

Task Order: 03-2017-CST
Cruise Ship Tariff Analysis
Mallory Square Dock and Outer Mole Pier

1. Authorization to Proceed

The execution of this Task Order by the City of Key West, Florida (the “City”) or receipt of a purchase order for the compensation in the amount detailed in Section 6 will establish permission for Arcadis U.S., Inc. (“Arcadis”) to proceed with the scope of work detailed herein.

The parties agree that the Task Order presented herein shall be performed based on the terms and conditions established in the Master Agreement to Furnish Financial and Other Consulting Service (“Master Agreement”) made effective May 2015 between the City and Arcadis.

2. Scope of Work

Arcadis and our subconsultant, Raftelis Financial Consultants, Inc. (“Raftelis”), will assist the City in completing a Cruise Ship Tariff Analysis that will include an analysis of the cruise ship passenger disembarkation, security, and docking fees, to determine if the fees are adequately covering the cost of providing security and maintaining the facilities for cruise passengers. The work will include the following:

- a. A review of any relevant existing agreements between the City and cruise lines with operations located at the Mallory Square Dock and the Outer Mole Pier.
- b. Review of the regulations that identify and dictate the costs that can be included in tariffs.
- c. Review and analysis of City costs associated with docking and related facility operations, maintenance, security.
- d. Preparation of a cost model that identifies and calculates the costs associated with cruise ship and docking operations at Mallory Square and the Outer Mole in comparison with the fees and associated revenues collected from the cruise lines and docking fees.
- e. Facilitation of a meeting with the City to review the cost model and discuss the preliminary results of the evaluation.
- f. Preparation of a letter report that documents the cruise ship tariff analysis, results, and recommendations.
- g. Preparation of a cost model to be updated and delivered to the City for its records and future use.

3. Summary of Deliverables

The following deliverables are associated with this project:

- An initial kickoff meeting to discuss the objectives, scope of work, and project completion schedule;
- A letter report documenting the tariff analysis, results, and recommendations;
- Facilitation of a meeting to review the cost model and preliminary evaluation results;
- Delivery of a cost model for the City’s records and future use.

We have assumed one trip to the City to review the draft cost model and discuss the preliminary results of the evaluation. If more than one visit to the City, or if additional work scope beyond the scope identified above is requested by the City, then we can provide this additional work as an amendment to this task order.

4. City Responsibilities

The City will provide the necessary data and information to complete the scope of work in a timely manner, including existing tariff schedules, agreements, number of annual passenger movements, Port berthing schedules, dockage layouts and occupancy rates, historical revenues and expenses, and budget information, and any other information that may be necessary to complete the work.

5. Schedule

It is anticipated that the work will be completed in an expedited time frame that corresponds with the City's budget adoption process, or on a schedule that is mutually acceptable to both Arcadis and the City.

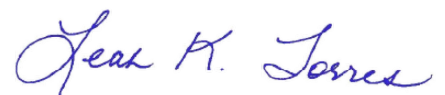
6. Task Order Costs

We propose to compete the scope of work on a lump sum basis for a fixed fee of \$36,920. We will invoice the City monthly based on the percentage of the actual work completed.

The budget estimate for this Task Order is summarized below:

Description	Rate	Hours	Subtotal	Total
Arcadis				
Project Manager	\$290.00	12	\$3,480	\$3,480
Senior Consultant	\$180.00	48	\$8,640	\$8,640
Raftelis				
Director	\$290.00	60	\$17,400	\$17,400
Senior Consultant	\$200.00	32	\$6,400	\$6,400
Travel				\$1,000
Total				\$36,920

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Leah K. Torres
Associate Vice President
Arcadis US, Inc.