, per flatbed truck load	Landfill charges + \$195.67
Additional Administrative Fee	18%

Placing prohibited material in a drop box and/or failure to sort refuse as required by landfill will result in a penalty. The penalty will be equal to any fees incurred by the Port plus a 30% administration charge, or equal to any time and material plus 30%, whichever is greater.

#### ITEM 280 VESSEL OILY WASTE OR GARBAGE DISPOSAL

#### CONDITIONS COVERING

Vessels that find it necessary to discharge oil waste or garbage at the Port of Dutch Harbor shall contact the Port Director/Harbormaster's office for the name of oily waste or garbage haulers who will be permitted by the Port to provide equipment and operate at the Port facility to receive, haul and dispose of oily waste or garbage. The vessel shall arrange directly with the oily waste or garbage hauler for such services and equipment. Payment of charges for the services and equipment provided by the oily waste or garbage hauler will be made directly to the oil waste or garbage hauler by the vessel, its agent, charterer, or any other party responsible for such payment of charges by the vessel.

The oily waste or garbage hauler is not an agent or employee of the Port of Dutch Harbor, nor shall the Port of Dutch Harbor be liable for any act, omission or negligence of any such oily waste or garbage hauler. Charges for related services may be assessed to vessels by the Port of Dutch Harbor. The discharge by a vessel of oily waste or garbage at the Port of Dutch Harbor shall be allowed only in accordance with the terms of this tariff item and applicable Federal, State and Local regulations.

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