

Transportation Committee

Ferry Crew Operations – Contract/In-house

History:

In 2009 the ferry crew joined the Inlandboatmen's Union of the Pacific (IBU) and a one year contract was signed. In 2010 the ferry crew continued their association with the IBU and another contract was signed. In 2014 the ferry crew continued their association with the IBU and the current contract was signed which expires March 31, 2017. In the contracts wages, working conditions and benefits are defined. Over the years the wages and healthcare have been the central climbing personnel costs but overall had remained at a competitive rate to HMC. During 2014 an unsolicited offer was made to HMC by an independent company to supply ferry crew personnel to operate the HMC ferry. A quick analysis of the costs showed that the contract offer was higher than maintaining in-house personnel to operate the ferry and the matter was dropped. In 2015 another contract offer was made to HMC to again supply personnel to operate the HMC ferry. HMC's internal cost to operate the ferry compared to the contract offer raised the question if HMC would be better off to contract. At this time a Transportation Committee was formed to consider the benefits and disadvantages of contracting compared to in-house personnel.

Fiduciary Responsibilities of the Board of Directors:

The question was asked regarding the fiduciary responsibilities of the Board and its association with HMC insurance coverage. Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy, and efficient. Board members, as stewards of public trust, must always act for the good of the organization, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the organization under unnecessary risk.

In our CNA insurance policy there is an exclusion section that includes the excerpt below:

The Section of the **Association Liability Coverage Part** entitled **EXCLUSIONS**, the Subsection entitled Exclusions Applicable to all **Loss**, Exclusion e., is deleted in its entirety and replaced by the following:

for any **Wrongful Act** by **Insured Persons** in the discharge of their duties in their capacities, or solely by reason of their status, as directors, officers, trustees, regents, governors or employees of any entity other than **Named Entity**, any **Subsidiary** or the **Property Manager**, even if directed or requested by **Named Entity**, any **Subsidiary** or the **Property Manager** to serve as directors, officers, trustees, regents, governors or employees of such other entity; provided, however, that this exclusion does not apply to **Insured Persons** representing the **Named Entity** on other community association boards, joint councils, master associations or sub associations, provided that such entities are not-for-profit;

Wrongful act breach of duty committed or attempted.

An argument could be made that if the Board does not consider a viable potential cost savings under this option of contracting ferry personnel HMC could potentially be sued. The insurance company could present the argument that HMC would not have insurance coverage under the exclusion clauses.

It is in the best interest of HMC to analyze and consider cost savings even if it is not a politically good subject to talk about. Basically it is not a good idea to sweep this topic under the rug.

Data Used for Analysis:

Since HMC has a contract offer the data provided in the offer was utilized to create the costs/benefits from the prospective of contracting. It should be noted that HMC would not sign a contract of this magnitude without going out for bids with specific requirements. But this offer does provide real world cost comparison data to use. HMC data was pulled from the 2014-2015 FY budget for most known costs. See attachments utilized for cost comparison. Notable clarifications are listed below:

- Loss revenue was estimated on four months of current data collection. This data was then projected for the fiscal year (FY). Loss revenue is the difference between automobile and passenger counts provided to the office by the deckhand ferry crew compared to the receipts turned into the office. There could be a number of items contributing to this difference but for the purpose of this exercise the reasons for the revenue differences is not taken into account.
- Legal costs are based on a law firm's estimate of how much it will cost to negotiate a new IBU contract and do annual maintenance on the contract over a three year period. In prior contacts we have had the advantage of utilizing the Island Managers spouses' law firm at a greatly reduced price. That advantage is now gone and HMC will have to start paying the fair market prices for labor legal assistance. Also HMC has had access to a Board member having labor expertize but this access is also gone.
- Fuel reduction is based on the contractor refueling the ferry utilizing a smaller fueling truck that requires different fuel response requirements. Another contractor may or may not provide this same service but for the purpose of this exercise it is assumed they will.
- The suggested ferry schedule by the contractor was not utilized when performing cost comparisons. Instead the current ferry schedule was utilized thus maintaining an equal cost comparison for fuel usage. The suggested ferry runs in the contract offer exceeds our current ferry schedule.
- During the first meeting it was asked how much the legal fees would be to review contract offers. It was suggested that the fees would be five thousand dollars amortized over a five contract one thousand dollars per year. The current contract offer is for a five year period.

Advantages/Disadvantages of Contracting/In-house:

During the first meeting held a list of advantages and disadvantages was generated for both contracting and maintaining in-house personnel. Due to time constraints this information was not put into a rating matrix so they are not prioritized for financial or preference importance. The list is not in any particular order. If in the future this issue is looked at then the matrix would need to be completed so that the rating process for risk acceptance/avoidance can be completed. Please see the supplement.

Recommendations:

It is recommended that the Transportation Committee, if it continues, move forward looking for ways to reduce overall ferry operating costs. These could be in the form of shipyard expenses and passenger ticketing for examples. Regarding the costs of maintaining in-house personnel or contracting the current differences in the costs may not be beneficial to switch to contracted personnel at this time. There currently are variables and risk unaccounted for that may offset any gains through contracting due to the numbers being so close. It should be noted that in-house labor costs are increasing at a faster rate than what the contract presented calls for. The Board may want to look at this issue again in 2017. The decision to move forward is a Board Decision.

Questions Raised After the December 2015 Meeting:

Carolyn Anspach sent an email after the meeting asking 44 questions regarding this subject. The questions raise several good points so they are included below with responses for future reference and historical data. A number of the questions are based on the one specific contract offer that would not be accepted without going out for RFIs and RFPs but the questions, along with the pros/cons list, do provide data for any future RFIs and RFPs.

EXPLANATION OF EXPENSES SHOWN ON FIRST MEETING HANDOUTS

1. Please disclose the actual time frame used in determining ferry expenses. **FY 2014-2015**. Why wasn't a three year average used for expenses as is used in the annual budgeting process?

Answer: Average three year does not reflect actual current wages or expenses. Average three year expenses for wages are not utilized for budgeting. Instead projected expenses for labor costs are utilized based on known wages and benefits since they increase each year. If average three year was utilized for budgeting we would run over budget.

2. The HMC "actual" cost listed shows \$8,448.00 for ferry fees as a cost for the existing ferry crew passage total allowance. If this is an allowance, what are the actual costs? What is number of "free" tickets actually being used?

Answer: The \$8448.00 represents the tickets actually used thus actual costs.

3. The proposed comparison included an HMC ferry expense of \$5,200 for Lost Revenue. The explanation provided at the meeting sounded like it was theft, or areas where the office was unable to reconcile receipts. If this has been an ongoing issue, why has it not been continuously addressed until resolved? Why is it a ferry issue and not an "office" issue with reconciliations? Why isn't the receipt process currently in place reviewed and streamlined?

The office staff has repeatedly communicated the lost revenue issue to the crew on several occasions. A special training "refresher" was even conducted to address this recurring problem. The Technology Committee has been looking at this issue and how to streamline it and get out of the cash business.

4. Why is the island manager involved in this preliminary discovery process? These are issues pertinent to assessment paying members. The island manager is paid for 999 hours or less annually and *should be focused on final committee and board decisions*. In the last 3 years, how much time has the island manager dedicated to RFIs, and other paperwork specific to outsourcing our ferry operations? **When the proposals came in they were given to the Board Financial Chairperson who reviewed the proposals and did the math. The Island Manager was then informed of the results. Also the Island Manager's job description calls for her to be involved in all business issues that comes before the Membership. Part of her responsibility is to provide advice and guidance to the Board.**

Why wasn't this information included as a cost to do business in the handout? Board Members do not get paid so their time is not included.

5. In the recap you provided, it included a cost of \$950 dollars that HMC would save each time the ferry was refueled. At the meeting, Gary Wanzong explained that the contract company would be using a process that would bypass this cost. We understand that this same opportunity may be possible for HMC. Please disclose why a possible \$11,500 in savings annually known by the Island Manager, several Board members and select Finance Committee members for three or more years was not explored, or if it was. what were the findings. *Several attempts have been made over the years to perform the standby service during re-fueling by the Island Manager and some Board Members. I'm not sure where or how you conclude that the Island Manager and/or Board knew about the possible alternative to refueling the ferry three or more years ago when it came to our attention in the fall of 2015 about the 500 gallon and less option. This option was brought up at the Transportation Committee Meeting in December to look and only one person came up with an idea. The idea has not been looked at by anyone that attended the committee meeting that has reported to date except for one Board Member that was there.*

CONTRACT REVIEW

6. At the meeting it was stated that HMC originally published an RFQ (about 5 years ago) which resulted in the relationship with the contractor, owner Eric Helpenstell of Praetorian Fire and Rescue. Gary Wanzong referred to a "contract" from Helpenstell for information he shared with the committee. What is the date of this contract? *July 2105* When does the contract offer expire? *There is not date listed.* When will this contract be shared? *The basic information needed for comparison has been shared.* What are the terms of implementation? *Immaterial since HMC would go out for bidding under our specifications.* What other documents does HMC have or will they be pursuing? *None at this point of time.* All documents must be shared with the Transportation Committee. *There has never been a "contract" or agreement in place with Eric Helpenstell other than for his employment as a standby reserve captain. Additionally, HMC has never published or released an RFQ for outsourcing ferry operations. The contract submitted by Eric is not public information and would not be accepted without going out for full bidding and venting.*

7. What is the expected cost to HMC to implement a contract with a Company for outsourced operations? This would include an attorney review. island manager review. membership voting expense, and what else? Please provide these details as they were not included in the Handouts. *Not know until HMC begins the process of going for an RFI. There will always be costs associated with contracting services. These costs are defined as part of the cost of doing business but they are non-recurring and should not be included in the cost analysis for a long-term contractual benefit.*

8. All proposals should come with qualifications and references. What is going to be your process for validating the references and qualifications of the contracting company? *All bidders will be fully vetted through normal business processes before they are included in any bid list for these services.*

9. Is the contracting company willing to provide a Service Level Agreement? What steps would be in place to ensure compliance? What will be the cause of action if they are not compliant? *Service Level expectations will be included in any contract executed between HMC and a service provider. Performance levels will be closely monitored.*

CONTRACT SPECIFIC QUESTIONS FROM FIRST MEETING AND HANDOUTS

10. How is the contractor paid? *There is no mention of receipt collection handling on the handouts.* Since we were told at the meeting they would be collecting and reconciling the receipts, will they keep the income and credit it against the contract fees? *All ferry revenue will be returned to HMC with reconciliation reports as they are now. The frequency and method will be determined during contract negotiations.*

11. Who will determine the fee structure for future ferry fees? Is this up to HMC's sole determination or will the contracted company have input? If they have input, what is that extent? *HMC will make ferry fee decisions that will be decided through a membership vote. (As are all ferry fee increase decisions.)*

12. Please explain how the contracted labor (and their family, friends and guests) will pay to get to and from the mainland and the proposed Island headquarters. Will they be traveling free? Paying a fee? Or will they be paying as members, or guests? Or will the contractor pick up these costs? **These questions would be dealt with in the RFI and RFP.**

13. Currently there is a listing of delinquent members that have lost their ferry privileges as a result of being delinquent. The listing of these individuals is confidential. What measures will be in place to ensure the information is protected? **Confidentiality is always important and any business entity contracted with HMC will be subject to non-disclosure requirements.**

14. How will a contractor uphold compliance of non-use of the ferry by non-members and/or delinquent members in accordance with our By-laws and Access Policy? How is a contractor going to provide the Security our crews inherently provide? (A Member crew provided level of security would be lost through outsourcing.) **Any contractors would be professionally and contractually obligated to provide necessary security protection for our ferry operations. And compliance with all HMC Bylaws would be required including denial of ferry access to delinquent members. This again would be covered in a RFI and RFP.**

15. Lost Revenue is not shown as an expense on the contractor side. What in the proposed contract indicates this will no longer occur? What protections are there to prevent against Lost Revenue? Will the contractor's revenue report be audited for accuracy? **All ferry revenues will be reconciled and returned to HMC. Shortfalls in ferry receipts will be the subject of negotiations prior to contract release. Current in-house processes have not been successful in recovery of ferry revenue shortfalls.**

16. What is the contracting companies' procedure in the instance of a *staffing* shortage due to sickness or emergency? What is the expected time for replacement staffing? What is the process, should that occur. *Please note, we have never known of our ferry service halted due to this issue.* **HMC would require no interruption in service and the contractor would be responsible for ensuring compliance including round-the-clock response for medical emergencies. There are always force majeure issues that may occur but everyday business operations will be strictly observed. As of now if a crew member calls in sick the ferry does not run until another qualified crew member is located. Regarding of not hearing about the ferry not running in the past due to staffing issues it has happen. The last time was June 8, 2013 when a fill-in deck hand, also an island Member, quit his job at 10:30 on a Saturday morning and walked off. The ferry missed runs until the Island Manager was able to come up with a solution to find qualified personnel to staff the ferry. The island manager recently has spent a great deal of time filling vacant fulltime ferry crew positions due to illness. Annual leave has been denied as recently as December 2015 due to qualified personnel not being available.**

17. What will be in place to ensure that on-call crew are always available? **This question would be dealt with in the RFI and RFP.**

18. The statement "trust yet verify" is a standard line in business. What will be in place to ensure training requirements are met by all of the contractor's personnel? **The contractor is professionally obligated to ensure the training standards of all of their employees relative to both maintenance and operation of the ferry. It is the same standards that our in-house must meet.**

19. We have heard the contractor may use a rotating crew. Will there be a process in place that will ensure each crew combination will know and attest to our Safety process? At what point in the hiring process (or training process) is this required? Is this spelled out in this contract? **These questions would be dealt with in the RFI and RFP.**

20. How will we know of the maintenance training of the contracted crew in the event of the need for emergency repairs? What would they be authorized to do, and will that be outlined in the contract? **These questions would be dealt with in the RFI and RFP.**

21. Will the contract personnel be subject to the same requirements as HMCs crew, (such as drug testing, subject to being on call 24/7, drills etc.)? Will HMC oversee these activities or will the contracting company? Is this outlined in the contract? **Yes that would be part of the RFI and RFP. The contractor will be required to provide all of these things and report results (re: Drug testing) to the appropriate agencies.**

22. All federal taxes withheld, 551, Medicare, etc. are indeed paid by the contracting company, but should they fail to pay those it would be HMC who is the responsible party. Will there be liability insurance to cover the cost of the contractor's risk? **It is not anticipated that any additional HMC insurance coverage will be required since any contractor awarded a contract would be obligated by law to have sufficient insurance coverage to cover these contingencies.**

23. Explain the process for Vendors for Community services? Who will be maintaining the list of approved vendors (Garbage, phone, power, propane, honey bucket etc.)? Who will determine who is to be billed, who is to be charged? **No changes to existing processes are anticipated. The contractor would be required to continue operations as they are today.**

24. Explain how the Contractor would accommodate Members "large loads" and special runs in the proposed new ferry schedule? **There are no expected changes to the Ferry Access Policy or any other HMC governing documents are that pertain to ferry operations. HMC sets the policy and ferry schedule.**

25. How will the "low tide cancellations" be handled and communicated to the membership? Who will maintain Ferry Brochure that includes loading and unloading procedures? **These questions would be dealt with in the RFI and RFP. It is anticipated the contractor will be contractually obligated to prepare a list of all low tide ferry cancellations.**

26. Today we have a captain who is an island member, he attends board meetings and frequently answers the questions that the board has along with the other members. When there is a maintenance or safety concern on the ferry it is brought up. Does this contract include a customer service rep or other dedicated and knowledgeable individual who would fill that gap? **We expect that the contractor will bring all ferry issues/concerns to the attention of the management whether by attendance at Board meetings or by other means of communication. The specifics of these questions would be dealt with in the RFI and RFP.**

27. At the meeting it was mentioned the contractor would install an electronic kiosk on the mainland and everything would be electronic. What will be the process for exceptions? Not everyone is bankable. How will they address charges? What is their backup plan in the event of damages or theft of the Kiosk? **Don't recall this issue being discussed at the meeting but it could be dealt with in the RFI and RFP process.**

28. Will access be denied to individuals who don't have a sticker for their new car, have a rental car, or some other situation where the office isn't open and information can't be readily validated? Today, the crewmembers are part of our community, know us, and would "find a way." **The contractor would be required to follow existing ferry access policies including allowing member access while driving a rental car. All members are required to have valid car stickers. Our current ferry crew is expected to follow the policies set forth.**

INSURANCE SPECIFIC QUESTIONS FROM FIRST MEETING AND HANDOUTS

29. What liability insurance will the contracting company maintain? Will there be coverage for the cost of damage to our ferry, ramps, mechanical gear, docks and dolphins should damage arise due to unfamiliarity, and lack of training or experience or otherwise. **These questions would be dealt with in the RFI and RFP.**

30. Who is supplying the funds for the cost of that liability insurance? Is that higher than we are paying today? **HMC would still maintain a liability policy as would the contractor.**

31. A life was lost on the ferry a number of years back. This was due to lack of training and two fill-ins working together. Chalks were not in place, and an ugly incident occurred. What are coverage thresholds and what would HMC be liable for today should an incident like that occur while contracted? Does the contract say who will be HMCs representative for the Coast Guard and other investigative authorities, as owner, if this were to occur? **The contractor would bear the responsibility for accidents that result from negligence. But again, insurance coverage covers these contingencies. There have been incidents with**

our existing crew (dolphins, etc.) where repair costs were borne by the Membership. Contracting out could shift that responsibility. Again these issues would be covered in the RFI and RFP.

32. Does the contract state who would be our representative for Coast Guard inspections, safety checks, etc.? We don't have a contract yet, but that is one of the issues that would be addressed as part of the RFI and RFP.

33. Who will be researching the insurance quotes, and is this an annual exercise? What is the expected cost in hours that our office staff would have to add to their annual job duties to support this? If there would be cost to the above exercise, why aren't they being added to "the cost of contracting?" We currently have an insurance broker who researches the best coverage for HMC. And our current insurance policies cover areas beyond the ferry (i.e. HMC owned properties, health care, Board insurance, etc.) With the exception of Employee Health Care we don't anticipate anything to change there.

CREW EXPLANATION CLARIFICATION

34. The handouts provided at the first meetings state that our crew would have the right of first refusal. However, statements given during the meeting indicated that our crew members most likely do not meet the Contractors "agility" requirements. What is the current pay scale that the contractor would be offering for captains, senior captains, and deck hands? When will we be provided with job descriptions/requirements? Will the existing service date (hire date) be transferrable to the contracting company so it is recognized for vacation/sick leave determination?

All of these issues are subject to negotiation between the contractor and their employees. We are told that the contractor's pay scales are comparable within the industry.

35. The handout implies and Committee discussion ensued around the breakdown between what is shown on the handouts and what Management knows as to what it takes to operate the ferry 24/7, 365 days a year. This process has highlighted the ongoing breakdown in communications between our Management and our Ferry operations. *On the proposed contractor side of the handout numerous items are listed as if the contractor alone would perform these activities as a new service. When in fact, our ferry crew perform these duties to maintain our daily operation.* These duties are: ferry is parked on the island side; general repairs are done during normal operations; general housekeeping is done; emergency repairs are done; all required records maintained; painting of all exterior services reachable from the vessel; pump and shaft seal adjustments; emergency equipment checks and maintenance; Coast Guard inspection scheduling; schedules shipyard; and recommends shipyard maintenance.

Current duties of in-house personnel are covered by the IBU contract with HMC.

36. The handout failed to list our crews combined 50 year working knowledge of the Herron Island ferry system docks and operations. Any contractor awarded a contract for this service would be fully qualified on all aspects of the ferry operations. Since there is a possibility that they may periodically utilize other qualified employees only enhances the level of experience we have come to enjoy.

37. The handout comparison also lists duties attributed to management, however again fails to show or provide HMC management office staff hours that could be eliminated for such duties as payroll expenses, processing of ferry passenger logs for ticketing, employee management and contract negotiations.

Excellent point. The peripheral costs savings in staff hours, while not quantified yet are expected to be significant and will probably result in a much lower level of overtime hours being expended. At this time those cost savings through contracting have not been taken into account.

OTHER QUESTIONS NOT COVERED ELSEWHERE

38. What weighting do you intend to give to the membership opinion in your decision making? At the end of the day it is the Membership who decides. Due to the costs the contract would have to go to a vote of the Membership.

39. What will be the costs for additional tasks that were left out of the contract because the requirements that board submitted failed to include them? That question is difficult to answer since we don't know what we don't know. Every attempt will be made to cover every contingency. The questions you have brought up would help in generating a RFI and RFP.

40. How important is "proven service" in your decision when comparing a company new to the industry vs a company that is already established? The vetting process is expected to include references from existing customers receiving similar services. Those references will be extensively researched and heavily weighted. Again, the decision to contract is not a Board decision but a Membership decision.

41. What other fiduciary responsibilities do you see the board requiring?
The fiduciary responsibilities of the Board are ongoing.

42. Is it true that our Island Manager's pursuit of recruiting new ferry captains included help wanted ads posted on mainland community bulletin boards such as the post office, grocery store, library, and Craig's list? Yes. And the Island Manager has often requested the support of the existing ferry crew for recommendations as to where to seek qualified personnel. For the most part those requests have gone unanswered even though they have stated they know people that would apply. Also the IBU refuses to help in recruiting fill-in personnel. The Island Manager followed the Sr. Captains recommendation and ran an ad in the Seattle paper for a week with no results. Most of the applications have occurred off of Craig's list.

43. Were any want ads for a Ferry Captains sent to Marinas', Ports, or Union halls? Please identify 4. For all the issues that we have seen to date in the Island Managers report, was the question ever asked "what can we do better in regards to the ferry?" Please give us an example of one ferry improvement from the board or island manager.

Answer: See answer to question #42 above. The Island Manager and the Board always seek to engage the crew regarding ferry improvements, etc. The new ferry engines are a case in point. We relied heavily on the recommendations from Capt. Farris and in fact selected the new engines based on his strong recommendation. Additional funds in the cash box were increased at the crew's recommendation and Form 18 was abolished at the crew's recommendation recently. Again the union will not help by posting fill-in jobs.

44. Explain the backup plan: If the contractor is unable to uphold the contract; if the contracting provider declares bankruptcy; if a lien is placed on their operations and their receipts. HMC Management has long and extensive experience managing our ferry operations in house. In the event of a contractor default we would resume in house operations and seek financial remedies through all legal means. Also this issue can be addressed in the RFI and RFP process.

Contracted Cost Comparison Ferry Crew For FY 2014-2015

Contractor costs for year	<u>\$375,000.00</u>	(Maximum limit to include \$10,000 for training.)
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HMC costs for a
year

Ferry crew wages	\$347,280.50	Does not include accumulated AL or SL
Cellphone cost	\$362.13	
Drug testing	\$792.54	
Rentals for fill in crew	\$960.00	
Uniforms	\$1,191.42	
Miscellaneous	\$2,607.74	
Fueling reduction	\$8,550.11	
Loss revenue	\$5,200.00	
Legal cost	\$6,700.00	
Ferry Crew Free Passages	\$8,448.00	
	<u>\$382,092.44</u>	

Difference between contract and in-house employees.	\$7,092.44
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fueling costs

Bill	DOE Emergency fee	Net fuel	Plus 15%	Savings
\$2,845.66	\$950.00	\$1,895.66	\$2,180.01	
\$3,108.49	\$950.00	\$2,158.49	\$2,482.26	
\$2,854.91	\$950.00	\$1,904.91	\$2,190.65	
\$3,323.23	\$950.00	\$2,373.23	\$2,729.21	
\$3,298.59	\$950.00	\$2,348.59	\$2,700.88	
\$3,442.45	\$950.00	\$2,492.45	\$2,866.32	
\$3,233.38	\$950.00	\$2,283.38	\$2,625.89	
\$2,988.97	\$950.00	\$2,038.97	\$2,344.82	
\$3,199.41	\$950.00	\$2,249.41	\$2,586.82	
\$3,051.73	\$950.00	\$2,101.73	\$2,416.99	
\$2,906.23	\$950.00	\$1,956.23	\$2,249.66	
\$3,330.71	\$950.00	\$2,380.71	\$2,737.82	
\$3,560.83	\$950.00	\$2,610.83	\$3,002.45	
\$3,821.36	\$950.00	\$2,871.36	\$3,302.06	
\$44,965.95			\$36,415.84	<u>\$8,550.11</u>

HMC Ferry Schedule		
HMC (winter)		
Depart Island	Depart Mainland	
615	700	Mon-Fri Only
730	800	Mon-Fri Only
830	900	
		Mon, Wed, Sat & Sun
930	1000	Only
1130	1200	Sat & Sun Only
1200	1230	Mon-Fri Only
1530	1600	
1630	1700	
1730	1800	Mon-Thu Only
1830	1900	
1930	2000	Friday-Sunday Only
2030	2100	Friday Only

Charged for shuttle runs during breaks

Work day is limited to 12 hours

Contract Ferry Schedule	
Contract (example, year round, all week)	
Depart Island	Depart Mainland
600	630
700	730
800	830
900	930
1000	1030
1100	1130
1600	1630
1700	1730
1800	1830
1900	1930
2000	2030
2100	2130

No charge for shuttle runs during breaks

Work day is limited to 12 hours

Qualifications Master

100 ton license
Deck Hand
STCW
Endorsement
Basic Firefighting
DOT Drug Compliance
Radar Operator
Competent Person Qualified

Qualifications Master

100 ton license
AB Seaman
STCW
Endorsement
Basic Firefighting
Advance Firefighting
Radar Operator
TPIC
Competent Person Qualified
OSHA Confined Space Entry Permitted
OSHA LOTO qualified
DOT Drug Compliance
EMT preferred
Hazmat "q" rated

Qualifications
Deckhand

Deckhand
Competent Person Qualified
Basic Firefighting

Qualifications AB

100 ton license after one
year
AB Seaman
STCW

DOT Drug Compliance

Endorsement
Basic Firefighting
Advance Firefighting
TPIC
EMT preferred
Hazmat "q" rated
OSHA Confined Space Entry Permitted
Coast Guard physical

HMC

Contract

Wages increase is 2-1/2% per year
Beeper wage increase \$5.00 per day
Current contract expires March 2017
Employees are IBU members
Ferry crew does emergency repairs
Ferry crew does general housekeeping

Contract is for five years
Contract increase is 2-1/2% per year

Ferry is parked on the island side
General repairs are done during normal operations
General housekeeping is done
Emergency repairs are done
All required records are maintained
Painting of all exterior surfaces reachable from the vessel
Pump and shaft seal adjustments
Fueling operations
Emergency equipment checks and maintenance
Coast Guard inspection scheduling
HMC employees have the first right of refusal
Transfer of liability
Transfer of contract negotiations
Transfer of contract legal expenses
Transfer of payroll expenses
Transfer of employee management
Reduced shipyard time
Schedules
shipyard
Recommends shipyard maintenance

Sr. Capitan
schedules maintenace
performs maintenance
orders ferry supplies
schedules shipyard
schedules USGC inspections
puts out lowtide cancelation schedule

Required records

COI	Certificate of Inspection
DOI	Document of Inspection
Annual hull survey	
SOPEP	Shipboard oil pollution emergency plan
COFR	Certificate of financial responsibility
OSRO	Oil spill response organization membership certificate
Insurance documents	
835s issued by USCG	
Daily log transfer	
Engineering manuals	
Historic service work orders	
Outstanding work orders	
Maintenance records	
Sub-contractor information and contact	

Transportation Meeting 12.12.2015 Pros/Con Listing

Contract -Advantages	Contract - Disadvantages
No more spill containment costs during ferry re-fueling	No HMC management of dry dock events
Reduce fuel costs due to purchase of fuel futures	Liability issues for ferry, wages, taxes, passengers
Crew reports to outside entity	Is all of this worth it to save each Member \$1.12 per year?
Personal bias removed	Estimated annual cost per Member is \$900 - if we save \$400 each Member would save \$1.15. How does this help?
Better customer service	Cost is not what is important
Competition	Costs of foreclosures and loss of dues - 4 Members
If costs are the bottom line should we not re-evaluate our costs for Island Administration? We all pay that too!	How and who will supervise or be required to check their work?
Save Island Manager time for hiring and discipline	It takes an acquired skill set to operate our ferry
Contractor to add scheduled ferry runs	Once decision is made to try this, no going back
What percent of Island Manager job is part of ferry and will manager work less and get paid less.	Contract crew has no vested interest in our infrastructure
Free up Island Manager's responsibilities (maybe eliminate position at later date)	Safety - can we trust this company to navigate this unique vessel?
Membership still owns ferry	Not known crew regular
Contractor to provide backup vessel during dry dock?	Quality of crew and maintenance
Contractor will implement bar coding system	Background needed on Praetorian - they do not appear worldwide per Google
No reconciliation of ferry fees for office staff?	My children are safe with our crew - I don't believe they will be as safe with a contracted out crew.
Uninterrupted staffing	Our island community would be taking good union jobs away. Saving costs isn't worth it!
Crew no longer conflicted about their "owner" vs "employee" role	
Future crew availability	
Current requirement for crew is to live on Island limits the field of applicants.	
No crew payroll costs	
Issue: Total crew availability. Standby crew today does not get enough hours to be available. Maybe contract has more employees to draw from.	
Issue: Costs spread over multiple ferry systems may reduce costs for legal, health, maintenance in future	
Contractor will provide crew housing	
Crew would no longer be required to live on Island	

In House -Advantages	In House - Disadvantages
HMC management of dry dock events	Current requirement for crew is to live on Island limits the field of applicants.
Contract crew has no vested interest in our infrastructure	Create a policy that requires the whole board to decide to escalate an employee matter to grievance level thereby lessing legal costs.
Safety - can we trust this company to navigate this unique vessel?	Hard to find qualified crew by HMC
Regular crew is well known	Difficult to hire part time employees
Quality of crew and maintenance	Age of HMC crew
My children are safe with our crew - I don't believe they will be as safe with a contracted out crew.	Future crew availability
Better customer service	Issue: Total crew availability. Standby crew today does not get enough hours to be available. Maybe contract has more employees to draw from.
Crew can all for Membership help! They know Membership.	
Our well trained crew	
Crew is face of Island - would lose thru personal connections	
Control - ability to make changes without extra costs	
Available for Emergencies	
Cares for our Asset	
Regular training ensuring met for all captain and crew	
Ensuring all qualifications on all captains and crew	
Having informed captain and crew for board meetings and sharing with Membership	