

Water Transportation Service

Approval of Contract: Boston Harbor Cruises

October 29, 2018



General Overview

- Currently three lines of service with Boston Harbor Cruises (BHC) as operator
- Main contract signed in 2013, followed by 4 extensions ends on November 26th 2018
- FY2018 ferry operations subsidy was \$10.1M (non-fuel); fuel spend in FY2018 was \$2.2M (billed at actual cost) –
 FY18 total spend \$12.3M

Route	Hingham to Rowes Wharf	Hingham/Hull/Logan to Boston	Charlestown to Boston
FY18 operations subsidy	\$6.5M	\$2.3M	\$1.3M
Trip time	30-35 minutes	30-45 minutes (depending on destination)	10 minutes
Trips/day – Weekdays	36	38 Mon-Thurs 40 Friday	78 Mon-Friday
Trips/day - Weekends	N/A	32 Saturday 28 Sunday	34 Saturday & Sunday
Annual Trips	9.2 K	11.2 K	23.6 K
Annual Passengers	780 K	370 K	335 K
Vessel Ownership	Vendor owned	MBTA owned	Vendor owned

10/22/2018



MBTA set out to procure a ferry operator in a way that maximizes competition through an RFP – Looking for 5 year term

July	Request for Letter of	Contacted 30+ US ferry operators
	Interest	Received 3 follow-up inquiries and 2 Letters of Intent to bid
	RFP Process	Bid advertised on COMMBUYS under Marine Transportation category
		Conducted pre-bid conference to gauge interest and answer questions – followed by additional outreach
		Bidders could bid for any or all routes at their discretion
		Engaged with potential bidders and stakeholders over the RFP period
	Bid Evaluation	One interested party dropped out due to equipment constraints
↓ Septemb		RFP response starting point \$86M over contract term. FY20 (first full year) @ \$17.2M.
		Final negotiated contract value \$66.2M and FY20 price \$13.6M; with average annual escalation of 3.1%

10/22/2018



New Contract Overview

Contract information

- Contracts length: 4 years and 8 months October 27, 2018 June 30, 2023
- Contracts value: \$ 66.2 million (without fuel*) and estimated \$81.0 million (with fuel, based on October 2018 diesel rate)
- MBTA may terminate contract without cause and without penalty

	Route	Contract Value	Old Contract * - Cost per trip	New Contract** - Cost per trip	Difference
•	Hingham to Rowes Wharf	\$ 39.2M	\$ 715.13	\$ 929.44	30%
	Hingham/Hull/Logan to Boston	\$ 17.7M	\$ 209.38	\$ 340.86	63%
	Charlestown to Boston	\$ 9.3M	\$ 56.05	\$ 79.19	41%

Service enhancements and improved contract oversight

• On Time Performance (OTP) requirement improved from 30 minutes to 5 minutes

6-10 minutes late: 25% penalty
 11-20 minutes late: 50% penalty
 21-30 minutes late: 75% penalty
 Over 30 minutes late: 100% Penalty

Safety improvements – 2nd captain requirements



Request of FMCB

- Staff request that the Fiscal and Management Control Board authorize the General Manager to enter in to an agreement with Nolan Associates LLC (DBA Boston Harbor Cruises) for Water Transportation in accordance with RFPs #103A-18; #103B-18; #103C-18
- Contracts term anticipated to be 4 years, 8 months and amount not to exceed \$66,153,411 for services and fuel estimated at \$14,847,244, Totaling \$81,000,655. Fuel based on October 2018 actual costs.

10/22/2018