



CITY OF ST. PETERSBURG

ST. PETERSBURG CITY COUNCIL
Meeting of June 9, 2016

TO: The Honorable Amy Foster, Chair, and Members of City Council

SUBJECT: Approving the primary business points for HMS Ferries, Inc. ("HMS") to operate a pilot ferry service; Affirming the city's commitment of \$350,000 for a pilot ferry service; Authorizing the Mayor or his designee to develop and negotiate the necessary agreements which shall include an operating agreement with HMS and Interlocal Agreements with the three other governmental entities providing funding for this pilot ferry service; providing that such agreements are subject to City Council approval.

EXPLANATION: City Council approved Resolution No. 2015-579 reserving \$350,000 of BP settlement proceeds for a pilot ferry service program. In November 2015, the City issued a Request for Qualifications ("RFQ") for firms interested in establishing a pilot passenger ferry service between the cities of St. Petersburg and Tampa. One response to the RFQ was received from HMS. City Administration reviewed the response and found it met the RFQ requirements.

HMS, a Delaware corporation, has been responsible for 23 project start-ups and ferry service operations, both domestically and internationally. The company has been operating ferries since 1996 and has 183 full and part-time employees.

The HMS response to the RFQ included a two phase approach to the project: Phase I – Business Plan Development and Phase II – Project Operations. The City and HMS executed a Consulting Services Agreement on March 3, 2016 to accomplish Phase I. The scope of services included assessing the following topics: Routes, Facilities and Terminals, Logistics, Regulatory Issues, Vessel Options, and Preliminary Budget and Pro-Forma.

HMS delivered to the City its Business and Operations Plan report on May 3, 2016. City Administration continues to work with HMS to refine the pilot project concept and the required funding. Attached is a summary of the Primary Business Points agreed upon by the parties which will form the framework for an operating agreement between the City and HMS.

The pilot project is to be funded collectively by the Cities of St. Petersburg and Tampa, and Pinellas and Hillsborough Counties using BP Settlement funds. Administration requested HMS to develop a proposal providing a fixed cost for the project. HMS has developed a proposal fixing the government's financial responsibility at \$1,400,000 (\$350,000 to each of the sponsoring entities). The proposal also provides that HMS will receive any revenue generated from the project up to \$125,000 to cover its costs in excess of the \$1.4 Million fixed-fee. Revenue in excess of \$125,000 will be shared by the funding governmental entities.

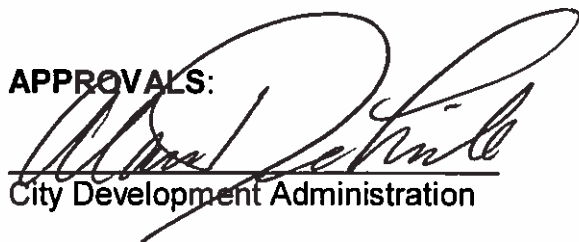
The Pilot project is anticipated to commence in November 2016 and run for 6 months (ending April 2017). The project will test the demand for commuter ferry service between St. Petersburg and Tampa as well as general recreational demand between the downtowns of St. Petersburg and Tampa.

RECOMMENDATION: City Administration recommends approval of the attached Resolution.

COST/FUNDING/ASSESSMENT INFORMATION: Pursuant to Resolution 2015-579, \$350,000 of BP settlement proceeds for a pilot ferry service program have been reserved. Such funds will be available after an appropriation by City Council.

ATTACHMENTS: Resolution
Primary Business Points

APPROVALS:


City Development Administration

DAVRIS C. Fuller 6-3-16
Budget & Management

A RESOLUTION APPROVING THE PRIMARY BUSINESS POINTS FOR HMS FERRIES, INC. ("HMS") TO OPERATE A PILOT FERRY SERVICE; AFFIRMING THE CITY'S COMMITMENT OF \$350,000 FOR A PILOT FERRY SERVICE; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO DEVELOP AND NEGOTIATE THE NECESSARY AGREEMENTS WHICH SHALL INCLUDE AN OPERATING AGREEMENT WITH HMS AND INTERLOCAL AGREEMENTS WITH THE THREE OTHER GOVERNMENTAL ENTITIES PROVIDING FUNDING FOR THIS PILOT FERRY SERVICE; PROVIDING THAT SUCH AGREEMENTS ARE SUBJECT TO CITY COUNCIL APPROVAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on December 3, 2015, City Council approved Resolution No. 2015-579 reserving \$350,000 of BP settlement proceeds for a pilot ferry service program; and

WHEREAS, the Procurement and Supply Management Department issued Request for Qualifications 959-56 Passenger Ferry Operations Services, RQU No. 7942 on November 30, 2015 ("RFQ") seeking entities qualified in establishing pilot ferry services; and

WHEREAS, HMS Ferries, Inc. ("HMS") was the only entity who submitted a response to the RFQ; and

WHEREAS, Administration reviewed the response and determined that HMS was qualified to provide the services; and

WHEREAS, the City of St. Petersburg, Florida ("City") and HMS executed a consulting services agreement on March 3, 2016, for HMS to (i) investigate the feasibility of establishing a passenger ferry service between St. Petersburg and Tampa and (ii) develop a business and operations plan for a pilot ferry service; and

WHEREAS, on May 3, 2016, HMS delivered a business and operations plan to the Administration; and

WHEREAS, after receipt of such plan, Administration and HMS have been negotiating primary business points related to the operation of a pilot ferry service; and

WHEREAS, the mutually agreed upon primary business points are attached to this resolution; and

WHEREAS, the City stands ready to make an investment of \$350,000 for the pilot ferry service subject to appropriation of these funds and the approval of necessary agreements, which shall include an operating agreement with HMS and Interlocal Agreements with the City of Tampa, Hillsborough County and Pinellas County for funding for this pilot ferry service.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of

St. Petersburg, Florida, that the attached primary business points for HMS Ferries, Inc. ("HMS") to operate a pilot ferry service are hereby approved.

BE IT FURTHER RESOLVED that this Council hereby affirms the City's commitment of \$350,000 for a pilot ferry service, subject to appropriation of these funds and the approval of an operating agreement with HMS and Interlocal Agreements with the three other governmental entities providing funding for this pilot ferry service (collectively, "Agreements").

BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to develop and negotiate the Agreements.

BE IT FURTHER RESOLVED that the Agreements are subject to approval by City Council.

This Resolution shall become effective immediately upon its adoption.

Approved as to Form and Substance:



City Attorney (Designee)
Final 6-9-16