



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
CC: Greg Veliz, Assistant City Manager
FROM: Doug Bradshaw, Port and Marine Services Director
DATE: August 22, 2018
SUBJECT: Agreement for Cruise Ship Passenger Shuttle Service.

ACTION STATEMENT

Approving a three (3) year with an option of additional two (2) year terms Agreement for Cruise Ship Passenger Shuttle Service to Historic Tours of America, Inc. (HTA) per Key West City Ordinance Section 2-797(1)b.

PROJECT ISSUE

HTA began providing cruise ship passenger shuttle service for the City in 1996. The service involves transporting a minimum of 1,500 passengers per hour from the Outer Mole Pier. Since that time the City has solicited bids for the service approximately six (6) times and HTA has been the only operator that responded to any of the solicitations for the service.

The City and HTA are currently working under a month-to-month agreement based on the terms and conditions of the 2007 agreement and approved extensions. The only modifications to the agreement being increases in per passenger fee and number of passengers required to be transported per hour (reduced from 1,700 to 1,500). The fee has risen from the original \$2.60 per passenger to the proposed rate of \$5.00 per passenger. The current rate is \$3.66. HTA transports passengers from the Outer Mole to HTA's main distribution hub on Front Street.

Staff has looked at other options for providing this service including using City employees and city owned vehicles. The expense of vehicles (purchasing and maintaining), facilities to house vehicles, as well as sufficient part time drivers for the approximately 107 port calls a year is not financial feasible or practical at this time.

Staff would like to enter into a new contract with HTA based on the current terms and conditions per Key West City Ordinance Section 2-797(1)b which allows contracts to be

Key to the Caribbean – Average yearly temperature 77° F

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awarded without competition when the department head makes a written determination and the purchasing agent verifies that, after conducting a good faith review of available sources, there is only one source for the required commodity or contractual service. HTA has shown that they are the only company able to provide this service.

OPTIONS

There are two options:

1. Authorize a three (3) year with an option of additional two (2) year terms Agreement for Cruise Ship Passenger Shuttle Service to Historic Tours of America, Inc. (HTA) per Key West City Ordinance Section 2-797(1)b.
2. Direct City to bid the project.

ADVANTAGES/DISADVANTAGES

Approval of the contract protects the City from financial loss of canceled port calls.

FINANCIAL ISSUES

The City has anticipated the \$5.00 per passenger fee in the 2018-2019 budget as well as notified the cruise lines of a \$1.34 per passenger surcharge for transportation. The current per passenger fee collected from the cruise lines in conjunction with the surcharge is sufficient to cover the expense.

RECOMMENDATION

Staff recommends approving a three (3) year with an option of additional two (2) year terms Agreement for Cruise Ship Passenger Shuttle Service to Historic Tours of America, Inc. (HTA) per Key West City Ordinance Section 2-797(1)b.