

INVITATION TO BID (ITB)
FOR
MARINE VESSEL HAUL OUT AND SHIPYARD
OPERATIONS AT THE GARY PAXTON
INDUSTRIAL PARK (GPIP)

Overview

This is an Invitation to Bid (ITB) to operate a marine haul out and shipyard at the Gary Paxton Industrial Park (GPIP) on behalf of the City and Borough of Sitka (CBS).

The CBS is requesting bids from prequalified entities for the project described herein. The following subjects are discussed in this ITB to assist you in preparing your bid.

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A. Introduction and Additional Information

The City and Borough of Sitka (CBS) is seeking bids from prequalified firms or individuals to operate a newly constructed marine vessel haul out and shipyard at the Gary Paxton Industrial Park (GPIP). This facility is a key component of Sitka's maritime infrastructure, located in the scenic panhandle of southeast Alaska.

Sitka, encompassing an area of 2,870 square miles, is a unique and remote community accessible only by airplane or boat, with a population of approximately 8,500 residents. The local climate, characterized by an average annual precipitation of 131 inches and frequent overcast conditions, is a testament to the region's rich coastal environment.

The GPIP, situated around the 4500 block of Sawmill Creek Road, approximately 6 miles south of the town center, includes a deep-water dock and upland land available for lease, positioning it as a strategic location for maritime and industrial activities. As part of its commitment to enhancing the maritime capabilities of the region, the CBS is constructing a state-of-the-art vessel haul out and shipyard facility within the park, poised to significantly bolster Sitka's maritime services by incorporating a 150-ton vessel hoist, a pile-supported pier for the lift vehicle, a wash-down pad, and a graded gravel vessel laydown area.

Sitka has a significant marine customer base. All developers are encouraged to conduct their own due diligence regarding the proposed customer base.

A desired Operating Agreement for Marine Vessel Haul Out and Shipyard Operations is attached for your review as Appendix A.

B. Scope of Services

The bidder agrees to perform Shipyard Services at and use the Facilities as set out in the Scope of Services/Facilities (Appendix B) in a prompt, efficient, prudent, and economical manner, including providing all clerical personnel, laborers, and supervision necessary to perform such Shipyard Services.

C. Insurance Requirements

The selected bidder shall provide the types of insurance as outlined in Section 14 of Appendix A.

D. Facility Operations

The selected bidder shall be responsible for the day-to-day operations of the Marine Vessel Haul Out and Shipyard. Bidder is expected to work closely with the CBS and the GPIP Board to create a fully functional marine haul out service sector at GPIP.

E. Relationship with CBS

The selected bidder will be expected to maintain a working relationship with the CBS as outlined in Appendix A.

F. Bid Format and Content

Please direct questions regarding this ITB to:

Municipal Administrator
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835
907-747-1812
administrator@cityofsitka.org

Bid Format

Bidders will provide pricing for detail services listed and any other additional fees it deems necessary to operate the shipyard on the Fee Schedule for Shipyard Services included as Appendix C.

Bids may be delivered either electronically by email to administrator@cityofsitka.org or by mail to:

Municipal Clerk
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

G. Schedule

Bids will be accepted until 2:00 PM on February 13th, 2025. Late bids will not be accepted.

H. Evaluation Criteria and Selection Process

Bids will be evaluated by the CBS on a best value approach.

CBS reserves the right to negotiate with any bidder, waive any informalities in the bids, and award the Marine Vessel Haul Out and Shipyard Operations agreement to the bidder that, in CBS's sole discretion, provides the best value for the Municipality. CBS also reserves the right to reject any or all bidders. At the conclusion of the bid period, CBS will notify both selected and non-selected bidders. Additionally, CBS will collaborate with the selected bidder to draft and enter into an exclusive agreement that aligns with the desired outcomes of this ITB.

I. Appendices

- Appendix A Operating Agreement for Marine Vessel Haul Out and Shipyard Operations
- Appendix B Scope of Services/Facilities
- Appendix C Fee Schedule for Shipyard Services
- Appendix D GPIP Environmental MOU between the State of Alaska and CBS

**OPERATING AGREEMENT
BETWEEN
CITY AND BOROUGH OF SITKA
AND
HIGHMARK MARINE FABRICATION, LLC
FOR MARINE VESSEL HAUL OUT AND SHIPYARD OPERATIONS**

The City and Borough of Sitka (“Owner”) desires the firm Highmark Marine Fabrications, LLC (“Contractor”) to Provide Marine Vessel Haul Out and Shipyard Operations. This Operating Agreement (“Agreement”) is made and entered into by and between Owner and Contractor in consideration of the mutual promises contained in this Agreement.

This Agreement also consists of:

Exhibit A – Scope of Services/Facilities – 3 pages, dated January 29th, 2025

Exhibit B – Fee Schedule for Shipyard Services, dated January 29th, 2025 (2 pages)

Exhibit C – MOU between the State of Alaska and City and Borough of Sitka
Management Plan for Sawmill Cove Industrial Park

SECTION 1. DEFINITIONS

For the purpose of this Agreement, the terms used in this Agreement shall have the following meaning:

- A. “Owner” shall mean the CITY AND BOROUGH OF SITKA, Alaska.
- B. “Contractor” shall mean HIGHMARK MARINE FABRICATIONS, LLC, a Partner, Associate, or any other person acting for and/or on behalf of the firm HIGHMARK MARINE FABRICATIONS, LLC.
- C. “Owner’s authorized representative” shall mean the person set forth in Section 12 of this Agreement.
- D. “Days” shall mean calendar days.

SECTION 2. TERM AND DURATION

This Agreement begins **Month**, 2025 and ends June 30, 2030. It will be automatically extended for up to five (5) one-year renewal terms provided Contractor’s performance is deemed acceptable and the terms of this Agreement are found to remain in the public interest following completion of an Annual Review by Owner. This Agreement may be extended beyond June 30, 2035 by the mutual written agreement of Owner and Contractor.

SECTION 3. FACILITIES

The Owner will make available to the Contractor certain equipment and adjacent property at

*Operating Agreement between the City and Borough of Sitka and Highmark Marine Fabrications, LLC
For Marine Vessel Haul Out and Shipyard Operations.*

the Gary Paxton Industrial Park (GPIP), as depicted in **Exhibit A** to the Agreement (“Facilities”). The Owner shall have the right to make additions, alterations, or improvements to the Facilities which do not impede Contractor’s access to or use of the Facilities, except as required to perform necessary repairs to the Facilities.

SECTION 4. SCOPE OF SERVICES

The Contractor agrees to perform Shipyard Services at and using the Facilities as set out in the attached **Exhibit A** in a prompt, efficient, prudent, and economical manner including the provision of all clerical personnel, laborers, and supervision necessary to perform such Shipyard Services. The Contractor shall exercise independent judgment in performing its obligations and responsibilities under this Agreement in compliance with all OSHA regulations.

- A. Exclusive and Non-Exclusive Rights
 - 1. Contractor shall have exclusive rights to use of the 150-ton Marine Travel Lift (“Travel Lift”) twenty-four (24) hours per day, seven (7) days per week and up to **square feet** of Contractor storage.
 - 2. Contractor shall have non-exclusive rights to use of all other Shipyard Facilities. Such use shall be coordinated with Owner. Contractor shall not unreasonably hinder use of other Facilities by persons permitted by Owner to use other Facilities under the Owner’s “Open Shipyard” policy.
 - 3. Contractor shall have non-exclusive rights to use Owner’s real property at the Shipyard within the boundaries shown in **Exhibit A**. Contractor shall not unreasonably hinder use of Owner’s real property at the Shipyard by persons permitted by Owner to enter and occupy Owner’s real property at the Shipyard under Owner’s “Open Shipyard” policy. Contractor shall allow and coordinate other use of the Shipyard by vessel owners to maximize use of the Shipyard for its intended purpose.
- B. Services by Other Persons at Shipyard. A person other than Contractor may provide services at the Shipyard to vessel owners that do not require use of the Travel Lift. Contractor shall coordinate use of the Shipyard by others.
 - 1. Shipyard Services. Shipyard Services means lifting, launching, blocking, washing, lay days, hang time, and other services provided to Shipyard customers at rates set by Owner performed by Contractor at the Shipyard. Services provided by Contractor for ship repair or any business activity currently conducted by Contractor that is invoiced directly to the customer at rates set by Contractor are not Shipyard Services. Provision of utilities is a Shipyard Service. Provision of dry dockage space and on-site storage are Shipyard Services.

SECTION 5. PERFORMANCE/ANNUAL REVIEW

Contractor agrees to perform the work on a non-exclusive basis, when requested, as described in Exhibit A. On or before August 1 of each year during the initial or extended term of this Agreement, Owners shall provide Contractor a written statement of whether Contractor's performance during the previous calendar year has been acceptable and whether the terms of this Agreement have been found by Owner to remain in the public interest. If the Owner deems Contractor's performance not acceptable or that the terms of this Agreement do not remain in the public interest, Owner and Contractor shall negotiate in good faith for an amendment to the Agreement effective on the anniversary date of the initial term.

SECTION 6. CONTRACTOR COMPENSATION

The Owner agrees Contractor may retain all payments made to Contractor for Shipyard Services and other services provided by Contractor to Shipyard users subject to Owner's Compensation required by Section 8 of this Agreement. Contractor is responsible for billing and collection of charges from vessel owners for Shipyard Services.

SECTION 7. RATES

Rates Contractor must invoice for use of Facilities and Shipyard Services are identified in the attached **Exhibit B** and may be changed only upon approval of the Assembly of the City and Borough of Sitka. The Contractor shall be bound by any future modification or amendments to rates made by the Assembly. Rates for other services provided by Contractor to vessel owners may be set by Contractor. All such sums shall be charged against the vessel or cargo and shall be collected by the Contractor, and a portion thereof remitted by the Contractor to the Owner as required by this Agreement.

SECTION 8. OWNER COMPENSATION

On or before the first day of each month during the initial or any extended term hereof, Contractor shall pay Owner \$_____. In addition to this fixed monthly payment commencing **Month 1, 2025** on or before the thirtieth day of each month during the initial or extended term, Contractor shall pay Owner a sum equal **XXXX percent (X%)** of the gross receipts of Contractor from all Shipyard Services received during the previous calendar month, including all utility expenses. Owner will invoice the Contractor monthly for all utility expenses. Such remittances shall be accompanied by appropriate itemized documentation.

SECTION 9. OWNER RESPONSIBILITIES

- A. Owner shall provide all parts, materials, and consumables necessary for the maintenance and operation of the Facilities. Owner will designate an employee knowledgeable in the maintenance routine of the Shipyard to help transition service documentation and schedules for the Facilities.
2. If any replacement equipment is necessary due to excessive maintenance costs or major repairs, Contractor and Owner will come to an agreement in writing regarding either the

acquisition of new equipment or the use of Contractor equipment.

3. Owner will reimburse Contractor for all major repair work that falls outside general maintenance subject to prior approval in writing of the Municipal Administrator and Contractor on the scope and cost of the major repair work. For purposes of this Agreement, "major repair work" is repairs whose estimated costs exceed ten thousand dollars (\$10,000.00).
- B. Owner will make available all utility connections, however, Contractor shall be responsible for all Shipyard utilities. This includes all water, sewer, electricity, and fuel necessary for the operation and maintenance of the Facilities.
- C. Owner shall be responsible for Shipyard property grading and major snow removal.
- D. Owner will complete a Phase I environmental assessment within sixty (60) days of commencement of this Agreement.
4. Owner shall be responsible for preparing all annual environmental reports on the Shipyard wastewater system and submitting the reports to the State of Alaska Department of Environmental Conservation.
- E. Owner shall be responsible for the 150-ton Marine Travel Lift Certification.

SECTION 10. RELATIONSHIP OF PARTIES

Contractor shall perform its obligations under this Agreement as an independent Contractor of Owner. Owner may administer the Agreement and monitor Contractor's compliance with its obligations. Owner shall not supervise or direct Contractor other than as provided in this section.

SECTION 11. ASSIGNMENTS

Unless otherwise allowed by this Agreement or in writing by Owner, any assignment by Contractor of its interest in any part of this Agreement or any delegation of duties under this Agreement shall be void, and any attempt by Contractor to assign any part of its interest or delegate duties under this Agreement shall give Owner the right immediately to terminate this Agreement without any liability for work performed.

The Owner reserves the right to approve all subcontractor contracts.

SECTION 12. DESIGNATION OF REPRESENTATIVE

The Parties agree that, for the purposes of this Agreement, the Owner shall be represented by and may act on through the Municipal Administrator or such other person as he/she may designate in writing.

SECTION 13. DEFAULT AND TERMINATION

The Owner may declare a default hereunder and terminate this Contract, in addition to exercising any other available remedy, upon the occurrence of any of the following:

- A. The failure of the Contractor to pay any sum of money due under this Agreement within ten (10) days after the due date.
- B. The failure of the Contractor to perform or observe any covenant or condition of this Agreement, other than a default in the payment of money, which is not cured within thirty (30) days after notice thereof from the Owner to the Contractor, unless the default is of a kind that may be cured, but not within such thirty (30)-day period, in which case no default shall be declared so long as the Contractor shall commence the curing of the default within such thirty (30)-day period and thereafter shall diligently and continuously prosecute the curing of same.
- C. The commencement of a case under any chapter of the Federal Bankruptcy Code by or against the Contractor, or the filing of a voluntary or involuntary petition proposing the adjudication of the Contractor as bankrupt or insolvent, or the reorganization of the Contractor, or arrangement by the Contractor with its creditors, unless the petition is filed or case commenced by a party other than the Contractor and is withdrawn or dismissed within ninety (90) days after the date of its filing.
- D. The admission in writing by the Contractor of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of the Contractor, unless such appointment shall be vacated within ten (10) days after its entry; the Contractor making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of the Contractor.

SECTION 14. INSURANCE

- A. Contractor shall at all times during the term of this Agreement, maintain in good standing the insurance described in Subsection B. Before rendering any services under this Agreement, Contractor shall furnish Owner with proof of insurance in accordance with Subsection B in a form acceptable to the Risk Manager for Owner; such proof of insurance shall be incorporated into this Agreement.
- B. Type of coverage (may include umbrella):
 - 1. Minimum Scope of Insurance
 - a. Commercial Marine Liability
 - b. Commercial Automobile Liability Insurance
 - c. Pollution Insurance

2. Minimum Limits of Insurance

Contractor shall maintain limits no less than:

- a. Commercial Marine Liability: \$1,000,000 combined limit per occurrence for bodily injury and property damage claims. The general aggregate limit shall be \$2,000,000.
- b. Commercial Auto Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- c. Pollution insurance: \$5,000,000 combined single limit per loss applicable to bodily injury, property damage, cleanup costs and defense. Coverage shall apply to sudden and non-sudden pollution conditions.
- d. Umbrella Liability Insurance: The Contractor shall procure and maintain during the life of this Agreement umbrella liability insurance, not less than \$5,000,000 combined single limit per occurrence and aggregate for bodily injury and property damage claims arising from all operations related to this Agreement.

3. Other Insurance Provisions

The policies are to contain, or be endorsed to contain the following provisions:

- a. Commercial Marine Liability and Automobile Liability and Pollution.
 - (1) The City and Borough of Sitka, its officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitation on the scope of protection afforded to the City and Borough of Sitka, its officers, officials, employees and volunteers.
 - (2) The Contractor's insurance coverage shall be primary insurance as respects the City and Borough of Sitka and its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City and Borough of Sitka, its administrators, officers, officials, employees and volunteers shall be excess of the Contractor's insurance and shall not contribute to it.
 - (3) The Contractor's insurer shall agree to waive all rights of subrogation against the City and Borough of Sitka, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor or any subcontractor for the City and Borough of Sitka.
- b. Employer's Liability. The Contractor's insurer shall agree to waive all rights of subrogation against the City and Borough of Sitka, its Administrator, officers, officials, employees and volunteers for losses arising from work performed by the Contractor or any subcontractor for the City and Borough of Sitka.
- c. All Insurance. Each insurance policy required by this Agreement shall be

endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice for nonpayment of premium or fraud on the part of the Contractor or sixty (60) days prior written notice for any other reason by certified mail, return receipt requested, has been given to the City and Borough of Sitka. Such notice shall be mailed by the Contractor's insurer(s) to the attention of the Municipal Administrator for the City and Borough of Sitka.

4. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of no less than A-: VII
5. Verification of Coverage. Contractor shall furnish the City and Borough of Sitka with approved certificates of insurance and with certified copies of all endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms provided by the City and Borough of Sitka, or which meet industry standard (ACORD form). The City and Borough of Sitka reserves the right to require complete, certified copies of all required insurance policies, at any time.

SECTION 15. IDEMNITY

Contractor agrees to indemnify, defend, and hold the City and Borough of Sitka and its administrators, officers, agents, employees, volunteers and servants harmless from and against any and all claims, demands, actions, losses, expenses, and liabilities for, or related to, loss of or damage to property or injury to or death of any person relating to or arising or resulting in any way from the performance by the Contractor or any of its subcontractors under the Agreement, or the work or services provided or the condition or use thereof, regardless of any negligence of the City and Borough of Sitka or their respective agents or employees, excepting only such loss, damage, injury or death which results solely from the negligence or willful misconduct of the City and Borough of Sitka.

SECTION 16. COPYRIGHTS AND RIGHTS IN DATA

All documents produced under this Agreement are the property of Owner, including notes, drawings, reports and other technical information referred to as work products, except items which have pre-existing copyrights. Payments to Contractor for services include full compensation for all work products produced by Contractor and its subcontractors.

All such subject data furnished by Contractor pursuant to this Agreement are instruments of its services in respect to this particular project. It is understood that Contractor does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If Owner reuses the subject data without Contractor's specific written verification of adaption, such reuse will be at the risk of Owner, without liability to Contractor. Any such verification of adaption requested in

writing by Owner at Owner's sole option will entitle Contractor to further compensation at rates agreed upon by the Parties.

SECTION 17. RESPONSIBILITY OF CONTRACTOR

At all times during Contractor's performance of services under this Agreement, Contractor shall possess and exercise the level of competence, knowledge and skill presently maintained by other practicing members of the profession in good standing in the same or similar localities.

SECTION 18. COMPLIANCE WITH APPLICABLE LAWS

Contractor shall, in the performance of the Agreement, comply with all applicable federal, state and local laws, ordinances, orders, rules and regulations applicable to its performance hereunder.

SECTION 19. NONDISCRIMINATION

- A. Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.
- B. Contractor shall state, in all solicitations or advertisements for employees to work on jobs relating to this Agreement, that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood.
- C. Contractor shall include the provisions of Subsection A in every subcontract or purchase order under this Agreement, so as to be binding upon every such subcontractor or vendor of Contractor under this Agreement.
- D. Contractor shall comply with all applicable Federal, State and City laws concerning the prohibition of discrimination.

SECTION 20. RECORDS AND AUDIT

The Owner, in cooperation with the Contractor, agrees to maintain sufficient and accurate records and books of hauls and launches, including detailed hauling profiles of each vessel, complete date and time records, showing all direct labor hours expended and all costs incurred and the same shall be provided in a timely fashion to the Owner for its record keeping. Contractor shall maintain such records for a period at least equal to the period established by the City and Borough of Sitka records retention schedule or any subsequent amendment thereto following expiration or termination of this agreement.

SECTION 21. NOTICES

Any notice required pertaining to the subject matter of this Agreement shall be in writing and either personally delivered or mailed by prepaid, first class, registered or certified mail, return receipt requested, to the following addresses:

OWNER:

City and Borough of Sitka
Municipal Administrator
100 Lincoln Street
Sitka, AK 99835

CONTRACTOR:

Highmark Marine Fabrications, LLC
2018 Mill Bay Road
Kodiak, AK 99615

SECTION 22. CLAIMS AND DISPUTES

If Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a claim, Contractor shall immediately notify in writing Owner's authorized representative. If the matter cannot be resolved within seven (7) days, Contractor shall, within the next fourteen (14) days, submit a written notice of the claim to Owner. Contractor shall, in presenting the claim, include the facts and circumstances surrounding the claim, the specific relief requested including any additional compensation claimed and the basis upon which it was calculated, and the provisions of this Agreement under which the claim is made. This procedure covers all claims by Contractor for additional compensation or any extension of the time for performance or any dispute regarding a question of fact or interpretation of this Agreement. Contractor agrees that unless these written notices are provided, Contractor shall have no entitlement to additional time nor compensation for such act, event or condition.

SECTION 23. SUCCESSORS AND ASSIGNS

The Parties bind themselves, partners, successors, assigns and legal representatives to the other Party to this Agreement and to partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Agreement.

SECTION 24. PERMITS, LAWS AND TAXES

Contractor shall acquire and maintain in good standing all permits, licenses and other entitlement necessary to its performance under this Agreement. All actions taken by Contractor under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. Contractor shall pay all taxes pertaining to its performance under this Agreement.

SECTION 25. ATTORNEY'S FEES

In the event either party institutes any suit or action to enforce its right hereunder, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in such suit or action and on any appeal therefrom.

SECTION 26. NON-WAIVER

The failure of either Party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part, or the right of such Party to enforce each and every provision.

SECTION 27. AMENDMENT

- A. This Agreement shall only be amended, modified or changed by a written amendment, executed by authorized representatives of the Parties, and such amendment shall be attached to this Agreement as an appendix.
- B. For the purposes of any amendment, modifications or change to the terms and conditions of this Agreement, the only authorized representatives of the Parties are:
 - 1. _____ - For Contractor
 - 2. John Leach, Municipal Administrator - For Owner
- C. Any attempt to amend, modify or change this Agreement by either an unauthorized representative or unauthorized means, shall be void.

SECTION 28. SEVERABILITY

Any provision of this Agreement decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the Agreement.

SECTION 29. JURISDICTION - CHOICE OF LAW

Any civil action arising from this Agreement shall be brought in the Alaska Superior Court at Sitka. The laws of the State of Alaska shall govern the rights and obligations of the Parties under this Agreement.

SECTION 30. INTEGRATION

This instrument and all exhibits, appendices and amendments embody the entire Agreement of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Agreement. This Agreement shall supersede all previous communications, representations, or Agreements, either oral or written, between the Parties.

SECTION 31. FORCE MAJEURE

- A. Any failure to perform by either party due to force majeure shall not be deemed a violation or breach hereof.

*Operating Agreement between the City and Borough of Sitka and Highmark Marine Fabrications, LLC
For Marine Vessel Haul Out and Shipyard Operations.*

- B. As used in this Agreement, force majeure is an act or event of substantial magnitude, beyond the control of the delayed party, which delays the completion of this Agreement, including without limitation:
1. Any interruption, suspension or interference resulting solely from the act of Sitka or neglect of Sitka not otherwise governed by the terms of this Agreement.
 2. Strikes or work stoppages.
 3. Any interruption, suspension or interference with the project caused by acts of God, or acts of a public enemy, wars, blockades, insurrections, pandemics, riots, arrests or restraints of governments and people, civil disturbances or similar occurrences.
 4. Order, action, or failure to act, by a court, administrative agencies or governmental officers other than Sitka.

IN WITNESS WHEREOF, the Parties have executed this Agreement, on the date and at the place shown below.

CITY AND BOROUGH OF SITKA, ALASKA

Date

By: John Leach
Its: Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by John Leach, Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality, on behalf of the municipality.

Notary Public in and for the State of Alaska
My Commission Expires: _____

HIGHMARK MARINE FABRICATIONS, LLC

Date

By: Cooper Curtis
Its: President

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Cooper Curtis, President for the HIGHMARK MARINE FABRICATIONS, LLC, an Alaska corporation, on behalf of the corporation.

Notary Public in and for the State of Alaska
My Commission Expires: _____

January 29th, 2025

Scope of Services

1. 150-Ton Travelift Operation and Maintenance

- Contractor will provide a minimum of two certified and competent Marine Travelift operators to ensure 24/7 availability of lift and launch services.
- Contractor will prevent the discharge of any hazardous substances and follow all Environmental Laws regarding the handling and documentation of hazardous substances.
- Contractor will supply all routine and unexpected maintenance labor for the Marine Travelift, not to exceed an amount set by Contractor and the CBS during the contracting process. Contractor will submit all purchase orders, following Sitka General Code 4.15 (Procurement Policy), to the Municipal Administrator or designee for approval prior to procuring parts. Upon approval, Contractor will place the order and invoice the CBS for the exact purchase price, and freight cost incurred.
- Perform visual inspections of lift, strap, and cables prior to, and after, each use per the Marine Travelift operation and maintenance manual.
- Always use the highest level of safety precautions while operating the Travelift.
- Keep the straps and cables clean and free of debris that may cause premature deterioration.
- Always check all fluid levels before use and maintain proper fuel levels and oil levels.
- All lifts and launches shall not exceed the recommended loads as specified by Marine Travelift.
- Loads must be properly distributed per the Travelift operator's manual.
- Owner/operators of all vessels to be lifted must identify the known underwater fixtures, transducers, bearing and shaft locations and any other underwater appendages that may affect the strap placement. Contractor will take every precaution to ensure underwater appendages are not damaged, including requiring owners to sign a lift agreement if it is deemed necessary.
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2. Lifting, Launching, and Blocking Operations

- Contractor will provide all labor to safely accomplish lifting, launching, and blocking operations within the GPIP Shipyard. This includes skilled laborers, equipment operators, divers, Travelift operators, mechanics, and other necessary personnel. Contractor will provide a minimum of two personnel during all Travelift operations and more when deemed necessary by the operator.
- Contractor will provide all blocking and boat stands it deems necessary to block vessels.
- Contractor shall record weight and other data on each vessel lifted. A photograph or notes regarding strap locations and underwater appendages, as well as displacement reading of Travelift gauges shall be recorded. Notes shall record each vessel's load, including water, fuel, freight, etc.

- Contractor will prevent the discharge of any hazardous substances and follow all Environmental Laws regarding the handling and documentation of hazardous substances.

3. Scheduling, Administration, Payments, Recordkeeping.

- Contractor will provide administrative staff to coordinate Shipyard scheduling, organization, payments, recordkeeping and management. Bookkeeping, lift records, and maintenance records will be available for review upon request.

4. GPIP Shipyard Facility and Equipment Maintenance

- Contractor will provide all labor to properly maintain and protect the City's Shipyard assets such as the washdown filtration system and the building at 4690 Sawmill Creek Road.
- Contractor will provide minor yard maintenance in the form of filling potholes and keeping the facility clean.
- Contractor will provide minor snow removal to keep the vessel pads and washdown pad clear of snow in the winter months. Contractor may request the assistance of the CBS Public Works Department in major snow removal and driveway maintenance via their grader/loader. This shared responsibility will help keep costs low for all involved parties.
- Parts and materials that are required for maintenance operations will be treated in the same manner as Travelift maintenance items. Contractor will submit all purchase orders, following Sitka General Code 4.15 (Procurement Policy), to the Municipal Administrator or designee for approval prior to ordering parts. Upon approval, Contractor will place the order and invoice the CBS for the exact purchase price and freight cost incurred.
- Contractor will prevent the discharge of any hazardous substances and follow all Environmental Laws regarding the handling and documentation of hazardous substances.

Facilities and Equipment

The CBS shall make the following Facilities and Equipment available for the Contractor's use.

- 2025 Marine Travelift Corp. Model 150TG
- Pile Supported Pier
- Gravel vessel laydown area
- Washdown Filtration System including the concrete wash-down pad
- Building 4690 located at the GPIP
 - Water
 - Sanitary sewer
 - Electrical service
 - Boiler heating system
 - Restrooms
 - Utility room

Marine Vessel Haul Out and Shipyard Conceptual Diagram



JANUARY 29TH, 2025

Fee Schedule for Shipyard Services

Bidders are requested to provide pricing for the following shipyard services. Additionally, bidders are encouraged to detail any extra fees necessary for the operation of the shipyard.

A. Lift, Block, and Launch Vessels (Max Width 32')

1. Pricing to lift, block, and launch vessels.
**Bid prices can be demonstrated in price per feet or grouped for different vessel sizes.*
2. After-hours surcharge
3. Nonstandard Lift (operator and lift)
4. Travel strap setup
5. Inspection Lift
6. Hang Time (other than wash pad)
7. Hang Time, on wash pad
8. Delay of Lift
9. Vessel repositions
10. Scheduling Deposit
11. Other fees

B. Dry Dockage Space

1. Dry Dockage Space (lay day)
 - 1 to 30 days
 - 31 to 60 days
 - 61 days or greater
2. On-site Storage
3. Other fees

C. Other Requirements and Fees

1. Vendor liability coverage requirements
2. Utility fees
3. Equipment rental fees
4. Waste disposal
5. Environmental Fees

6. Labor

7. Other requirements and fees

D. Facilities

**The estimated 1,900 SF office portion of Building 4690 located at the GPIIP is envisioned to be used for the GPIIP Marine Vessel Haul Out and Shipyard operations, including making public restrooms available to haul out clients. No fees for office space will be assessed to the future contractor. The contractor will be responsible for utility costs associated with the building. The estimated 5,000 SF of warehouse space of the building can also be used for haul out and shipyard operations.*

1. What is the Contractor's proposed use of Building 4690 and requested price per square foot for lease or rental of warehouse space?

E. Ownership Compensation

The owner (CBS) will have costs associated with its responsibilities outlined in the proposed Operating Agreement between the CBS and Contractor.

1. What payment structure does the Contractor propose to pay the Owner for use of its haul out and shipyard facilities?

By signing this fee schedule, you are confirming that you are an authorized representative of this company and will honor the prices provided.

Highmark Marine Fabrications, LLC

Your Name

Title

Signature

Date

REVISED Memorandum of Understanding
Between the State of Alaska and the City and Borough of Sitka
Management Plan for Sawmill Cove Industrial Park
(Former APC Mill Site)
May 28, 2014

This revised Memorandum of Understanding (MOU) "Management Plan" is made between the State of Alaska (State) and the City and Borough of Sitka (CBS) to set forth measures for implementing recorded institutional controls and other long-term responsibilities for management of the former Alaska Pulp Corporation property located at what is now known as the Sawmill Cove Industrial Park. This revised MOU supersedes the April 28, 1999 MOU signed by Commissioner Michele Brown and Sitka Mayor Stan Filler.

This Management Plan describes how CBS and the State will work together to implement the recorded institutional controls and site management activities for the uplands area and navigation and dredging.

Introduction

From approximately 1995-1999, the State required intensive studies of the environmental conditions of the property and the larger areas affected by the operation of the former APC pulp mill (the Upland and Bay Operable Unit study areas) in consultation with the Sitka Tribe of Alaska, other agencies, and the public. This revised Management Plan specifies the remaining work to be done under a 1999 prospective purchaser agreement between the State and CBS for the former APC pulp mill property. The PPA limits CBS liability for existing contamination associated with the property in exchange for this work.

Uplands – Land Use, Future Construction Activities, and Management of Contaminated Soils or Other Contaminated Media

Restrictive Covenants – Two of the four restrictive covenants recorded by APC in 1997 were rescinded in 2005 to allow for unrestricted land use at the former developed mill site (AK Tidelands Patent No. 20 and U.S. Survey No. 2797). Two covenants remain in effect. Restrictive Covenant Sitka Plat 81-40 comprises 12.522 acres at Herring Cove. Restrictive Covenant U.S. Patent No. 1213671 comprises 143.87 acres adjacent to the former developed mill site. The remaining two restrictive covenants are effective until July 11, 2097, or until dioxins and furans are shown not to be present in concentrations exceeding site-specific, risk-based residential cleanup levels. The restrictive covenants disallow human habitation, schooling of children, hospital care, child care or any purpose necessitating around-the-clock residency by humans. Of its own accord or if requested by CBS, DEC will review information showing that these restrictions may be modified or lifted.

Reporting – If contaminated soils or other media that require special handling are encountered during construction activities, CBS or its tenants or contractors working on the Sawmill Cove Industrial Park property will promptly notify DEC's Contaminated Sites Program, Juneau office, and the CBS Public Works Director. These obligations exist in addition to any other notifications required by law. The Public Works Director or designee, who may be a qualified contractor, shall serve as the project manager for managing the material or taking any remedial actions.

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Site Management – The Public Works Director or designee will require the testing and proper treatment or disposal in accordance with applicable law and DEC regulations and guidance on the management of contaminated soils or other contaminated media. The Public Works Director or designee will promptly report the actions to be taken to DEC as required by applicable law.

DEC Approvals – DEC will process any approvals necessary for addressing existing contamination as part of the implementation of the amended Record of Decision and its institutional controls under applicable regulations and not as enforcement actions.

Sawmill Cove – Future Construction Activities and Vessel Management

Definitions:

1. Area of Concern – The Area of Concern (AOC) is an area in west Sawmill Cove approximately 100 acres in size. The boundary of the AOC begins approximately 2000 lineal feet southwest of outfall 001, extends 500 feet offshore along a southeast line, and follows a rough arc through western Sawmill Cove back to the shoreline approximately 1200 lineal feet north of outfall 001.
2. No Disturbance Zone – A No Disturbance Zone (NDZ) has been established within the AOC. The purposes of the NDZ are to minimize re-suspension of pulp residue and to ensure that no activity occurs that may compromise the ability of the area to achieve the natural recovery ecological management goals within the stated time frame. The NDZ is an area of tidal and submerged lands and overlying seas within the Area of Concern where toxicity is greatest and pulp residue thickest. The area encompasses approximately 6 acres of tidal and submerged lands extending to the southwest immediately offshore of outfall 001. The area is bounded by a perimeter that begins at a shoreward point 50' from the south end of the former pulp dock; extends approximately 425' into Sawmill Cove along a southeast line to the intersection of the – 100 foot contour; turns southwest for approximately 375' to the intersection of the – 120 foot contour; and turns due west for approximately 375' to a point shoreward.
3. Navigational Corridor – The Navigational Corridor is an area of tidal and submerged lands and overlying seas in the AOC bounded by a perimeter that begins at a shoreward point fifty feet (50') from the south end of the former pulp dock; parallels the end of the dock out to the minus sixty foot (–60') contour interval; follows the minus sixty foot (–60') contour to the north end of the Area of Concern boundary, and swings shoreward along the AOC boundary line.

Navigational Dredging - Navigational dredging on the west side of Sawmill Cove in the AOC should be limited to the Navigational Corridor unless extenuating circumstances prevail. Navigational dredging within the AOC does not include blasting of the outcrop of native rocky material in front of the former pulp dock that follows the depth contours to the southeast.

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Dredging actions that occur outside of the Navigation Corridor should be limited in scope and ancillary to in-water construction.

Dock Use and Future Expansion – Existing docks can be used as-is without any further regulatory action, subject only to berthing and dock expansion alternatives identified in the *Decision Framework for Managing Navigation in Sawmill Cove* (Exhibit 7, 1999 MOU). These alternatives are consistent with the remedy (natural recovery) and may be implemented through the normal permit process. Other berthing options are not necessarily precluded, but if proposed, they would have to be evaluated in the future for consistency with the remedy.

In-Water Construction – In-water construction in the AOC is allowed with appropriate precautions and best management practices, incorporated through the permitting process, to minimize disturbance or re-suspension of sediments. In-water construction in the AOC may include pilings, dolphins, docks, bulkheads, moorage and navigation aids, and other structures.

Vessel Management – Vessels are permitted to drop anchor in the AOC, excluding the NDZ and a 100' corridor designed to protect the wastewater discharge pipe that extends beyond the AOC. New single point mooring systems and navigation aids may be established, as needed. The NDZ boundaries and the pipeline corridor are depicted on the CBS Geographic Information System, viewable on-line at <http://www.cityofsitka.com/government/departments/planning/index.html>, and on NOAA charts.

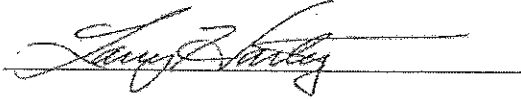
Approaching or departing vessels may traverse the NDZ as long as precautionary measures are taken to minimize disturbance of bottom sediments. To the extent that it is safe and practicable, the following standard operating procedures should be followed by personnel maneuvering approaching or departing vessels in the vicinity of the No Disturbance Zone:

- Approach the dock at as high an angle as possible.
- Minimize the use of the main propulsion system, thrusters, and tugs when over or near the NDZ or buffer zone.
- Use as low a “bell” (such as “dead slow” or the slowest revolutions per minute ordered) when berthing.

Dredging, expansion of moorage, and in-water construction are prohibited in the NDZ, except that CBS may repair, maintain, or remove existing facilities using best management practices to minimize disturbances with approval by DEC prior to the work.


The Sawmill Cove Industrial Park manager will provide each landowner and tenant with a signed copy of the revised Management Plan. The plan must be filed with the Sitka Recorder's Office for each affected parcel. DEC's Institutional Controls Unit, at DEC.ICUNIT@alaska.gov must be notified of each filing and furnished with a copy of the Notice of Restricted Area in Sawmill Cove.

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May 28, 2014



Larry Hartig, Commissioner
Department of Environmental Conservation

Date May 28, 2014



Mim McConnell, Mayor
City and Borough of Sitka

6/4/14
Date