

Sitka GPIIP Shipyard ITB Response

Prepared by Highmark Marine Fabrication

The following entails Highmark Marine's formal response to the Invitation to Bid for the GPIIP Haulout Facility, as proposed by the City and Borough of Sitka, herein abbreviated as CBS, or referred to as "Owner".

In our proud partnership with the City of Kodiak, we have been proud to augment the Kodiak Shipyard from a burgeoning service to a thriving utility for the Kodiak fishing, working and pleasure fleets, and brought new marine demographics and business never before serviced in Kodiak. It is our hope that through a partnership with the City and Borough of Sitka, we might help them achieve the same. Our ongoing mission remains to, through our growing interdisciplinary mastery, develop and keep industry, jobs, and economic development here, in Alaskan communities.

Herein we aim to offer our proposed fee schedules as requested, and offer further context to help shape our position on the optimal operation of the facility, in a manner mutually beneficial to operating and owning parties, and at maximum utility to the community of Sitka.

A.)

Lift, Block, and Launch					
0' to 30'	\$22.50	/ft			\$0.00
31' to 40'	\$24.50	/ft			\$0.00
41' to 55'	\$26.50	/ft			\$0.00
55' and up	\$28.50	/ft			\$0.00
After hours surcharge	20%	total lift			\$0.00
Nonstandard Lift (operator and lift)	\$600.00	/hr			\$0.00
Travel strap set up	T,M&E	/T/M			\$0.00
Inspection Lift (includes 1 hour hang time free)	75% of lift per launch				\$0.00
Delay of Lift	\$150.00	/half hour			\$0.00
Reposition	50% of lift /launch				\$0.00
Environmental Fee	\$1.7	/ft			\$0.00

B.)

Dry Dockage Space					
1 to 30 days	\$1.80	/ft/day			\$0.00
31 to 60 days	\$1.00	/ft/day			\$0.00
61 days or greater	\$0.85	/ft/day			\$0.00
Hang Time					
Hang Time, on Wash Pad	\$100.00	/hr			\$0.00
Other than Wash Pad	\$175.00	/hr			\$0.00
On-site Storage (Other than Vessel)					
Daily (first three days or portion thereof no charge)	\$0.05	/sq.ft/day			\$0.00
Minimum Charge	\$15.00				\$0.00

C.)

Pre-approved vendors, including operator, with \$1 million liability coverage, would pay \$500/yr to CBS, and be current in relevant documentation with the Harbor Office.

Utilities (Includes Water)					
120v, 30 amp or actual kWh cost, whichever is greater	\$7.00	/day			\$0.00
208v, 50 amp or actual kWh cost, whichever is greater	\$15.00	/day			\$0.00
Equipment Rental					
Fork lift	\$94.00	/half hr			\$0.00
Pressure Washer	\$250.00	/day /unit			\$0.00
Stair (Scaffolding)	\$20.00	/day			\$0.00
Waste Disposal					
Used Oil	\$1.30	/gallon			\$0.00
Dumpster (5.5 yard)	\$251.26	per empty			\$0.00
Non-Hazardous Liquids (including oil bilge water)	\$2.80	/gallon			\$0.00
Hazardous	Cost + 15%				\$0.00
Other, e.g., Metals and Wood	Cost + 15%				\$0.00
55 Gallon Drums (Empty)	\$25	/drum			\$0.00
Wood Block Replacement	\$50	/unit			\$0.00

Shipyard Labor (Regular)	\$130	/M			\$0.00
Shipyard Labor (Overtime)	\$195	/M			\$0.00

D.)

We propose to use Building 4690 to stock and retail marine and fabrication supplies and materials deemed essential for anode renewal, coatings renewal, propulsion renewal, metal fabrication and welding, fiberglass work, and other frequent maintenance items common in marine repair. We propose to lease the warehouse space for \$1/sf.

E.)

Concerning remitted payments by Contractor to Owner for use of the Facility, our position is as follows: our proposed fee schedules are based on profitability projections built with data from the Halibut Point Haulout Facility, as well as the City of Wrangell's Shipyard, and other similarly sized operations as per research done by Rain Coast Data, ca. 2022. Even assuming traffic levels of an operation in full swing of productivity (projected to be around 315-345 vessels per year), assuming rates competitive with Wrangell and others puts the projected net profit at a massive deficit for the Operator, given associated operating costs. As it stands, this leaves no room for remitted payments to CBS.

We understand our fee schedule proposed herein far exceeds rates deemed "competitive" in the area of relevant industry; given associated costs to Operator, the rates proposed are the *minimum* required to achieve a 10% profit margin to Operator, which would ensure the operation is, at a minimum, financially feasible and stable in the long-term, and a secure investment on the part of the Operator and Owner. Again, this model still does not account for any additional payments to CBS.

As we understand it, many similarly sized operations (such as Wrangell, as outlined in Rain Coast's 30-year 2022 analysis), operate at a loss to the Owner, but are heavily subsidized by interfunds or similar mechanisms, in order to reduce cost to the userbase. Additionally, some select insurance obligations may be absorbed by Owner to achieve a similar effect (such as environmental), or some investments absorbed by Owner (such as the sourcing and provision of blocking materials).

With the assumption that increasing community utility of the GPIF Facility and decreasing cost to the user are to be given due measure of consideration, we take these factors into account, and invite further discussion into implementing these aforementioned mechanisms (or others), in order to offer more competitive and affordable service to Sitka's userbase.

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

DEE MONROE

Your Name

Signature

SHIPYARD MANAGER

Title

2-13-25

Date