


City and Borough of Sitka

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Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

From: John Leach, Municipal Administrator 

Date: April 21, 2021

Subject: Request for Proposals (RFP) for Rental of Marine Services Center Cold Storage Space

Background

The City and Borough of Sitka (CBS) is requesting proposals from firms interested in leasing, until June 30, 2023, 8,400 square feet of refrigerated cold storage at Sitka's Marine Services Center (MSC) to meet their needs and to provide cold storage services to the seafood processing interest in the community.

The space is currently occupied by a month-to-month lessee with a 30-day termination notice requirement. CBS is interested in establishing a long-term lease that expires in conjunction with the leases existing in other areas of the MSC to provide maximum flexibility in future options for the facility.

Analysis

The cold storage facility is located at 600 Katlian Street in Sitka, Alaska. The building contains about 21,000 square feet of which about 16,500 square feet is presently operated as cold storage.

The CBS will make available 8,400 total square feet of refrigerated cold storage for exclusive use of the lessee for cold storage of product related to their business. The CBS requires a minimum of 840 square feet (10%) of the 8,400 square feet be made available for public cold storage. Major components of the exclusive space will include:

- Cold storage space with the capability to store approximately 1,440,000 pounds of seafood at -10° to -20° F.
- Shared office space and warm-up room for cold storage staff.
- Refrigeration, lighting, heating and other utility services required for use. Utilities are paid by CBS, then split and billed to the lessees based on occupancy.

Fiscal Note

The existing lease was established on May 29, 2019 and is month to month at a rate of \$10,627.69 per month with annual CPI adjustments.

The seawall generates about \$30,000 per year in moorage revenue that includes freighters, various work boats, and small cruise vessels.

The seawall has a small electric/hydraulic hoist that generates about \$4,000 in revenue per year.

The average annual operating cost of the MSC is \$106,000. This amount varies significantly from year to year depending upon the amount of maintenance work that is required. The facility is maintenance intensive. Public Works has identified about \$400,000 in needed repairs over the next four fiscal years.

The Marine Services Center is owned and operated by the City of Sitka under an Enterprise Fund financial model. At the present time, the Fund has about \$1.9 million in Working Capital.

Recommendation

Approve the enclosed RFP for a 30-day advertisement period.

Encl: MSC RFP

REQUEST FOR PROPOSALS (RFP)
by
THE CITY AND BOROUGH OF SITKA, ALASKA
for
RENTAL OF MARINE SERVICES CENTER
COLD STORAGE SPACE

A. Overview

The City and Borough of Sitka (CBS) is requesting proposals from firms interested in leasing, until June 30, 2023, 8,400 square feet of refrigerated cold storage at Sitka's Marine Services Center (MSC) to meet their needs and to provide cold storage services to the seafood processing interest in the community.

B. Description of Facility

The cold storage facility is located at 600 Katlian Street in Sitka, Alaska. The building contains about 21,000 square feet of which about 16,500 square feet is presently operated as cold storage.

An as built drawing of the property is included as Attachment A.

The CBS will make available 8,400 total square feet of refrigerated cold storage for exclusive use of the lessee for cold storage of product related to their business. The CBS requires a minimum of 840 square feet (10%) of the 8,400 square feet be made available for public cold storage. Major components of the exclusive space will include:

- Cold storage space with the capability to store approximately 1,440,000 pounds of seafood at -10° to -20°F.
- Shared office space and warm-up room for cold storage staff.
- Refrigeration, lighting, heating and other utility services required for use. Utilities are paid by CBS, then split and billed to the lessees based on occupancy.

In addition, the lessee will have access and use of common spaces in the building and at the site for the following uses:

- Restrooms for employees
- Access to building for delivery of product to the facility for cold storage.
- Access to the building for van loading frozen product for off-site delivery.
- Covered receiving area to accommodate receiving and handling of seafood from the processors main plant into cold storage.
- Loading dock for placing frozen product into vans for shipment.
- Electrical service for charging fork truck batteries.

C. Excluded Uses at the Site

The following uses are specifically prohibited at the site or as a part of the lessees use of the common spaces or exclusive use spaces:

- Primary processing of seafood.
- Delivery or handling of unprocessed seafood.
- Secondary processing of seafood.
- Retail sales. The term “retail sales” means direct retail sales to customers coming to the site to view and purchase a product. Examples would be a marine chandlery, sales equipment, provisions and supplies, and sales of seafood products similar to a grocery or convenience store operations.
- Equipment storage or any other activity not directly related to the lessee’s exclusive use cold storage activities at the site.

D. Items to be Provided by the Lessee

- All equipment for handling the lessee’s seafood products for cold storage including electric fork trucks and electric charging equipment.
- Racks or stacking aids for cold storage.
- Totes, boxes, or other supplies related to lessee’s cold storage service activities.
- Telephone, garbage collection or any other utility required for operations. Utilities are paid by CBS, then split and billed to the lessees based on occupancy.
- All permits or licenses required for lessee’s operations.
- All utilities to be the responsibility of the lessee.

E. Items to be Provided by the CBS

- Common building and site space of use by the lessee.
- Building maintenance of cold storage equipment and common areas at no charge to the lessee.
- Management of individual lease agreement to the site.
- Rate structure and operations requirements for public users of the cold storage facility.

*** The CBS will not be held liable for temperature variation in the MSC Cold Storage due to improperly handled (above 5°F in temperature and/or wet cardboard boxes) product being introduced to the cold storage vault by the lessee. All items stored are required to be frozen prior to placing them into the cold storage facility.

F. General Contract Requirements

The goal of CBS is to lease the cold storage space until June 30, 2023 to the entity who provides the best value to the City and Borough. The proposals will be evaluated based upon the following criteria:

- A. Award 0 to 25 points based upon the proposer’s plan to lease and operate a cold storage facility.

- B. Award 0 to 25 points based upon the proposer's plan to accommodate public use of the cold storage facility.
- C. Award up to 50 points for proposer's bid price to lease the cold storage facility.

Points will be awarded based upon this formula:

$$\frac{\text{Proposer's bid price}}{\text{Highest bid price received}} \times 50 = \text{Bid Price Points}$$

The total maximum number of points = 100

The City and Borough of Sitka reserves the right to negotiate with any proposer, to waive informalities in any of the proposals and to award the lease of the space to whichever entity is deemed to provide the best value for the Municipality at the sole discretion of the City and Borough of Sitka.

G. Requirements for Proposal

Proponents submitting proposals must include the following information:

1. A letter of interest signed by an authorized representative of the Lessee.
2. A narrative clearly describing the Lessee's plan to lease and manage the cold storage facility and related infrastructure.
3. Clearly identify responses to the General Contract Requirements stated above.
4. A copy of current Alaska Business License.

H. Schedule

Advertise Request for Proposals	May 1, 2021 to May 30, 2021
Proposals Due	June 3, 2021
Internal Review and Negotiations	June 7, 2021 to June 11, 2021
Possible CBS Assembly Award of Lease	June 22, 2021
Possible Commencement of Lease Occupancy	August 1, 2021

I. Submissions and Inquiries

Submit Three (3) copies of your Proposal to:

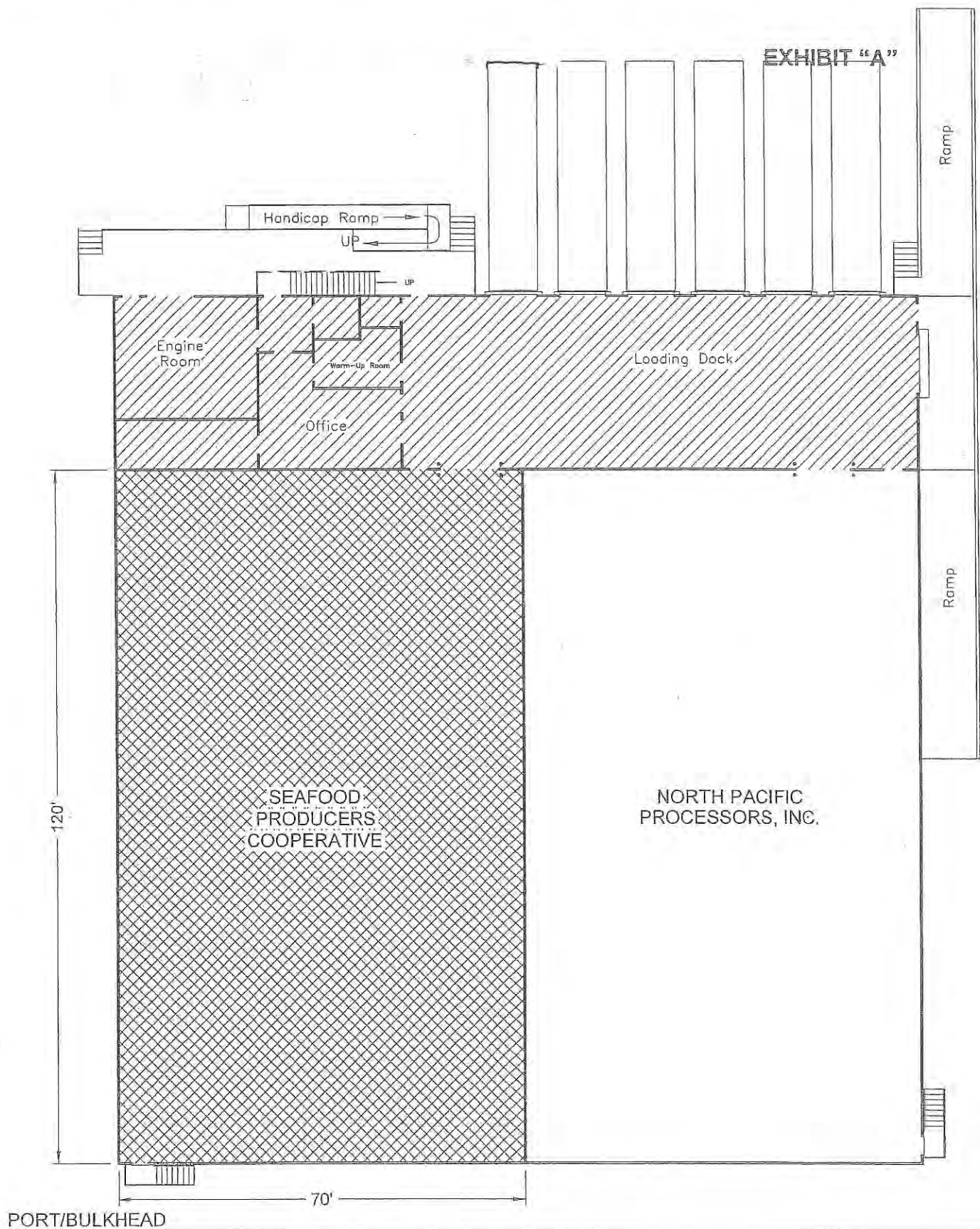
City and Borough of Sitka, Municipal Clerk
100 Lincoln Street,
Sitka, Alaska 99835



Proposals will be received until 2pm local time Thursday **June 3, 2021**.

Any questions regarding this project should be directed to Tori Fleming, Contract Manager, at publicworks@cityofsitka.org, (907) 747-1803.

Dates of Publication:

Sitka Daily Sentinel:



-  COMMON AREAS
-  LEASED PREMISES

MARINE SERVICES CENTER

