



## **PROPOSAL PACKAGE**

*Herron Island Ferry Service*

HMC Management  
Herron Island

**Proposal to Operate Passenger Ferry Service at Herron Island**



**HMS Ferries, Inc.**

385 Ericksen Ave. NE Suite 123

Bainbridge Island, WA 98110

Telephone: (206) 780-1440

Facsimile: (206) 780-0484



February 26, 2018

Jane Wooster  
HMC Management  
P.O. Box 119  
Lakebay, WA 98349

Reference: Herron Island Ferry Service

Dear Sir,

HMS Ferries, Inc. (HMS) is uniquely suited to provide the passenger ferry operations services desired by the residents of Herron Island and appreciates this opportunity to respond to the Request for Proposals.

HMS Ferries, Inc. is a member company of HMS Global Maritime, Inc., a family of international transportation, travel, hospitality and support service companies that serve government, private industry and direct consumers.

HMS Ferries has evaluated the project and provided a response to the RFP, demonstrating our confidence that we can profitably and properly assume management of operations of the Herron Island Ferry Service.

Sincerely,

Matthew Miller  
President

## **EXECUTIVE SUMMARY**

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HMS Ferries (HMS) is a recognized leader in passenger vessel operations in the United States. Our reputation as a great collaborator and our success in providing transportation equity and access to waterfront communities is unmatched. HMS will provide a unified customer service experience and achieve the objectives of a safe and reliable system that the HMC Management is seeking for the residents of Herron Island.

Our company's strengths lie in our innovation. We have introduced leading-edge technologies and concepts to the ferry industry throughout our history, including extensive crew training programs, maximizing operational efficiencies and effective marketing. Our successful technological advances include an electronic management system, Situation and Incident reporting, on-line training modules, a Customer Service Program, and the only domestic United States passenger vessel company to have received an American Bureau of Shipping certification for its Safety Management System. These strengths combine to create an organization that is responsive to our partners, financially stable and constantly seeking improvement.

Adhering to these standards requires daily, weekly and monthly inspections, as well as annual auditing, which provides the company with a support tool for checking operating standards and looking for opportunities for improvement.

Our training program, begins on the employee's first day and includes a specific focus on maintaining a safe environment for our employees and our passengers, while providing first-class customer service.

Our programs will be structured around supporting the community and our passengers. For example, we place special focus upon environmental and marine transportation matters, including working with our partners to adopt green technology and harbor ecology. In Alabama we are working to convert a conventional powered car and passenger ferry to an all-battery powered ferry, which will make it the first all battery powered ferry of this magnitude in the United States.



## **SPECIFIC REQUIREMENTS CONCERNING PROPOSED SERVICES**

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1. **Describe your knowledge in marine propulsions systems and the works of such systems. As a minimum, this would include knowledge of diesel engines in 400 to 1,000 horsepower range, marine reduction systems, control systems, and marine electrical systems.**

Our Fleet Technical Division, which is comprised of highly experienced and licensed Naval Engineers with over 100 years of combined Naval Engineering expertise, provides technical oversight and expertise of the entire maintenance system. The Fleet Technical Division also supports all major maintenance and repair work.

Our vessel maintenance system has a long history of proving effective in preventing mechanical failures. In the rare instance that a vessel may be out of service for unscheduled maintenance and repair, we will dispatch our engineering support team to effect immediate repairs.

### **Underway mechanical failure**

Our foremost priority is to the safety of the passengers, crew and vessel. If a mechanical or operational incident occurs while underway, our trained crew will:

- Activate its Vessel Emergency Plan and take immediate and appropriate actions to ensure the safety of the passengers, crew and vessel.
- After the passengers and crew are safe, HMS will work with the U.S. Coast Guard in determining the next step based on the situation.
- HMS Fleet Technical support will work with the local General Manager in locating the proper professional support to make appropriate repairs. HMS's presence in Puget Sound has allowed us to forge long standing relationships with ship repair and dry dock facilities that will be vital in these situations.

2. **Describe an overview of the Contractor's organization, including key persons, partners, and a general description of the organization and its existing operations.**

No other passenger ferry operator in the U.S. comes near HMS' level and range of operational experience, technical knowledge, regulatory compliance, can-do spirit and commitment to excellence. The HMS family of businesses and HMS Ferries has been responsible for twenty-three (23) ferry project start-ups and ferry service operations - both domestically and



internationally. Project sites have ranged throughout the U.S., as well as Japan, Trinidad, the Bahamas, and Canada. *In 2017 HMS Ferries safely carried over 3 million passengers.*

HMS Ferries is an S-Corporation formed under the laws of Delaware on 3/3/2011. It is wholly owned by HMS Global Maritime, Inc. an S-Corporation formed under the laws of Delaware on 12/28/2010.

HMS Global Maritime, Inc. was originally formed as an S-Corporation under the laws of California on 7/16/1986. Consistent company growth and service specialization caused the creation of the specific operating units (e.g. HMS Ferries, Inc.) under HMS Global Maritime, Inc.

#### KEY PERSONNEL:

- Matthew Miller - President, HMS Ferries, Inc. (Safety and Regulatory, Operations, Ticketing, Project/Contract manager)
- Steve Caputo - Project manager
- Derick Leenstra – Port Captain
- Dan Frank - Fleet technical service HMS Consulting (Fleet Technical Services, Engineering and Vessel Maintenance)

#### Contractor

HMS Ferries, Inc. is the legal entity that is the Offeror as defined by the Prospectus. HMS Ferries, Inc. is in existence and has full authority to:

- Execute the Draft Contract
- Allocate funds
- Hire and fire all employees, including management employees
- Make all decisions

#### Ownership

HMS Ferries, Inc. is wholly owned by HMS Global Maritime, Inc. (100% shareholder of HMS Ferries, Inc.), and is the business entity that will execute the Draft Contract, and is the Offeror as defined by the Prospectus.



3. Describe your knowledge and experience with current federal (in particular USCG), state, and local laws with respect to the ferry system. Respondents must describe their knowledge and experience with respect to USCG Title 33, CFR104 Chapter 1, Subchapter H – Maritime Security Rules for Vessels and Facilities.

HMS has a long history with the U.S. Coast Guard. With decades of our staff's combined experience in the U.S. Coast Guard and faithful reporting and cooperation by our operations, HMS has the knowledge to ensure total compliance with all federal, state, and local laws, including all relevant USCG regulations, regarding the ferry system.

HMS' many years with our multiple ferry operations provides ample experience in complying with USCG Title 33, CFR104 Chapter 1, Subchapter H – Maritime Security Rules for Vessels and Facilities make HMS a recognized maritime expert.

4. Describe your experience in operating a car/passenger ferry or other similar system. Narrative must include dates and places where the experience was obtained and references from system owners.

HMS is in a class of its own when it comes to ferry operations and possesses a level and range of experience unequaled in the U.S. The following table lists current ferry operations managed by HMS Ferries.

Active Clients	Ferries	Service Type	Capacity	Client Since
City of Jacksonville	1	Pax and Vehicle	204 Pax / 38 Vehicles	1997
Military Sealift Command	1	High-Speed Pax/Vehicle	880 Pax / 250 Vehicles	2001
Pierce County Ferry	2	Pax and Vehicle	288 Pax / 56 Vehicles 215 Pax / 56 Vehicles	2002
Alabama DOT	2	Pax and Vehicle	149 Pax / 28 Vehicles 149 Pax / 18 Vehicles	2005
Alabama DOT	1	Pax and Vehicle	149 Pax / 15 Vehicles	2007
Central Oklahoma Transportation and Parking Authority (OK)	3	Pax-Only	49 Pax 49 Pax 49 Pax	2009
Military Sealift Command	2	High-Speed Pax/Vehicle	900 Pax / 260 Vehicles 900 Pax / 260 Vehicles	2010
Trust for Governors Island, NY	2	Pax and Vehicle Pax-Only	1,242 Pax / 38 Vehicles 73 Pax	2012
Delaware River Development Corporation	4	Pax-Only	517 Pax	2015

**5. Describe your approach to customer service with a core group of regular riders and commuters.**

HMS Ferries Inc. offers outstanding service and hospitality to each passenger, client, crew and leadership. This mentality has been rooted in our employees since the beginning and continues to remain an important part of the service that is delivered each day. Service excellence is a core value of our organization and is incorporated into everything we do. Each of our crewmembers are required to participate in customer service courses as well as abide by our customer service standards per their crew training binders.

Our crewmembers are encouraged to open a dialogue with the customer. HMS Ferries Inc. treats complaints very seriously and is dedicated to constant improvement.

**6. Present any initial ideas you bring to the table for optimization of the ferry system, payment system or schedule.**

HMS' provides efficiency through the following advanced services:

Crew Management

Hire, train, supervise and monitor all vessel personnel in accordance with U.S. Coast Guard and other regulatory requirements – and industry best practices.

Operational Oversight

Management and supervision of all operational aspects of the identified ferry services including: vessels, passenger terminals, docks, maintenance spaces and staging areas.

Safety Management

Implementation of a project-specific Safety Management System (SMS) in accordance with the requirements of 33 CFR 96, Subpart B, and consistent with the International Safety Management (ISM) Code. Our SMS program is the only private company with an American Bureau of Shipping certified system. This system includes crew training, monitoring system elements, internal audits and continuous improvement.

Training and Employee Development



Provide training materials and specific instruction for all positions. Includes employee training database that tracks all licenses, ratings, drilling, in-house training and outside courses.

#### Regulatory Compliance

Ensure all operations comply with applicable regulatory requirements. Provide direct and routine interaction with the U.S. Coast Guard – locally, regionally (District), and nationally (Washington, DC).

#### Fleet Technical Management

Provide for the technical management of those vessels assigned to HMS Ferries. Services include management of routine scheduled maintenance and unscheduled repairs. It also incorporates an automated work-order and tracking system (Maintenance Management System), and includes supervision of maintenance personnel.

#### Overhaul / Dry-docking / Special Projects Management

Develop overhaul plans and specifications. Manage shipyard, regulatory compliance and external vendors.

Provide project management and engineering services to plan, oversee and manage special projects such as repowers, major equipment replacement or modifications.

Accurately document all work performed and incorporate in forward planning.

#### Procurement and Expediting

Provide for the selection, sourcing, purchase and shipping / delivery of routine consumables, maintenance items and critical spares associated with the operation of specified ferries and routes. Provide inventory control and warehousing services.

#### Accounting

Provide full-service accounting of all transactions initiated / completed on behalf of the clients. Identify cost accounts, format financial information and provide monthly reconciliations and financial reports. Develop vendor lists, initiate purchase orders and monitor purchasing activities. Collect passenger fares, reconcile and deposit daily. Handle accounts payable and accounts receivable activities. Provide custom reports as needed.



### Performance Tracking

Develop and track Key Performance Indicators (KPIs) associated with the ferry operations. Develop short and long-term performance targets and routinely track and report actual performance to goals. KPIs include:

- Route specific traffic data
- Operational cost data
- On time and missed trip data
- Costs as a function of passengers and passenger-miles delivered
- Fuel consumption
- Near misses
- Vessel, passenger and crew incidents
- USCG 2692 reports
- Customer satisfaction scores
- Routine Reporting
- Develop and provide routine monthly reports to owners and stakeholders.

### **7. Please identify your current operational insurance coverage.**

#### Fleet Insurance

HMS's upper limit of coverage is at the highest levels within the industry (\$2 Billion P&L and \$1B pollution).

HMS offers and provides comprehensive insurance for those vessels and terminals owned by or assigned to HMS.

Not only does HMS have an excellent loss record - which keeps its premiums down – it has a large fleet of insured vessels, so economies of scale are realized.

## **ADDITIONAL REQUIREMENTS FOR SUBMITTAL**

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1. Name, local address, and phone number of the firm proposed for this contract.

**HMS Ferries, Inc.**

385 Ericksen Ave. NE Suite 123

Bainbridge Island, WA 98110

Telephone: (206) 780-1440

Facsimile: (206) 780-0484

2. The names and number of years the firm has been in business under current or previous names or additional assumed business names.

HMS Ferries, Inc. has been in business since March 03, 2011

3. The name and title of the person authorized to execute a contract on behalf of the firm with supporting documentation.

Matthew Miller – President, HMS Ferries, Inc.

4. A statement outlining any exceptions to the HMC's requirements or clarifications to the requirements.

N/A

5. A statement describing any real or potential conflicts of interest.

N/A

6. Bid is expected to be a flat fee by the contractor listed in the scope of work above. Proposal should include a fixed monthly amount for ferry operation services to be reimbursed monthly

by HMC. A high-level accounting of the major cost elements should be included with the monthly rate proposed.

See Appendix: B

7. The caption, cause number, Court, Counsel, and general summary of any litigation pending, or judgment rendered within the past 5 years against the contractor.

N/A

8. Note the extent, if any, to which the firm, association or corporation or any person in a controlling capacity associated therewith or any position involving the administration of federal, State or local funds, is currently under suspension, debarment, voluntary exclusion, or determination of eligibility by any agency; has been suspended, debarred, voluntarily excluded or determined ineligible by any agency within the past 5 years; does have a proposed debarment pending; has been indicted, convicted or has a civil judgment rendered against said person, firm, association or corporation by a court of competent jurisdiction in any matter involving fraud or misconduct with the past 5 years.

N/A

9. In addition to any specific requirements requested in this proposal, the following documents must be completed and submitted with the proposal:

A. Signature Page for Proposal Required

See Appendix: A

10. Current Dun and Bradstreet submittal.

See Appendix: C



## REQUIRED SIGNATURE PAGE FOR PROPOSAL

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### CERTIFICATION

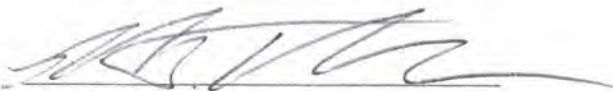
I, Matthew Miller, the undersigned and authorized agent for the proposed contactor/vendor, having carefully examined the Request for Proposal, propose to furnish services in accordance therewith as set forth in the attached proposal.

I further agree that this proposal will remain in effect for not less than sixty (60) calendar days from the date that the proposals are due, and that this proposal may not be withdrawn or modified during that time.

Being first duly sworn, on my oath, I hereby certify that this proposal is genuine and not a sham or collusive proposal, or made in the interests or on behalf of any person not therein named; I have not directly or indirectly induced or solicited any Contractor or supplier on the above work to put in a sham proposal or any person or corporation to refrain from submitting a proposal; and that I have not in any manner sought by collusion to secure to myself an advantage over any other contractor(s) or person(s).

In order to induce the HMC to consider this proposal, the proposer irrevocably waives any existing rights which it may have, by contract or otherwise, to require another person or corporation to refrain from submitting a proposal to or performing work or providing supplies to Pierce HMC, and proposer further promises that it will not in the future directly or indirectly induce or solicit any person or corporation to refrain from submitting a bid or proposal to or from performing work or providing supplies to Pierce HMC.

Name: HMS Ferries, Inc.



Signature

By: Matthew Miller

Its: President

**NOTARY**

State of Washington

SS

County of Kitsap

Subscribed and sworn before me this 27<sup>th</sup> day of February, 2018.

BECKY L WRIGHT  
Notary Public  
State of Washington  
My Appointment Expires  
Apr 1, 2021

Becky R. Wright

Notary Public in and for the State of Washington

Residing at Bainbridge Island, WA

My commission expires April 1, 2021

**THE SIGNATURE PAGE MUST BE SIGNED, NOTARIZED, AND RETURNED WITH THE PROPOSAL.**

### 3 HMC Budget Development

022718 SMC

#### UTILIZATION

Project mgmt	\$3,450
Vessel Crew labor (include burden)	\$3,680
Maintenance Tech	\$1,055
Vehicle	
Shipping	\$500.00
Other and contingency	\$1,000

<b>TOTAL (Est.)</b>	<b>\$9,685</b>
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#### UTILIZATION

##### EMPLOYEE RELATED

Base Schedule Labor (includes burden)	\$338,785
Maintenance Technician	\$21,939
Senior Captain	\$22,246
General Manager	\$8,970
Drug Screen and Physicals	\$500
Recruiting & Advertising	\$500
TWIC	\$750
Uniforms	\$3,000
Special training	\$0
Employee housing	\$0
Irregular ops	\$0
Sub-Total	\$396,690

##### SAFETY

PPE (8 kits)	\$800
Work Vests	\$300
Vessel Firefighting	\$0
Life Saving	\$0
Signaling	\$0
First aid kits	\$0
Sub-Total	\$1,100

##### M&R

Vessel M&R Supplies	\$7,500
Vendor support	\$25,000



Sub-total	\$32,500
<b>Insurance</b>	
Hull and Machinery	\$2,290
War Risks	\$150
Protection and Indemnity	\$30,000
General liability	\$1,500
Sub-Total	\$33,940
<b>Admin</b>	
Office supplies	\$500
Office equipment	\$500
Phone	\$0
Security safes for cash	\$0
Postage and shipping	\$750
Signage	\$0
In season PM Travel (Caputo)	\$0
Sub-total	\$1,750
<b>TOTAL (Est.)</b>	<b>\$465,980</b>

#### **KETING**

#### **TOTAL**

#### **OBILIZATION (Negotiated prior to end of contract)**

Project mgmt  
 Vessel Crew labor (include burden)  
 Maintenance Tech  
 Vehicle  
 Shipping  
 Other and contingency

<b>TOTAL (Est.)</b>	<b>\$0</b>
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#### **AGEMENT FEE**

##### **Management Systems**

- Safety System
- VEP
- SitRep
- Crew Quals


- SOPs
- Incident Reporting and Mgmt.

**Corp Overhead**

- Accounting
- AP / AR
- Emergency Support
- Exec Support
- HR
- Industry interface
- Legal
- Media relations
- Payroll
- Procurement
- Regulatory Compliance
- Safety and Risk Management
- Travel (ex Orientation)
- Laptops
- Cell phones and phone charges

**Profit**

<hr/>	
<b>TOTAL (Fixed)</b>	<b>110,000</b>
Grand Total	\$585,665

 AN HMS GLOBAL MARITIME COMPANY	<b>Ships Instruction</b>	VESSEL
		<b>All PCF Vessels</b>
SMS Procedure Number: 07-165	<b>Vessel Passenger Counts and Notifications</b>	Date Rev:
Job Site Number: PCF SI 014		<b>04/04/17</b>

## TOPIC

Vessel Passenger Counts and Notifications

## APPLICABILITY

M/V Steilacoom II, MV Christine Anderson, and Terminals

## RESPONSIBILITY

Upon each departure, the Master on watch will contact and receive a reply from the Ticket Office via the Motorola Radio PW Prime Channel

## PROCEDURE

The following information shall be relayed on the Motorola Radio Ferry Channel #1:

- Vessel name
- Departure time
- Total number of passengers (additional crew onboard, not on the station bill, will be counted as passengers)
- Reason for delay if the departure time is ten or more minutes past the scheduled departure time

When the vessel is later than ten minutes, the Port Captain or General Manager must be notified promptly so a "Rider Alert" can be posted; include the following:


- Departure time and minutes of tardiness
- Reason for delay
- When you expect to be back on time,

The Masters are to keep the vessel's Spreadsheet Log updated, and ensure accuracy, in the Wheelhouse prior to getting underway for any departure; the log shall include the following information:

- Total vehicles (includes driver)
- Total passengers (includes walk on passengers)
- Any vehicles left behind on the dock

The Office Manager will ensure that the Spreadsheet Log information is passed to Pierce County no later than the 5<sup>th</sup> of the month



 <small>AN HMS GLOBAL MARITIME COMPANY</small>	<h1>Ships Instruction</h1>	VESSEL
		All PCF Vessels
SMS Procedure Number: 07-165	<h2>Vessel Passenger Counts and Notifications</h2>	Date Rev:
Job Site Number: PCF SI 014		04/04/17

## REFERENCES

SMS Chapter 7 S/N 185  
PCF SI 007 Extra Run

## HMS PASSENGER AND VEHICLE REPORT

Month: Jan

Day	Passengers			Vehicles		Trips
	Out	In	Total	Total	Left	Total
1	3	10	13	7	0	6
2	449	423	872	531	91	32
3	474	522	996	647	7	34
4	517	528	1045	672	0	34
5	535	481	1016	655	6	36
6	535	460	995	577	7	36
7	323	452	775	410	0	30
8	465	515	980	576	0	34
9	501	545	1046	637	9	34
10	498	486	984	606	5	34
11	480	475	955	568	0	34
12	617	495	1112	676	20	34
13	602	570	1172	586	9	30
14	413	457	870	460	0	28
15	434	584	1018	590	0	34
16	518	582	1100	662	7	36
17	491	468	959	581	1	34
18	509	494	1003	616	0	34
19	668	590	1258	670	0	38
20	480	433	913	532	0	32
21	311	464	775	383	0	30
22	477	528	1005	585	0	34
23	484	561	1045	613	0	32
24	465	451	916	546	4	34
25	513	527	1040	647	0	34
26	565	498	1063	636	0	38
27	474	399	873	493	11	36
28	339	429	768	404	6	28
29	466	492	958	576	0	32
30	496	520	1016	631	4	32
31	497	491	988	595	6	28
TOTAL	14599	14930	29529	17368	193	1002