

**Massachusetts Bay
Transportation Authority**

Water Transportation Services

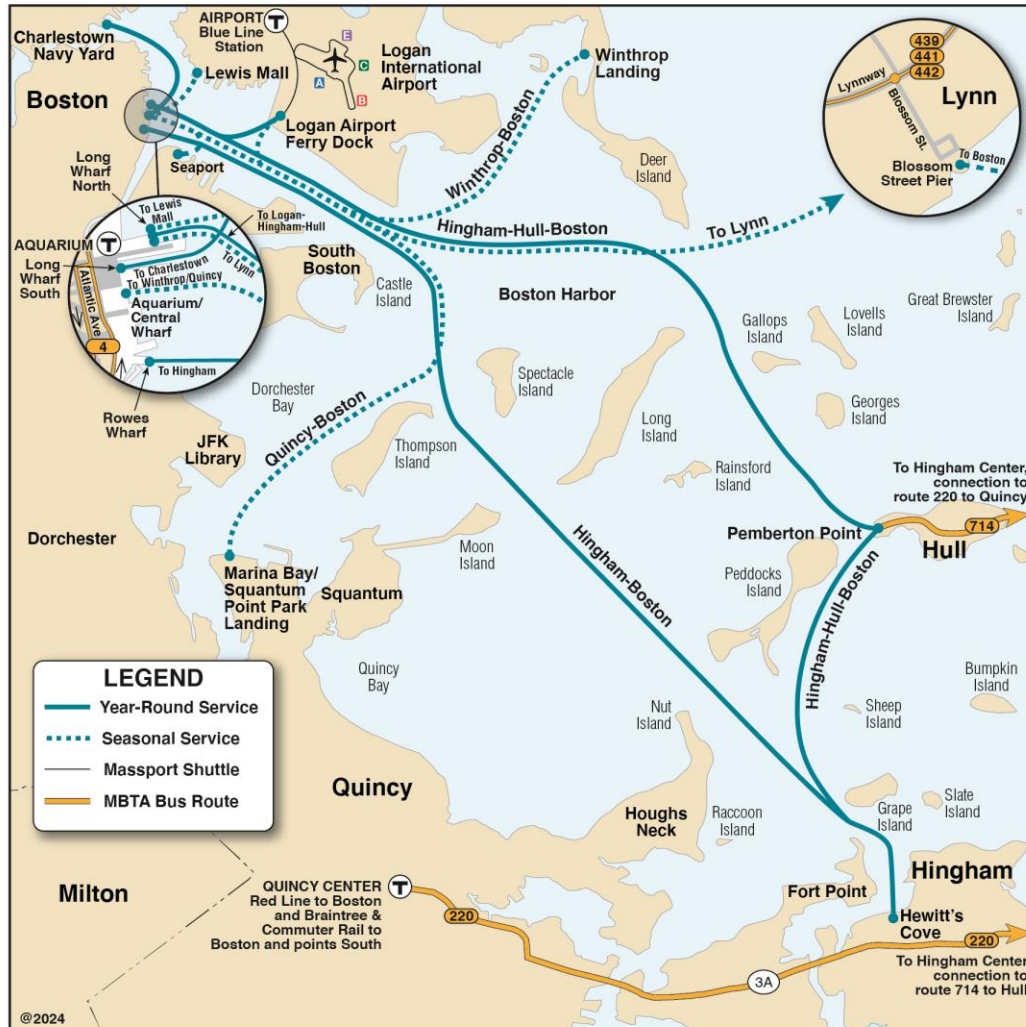
Approval of Contract

David Perry – Director of Ferry Operations
April 24, 2025



MBTA Ferry Routes

T FERRY ROUTE MAP



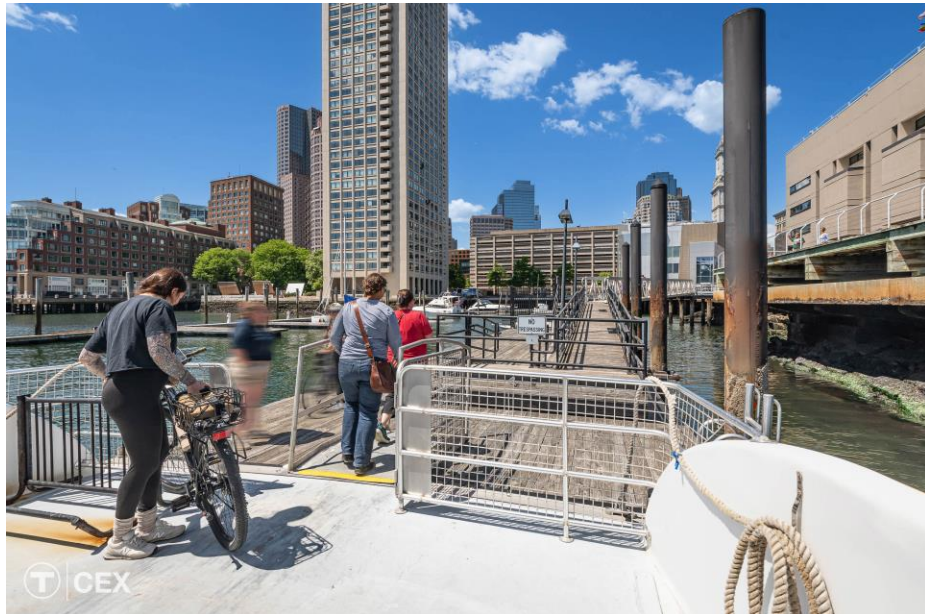
Seven Routes

- F1 Hingham to Boston
 - Year round, weekdays only
- F2H Hingham/Hull/Logan to Boston
 - Year round, weekdays
 - Seasonal weekends
- F3 East Boston to Boston
 - Seasonal, weekdays and weekends
 - 2025 season: 03/31/25 to 11/28/25
- F4 Charlestown to Boston
 - Year round, weekdays and weekends
- F5 Lynn to Boston
 - Seasonal, weekdays and weekends
 - 2025 season: 03/31/25 to 11/26/25 (weekdays)
- F6 Winthrop/Logan/Seaport to Boston
 - Seasonal, weekdays and weekends
 - 2025 season: 04/28/25 to 11/26/25 (weekdays)
- F7 Quincy/Logan/Seaport to Boston
 - Seasonal, weekdays and weekends
 - 2025 season: 04/28/25 to 11/26/25 (weekdays)

MBTA Ferry Routes – This Contract

Five Routes

- F1 Hingham to Boston
- F2H Hingham/Hull/Logan to Boston
- F3 East Boston to Boston
- F4 Charlestown to Boston
- F5 Lynn to Boston



Current Contract and Passenger Overview

- All routes currently operated by Boston Harbor Cruises LLC
- Current contract:
 - Executed in November 2018 and expires June 30, 2025
 - Amended to include new routes since 2018: East Boston, Lynn, and Winthrop/Quincy
 - Amended to include use, care, and custody of 5 new or acquired MBTA vessels

Route	Name	Vessels	Annual Trips	Annual Passengers	Trip Time	Annual Cost (without fuel)
F1	Hingham – Rowes Wharf	Operator	9,200	644,890	~40 min	\$8,809,724
F2H	Hingham / Hull / Logan / Long Wharf	MBTA	11,059	325,331	~45 min	\$4,325,260
F3	Long Wharf – Lewis Mall (East Boston)	Operator	10,169	100,274	10 min	\$722,147
F4	Long Wharf – Charlestown	Operator	23,556	275,865	10 min	\$2,201,159
F5	Long Wharf – Blossom Street Pier (Lynn)	MBTA	1,942	48,349	40 min	\$995,334
F6	Quincy / Winthrop / Logan / Seaport	MBTA	1,943	29,405	~55 min	\$682,567
Total			57,869	1,424,114		\$17,736,190

Recent Changes to Ferry Service

	Added/Expanded Services	Vessels added to MBTA service
2022	East Boston (Intermittent)	<i>Claire</i> (service provider owned)
2023	East Boston (Seasonal) Lynn (Seasonal, weekdays) Winthrop/Quincy (Seasonal, weekdays)	<i>Ava Pearl</i> (MBTA, leased) & <i>Valkyrie</i> (MBTA, leased)
2024	Lynn (longer season, 7 days) Winthrop/Quincy (longer season)	<i>Schoodic Explorer</i> (MBTA, purchased)
2025	Lynn (longer season, 7 days) Winthrop/Quincy (7 days)	2 Derecktor class ferries (MBTA, purchased)

Procurement Process

This is a market with few potential suppliers and high barriers to entry, so we planned a procurement process designed to maximize competition and interest.

Request for Information: May – July 2024

- Direct outreach to 15 ferry operators
- Advertised in *Marine Link*
- Posted to COMMBUYS (Marine Transportation, Passenger Transportation)
- 3 responses, conducted feedback sessions with each

Specification Development: May – October 2024

- Developed building blocks for specifications based on vessel ownership and type
- Set end of term to February to ease possible future operator transitions
- 5+ year base term due to RFI feedback
- Clarified responsibility for certain mechanical repairs
- Bidders able to bid on any combination of routes

Request for Proposal: October 2024 – March 2025

- Direct Outreach to 6 ferry operators and advertisement in *Marine Link*
- Pre-Bid conference (3 attended: Boston Harbor Cruises, Bay State Cruises, and Transdev)
- Opportunity to inspect vessels and dock facilities



Procurement Outcomes

- We received 2 responses:
 - Boston Harbor Cruises: All Routes – F1, F2, F3, F4, F5, and F6
 - Bay State Cruises: F5 (Lynn) and F6 (Winthrop/Quincy)
- Evaluation process included ferry operations, safety, policy, and finance
 - F5 Lynn: Bay State's proposal was to an alternate dock and could not be considered
 - F6 Winthrop / F7 Quincy: The MBTA altered the routes after the RFP was published and after bids were received. Both vendors were notified that these routes will be re-procured in the coming months.



Contract Costs

Cost per trip has increased by approximately 20% overall across the 5 routes

Route	Cost/Trip		% change
	Current (FY25)	Bid (FY26)	
F1	\$ 981.41	\$ 1,226.76	25%
F2H	\$ 380.08	\$ 405.55	7%
F3	\$ 71.40	\$ 96.03	34%
F4	\$ 94.20	\$ 108.34	15%
F5	\$ 433.50	\$ 520.20	20%

Pricing subject to annual escalations based on 50-50 split of Bureau of Labor Statistics indices:

- Employment Cost Index for Transportation & Warehousing
- Producer Price Index for Shipbuilding & Repairing, non-military

- Fuel: pass-through cost tied to actual usage. At current rates, it is approximately \$6 million per year (not included in cost per trip, not included in the value of this Board action)
- Capital maintenance: pricing is identified for certain capital maintenance for MBTA-owned vessels during the contract term (not included in cost per trip; not included in the value of this Board action)
- Off-season maintenance: Approximately \$90,000/year for MBTA owned vessels (not included in cost per trip, included in total value of this Board action)

Cost Comparison to Current Agreement

Total annual contract cost for the 5 routes has increased by approximately 18%

Route	FY25 Budget (in \$ 000)	FY 26 Bid (in \$ 000)	% change
F1: Hingham	9,260	11,262	21.6%
F2H: Hingham-Hull	4,195	4,570	8.9%
F3: East Boston	817	986	20.7%
F4: Charlestown	2,216	2,549	15.0%
F5: Lynn	947	1,138	20.2%
total cost per FY (in 000)	\$ 17,435	\$ 20,505	17.6%

Notes:

- F6 (Winthrop-Quincy-Boston) is not included in these numbers
- Costs do not include fuel, which continues as a pass-through expense
- Annual number of trips has increased as seasonal service has lengthened
- Recently acquired ferry increases maintenance costs on F5 route
- Future years will be subject to a 50-50 blend of BLS indices for labor and shipbuilding

Prior to annual escalations and fuel costs, the total contract value for the 5 year and 8-month contract period is approximately \$116.3 million



Other Procurement Outcomes

- There are non-price improvements included in this contract:
 - Performance Assurance Metrics
 - Redefined performance metrics into 15 separate metrics
 - Each metric has escalating tiers of penalty costs which reset each calendar year
 - Example: Failure to collect fares or sell tickets: first tier \$50 per trip; 2nd tier: \$100 per trip; 3rd tier: \$500 per trip
 - Accessibility Improvements
 - Boston Harbor Cruises committed to accessibility improvements on vendor-owned vessels by June 30, 2026
 - Safety Improvements
 - Additional safety-specific Performance Assurance Metrics added
 - Supplier Diversity Commitments:
 - Fuel, which is a pass-through cost to the MBTA, will be purchased from a WBE
 - 7 MWBEs currently working with Boston Harbor Cruises (most in marine construction or engines/generators) will have 1st opportunity for work in their areas of specialty
 - Quarterly reporting prepared by Boston Harbor Cruises' Supplier Diversity Manager




Contract Summary

- Contract term:
 - Base term is July 1, 2025 – February 28, 3031 (5 years, 8 months)
 - 2 three-year options (March 1, 2031 – February 28, pass-through and March 1, 2034 – February 28, 2037)
 - MBTA has right to terminate at any time
- Key scope includes:
 - 5 of the 6 current ferry routes
 - Routine and capital maintenance and, as applicable, off-season care of MBTA vessels
- Major commercial considerations:
 - Fuel is a pass-through cost
 - Annual escalations based on blended Bureau of Labor Statistics indices



“Future of Ferry Service”

- MassDOT Water Transportation Study
 - Will provide guidance on viability of certain routes and destinations
- Improve accessibility for docks, facilities, and ferries
 - Hingham Ferry Dock – construction underway for replacement dock
 - Quincy Ferry Dock – recently awarded grant for replacement
- Recently acquired ferries for Winthrop and Quincy routes
 - Includes new Long Wharf to and from Seaport connecting service
 - Ferry naming contest underway
- Two older MBTA-owned ferries undergoing mid-life overhaul
- **Choose Transit: Full  Ahead**
 - *Establish a consistent, rationalized network of all inner-harbor water transportation services.*
 - Route all Long Wharf ferry services through a central ferry terminal, facilitating timed connections between ferry routes.
 - Expand service hours and access during non-commute time, depending on seasonality



Request of the MBTA Board of Directors

To authorize the General Manager/CEO of the Massachusetts Bay Transportation Authority to award RFP 225-24 Water Transportation Services contract to Boston Harbor Cruises, LLC to perform the services described in RFP 225-24 for the MBTA's ferry services for the F1, F2H, F3, F4, and F5 service routes from July 1, 2025 to February 28, 2031, for a total delivered amount not to exceed \$116,373,516.43, excluding annual price escalations allowed by contract, and excluding pass-through costs of fuel, and to execute any necessary or ancillary documents in the name of and on behalf of the MBTA to effectuate this Agreement.

