

RESOLUTION NO. 15-018

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, RATIFYING AN EMERGENCY PROCUREMENT DATED DECEMBER 31, 2013 AND APPROVED BY THE CITY MANAGER AS ALLOWED UNDER SECTION 2-797(2) OF THE CODE OF ORDINANCES, EXTENDING THE AGREEMENT FOR CRUISE SHIP PASSENGER SHUTTLE SERVICE THROUGH DECEMBER 31, 2014 (ORIGINALLY APPROVED IN RESOLUTION 07-379 AND EXTENDED IN RESOLUTION 12-307); APPROVING A ONE-YEAR EXTENSION OF THE "AGREEMENT BETWEEN THE CITY AND HISTORIC TOURS OF AMERICA, INC." (INCLUSIVE OF THE FIRST AMENDMENT TO AGREEMENT, AND THE EMERGENCY PROCUREMENT EXTENSION), SUBJECT TO ADDITIONAL NEGOTIATIONS AFTER SIX MONTHS, FOR THE PROVISION OF SHUTTLE SERVICES FOR CRUISE SHIP PASSENGERS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 07-379, the City Commission awarded the bid of Historic Tours of America, to provide shuttle services for cruise ship passengers for the City of Key West; and

WHEREAS, in Resolution No. 12-317 the City Commission approved the "First Amendment to Agreement," amending certain terms of the "Agreement Between the City of Key West and Historic Tours of America, Inc." and extending the agreement through June, 2013; and

WHEREAS, in December 2013, then-City Manager Bob Vitas approved a retroactive emergency procurement extending the amended agreement upon negotiated terms, effective through December 31, 2014; and

WHEREAS, City staff has determined it is necessary to extend the contract to ensure ongoing Cruise Ship Passenger Shuttle Services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the attached emergency procurement dated December 13, 2013 by then-City Manager Bob Vitas, pursuant to section 2-797(2) of the Code of Ordinances, for an extension of the Agreement for cruise ship passenger shuttle services is hereby ratified retroactive for June 30, 2013 through December 31, 2014.

Section 2: That an additional one-year extension of the "Agreement Between the City and Historic Tours of America, Inc.," inclusive of terms contained in the "First Amendment to Agreement," and the Emergency Procurement Extension of the Agreement, is hereby approved, subject to additional negotiations after six months.

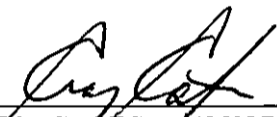
Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held
this 6th day of January, 2015.

Authenticated by the presiding officer and Clerk of the
Commission on January 7, 2015.

Filed with the Clerk January 7, 2015.

Mayor Craig Cates	<u>Yes</u>
Vice Mayor Mark Rossi	<u>Yes</u>
Commissioner Teri Johnston	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>
Commissioner Tony Yaniz	<u>Yes</u>



CRAIG CATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK



THE CITY OF KEY WEST
201 William Street Key West, FL 33040 (305) 809-3790

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager

CC: Sarah Spurlock, Assistant City Manager
Greg Veliz, Assistant City Manager

FROM: Doug Bradshaw, Port and Marine Services Director

DATE: December 18, 2014

SUBJECT: Extension of the Agreement for Cruise Ship Passenger Shuttle Service.

ACTION STATEMENT

Approving a one (1) year extension of the Agreement for Cruise Ship Passenger Shuttle Service to Historic Tours of America, Inc. (HTA) per Key West City Ordinance Section 2-797(4)b, authorize City Manager to negotiate the per passenger fee with HTA after six (6) months, and ratify the emergency procurement.

PROJECT ISSUE

Resolution 07-379 awarded an agreement to HTA to provide shuttle service for cruise ship passengers embarking and disembarking from the Navy Outer Mole Pier. The original agreement was extended on November 12, 2012 per Resolution 12-317 and ran through June 30, 2013. Former City Manager Bob Vitas, per Section 2-797(2), extended that contract on an emergency basis (which must be ratified by City Commission) until December 31, 2014 in order to allow sufficient time for the City to resolve the lease agreement with the Navy for the use of the Outer Mole.

In order to continue with uninterrupted shuttle service to cruise ships scheduled to dock at the Outer Mole, staff is recommending the following at this time:

1. Exempting this contract from the competitive bid requirements per Key West City Ordinance Section 2-797(4)b,
2. Extending the terms of the existing agreement for one (1) year,
3. Extending the cost (\$3.55 per passenger) of the existing agreement for six (6) months with the option to continue services for another six (6) months at a rate to be negotiated by both parties.

HTA has agreed to these conditions. Additionally, HTA is currently the only company in Key West able to provide the service. Under the original bid in 2007, HTA was the only

Key to the Caribbean – Average yearly temperature 77° F.

bidder. In 2012 when the City advertised a bid for the service, no companies bid and the City had to negotiate with HTA in order to continue providing the service. Currently the City is reviewing the sightseeing vehicle franchise ordinance it currently has in place. Revisions of that agreement may increase the ability of other operators to provide the service.

The City has explored the option of providing the service in-house, but feel at this time it is not viable both from a financial or practical stand point. It is estimated that initial start-up cost would be anywhere from \$1.5 to \$2.0 million, not including a building to store the vehicles the City would have to purchase. Operating costs have estimated to be around \$500,000. Staff feels it would be extremely difficult to hire drivers and keep drivers for the estimated 80-90 port calls each year at the Outer Mole.

OPTIONS

There are two options:

1. Authorize the extension of the current agreement based on the above conditions per Key West City Ordinance Section 2-797(4)b, authorize City Manager to negotiate the per passenger fee with HTA after six (6) months, and ratify the emergency procurement.
2. Disapprove the extension of the contract.

ADVANTAGES/DISADVANTAGES

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

FINANCIAL ISSUES

There are no financial issues with extending the agreement. The City has budgeted the service and the current per passenger fee collected from the cruise ships is sufficient to cover the expense. If the agreement is canceled and the City is unable to transport passengers off the Outer Mole as required by the Navy, the cruise ships would have to cancel the port calls and the City would lose the corresponding revenues.

RECOMMENDATION

Staff recommends approving a one (1) year extension of the Agreement for Cruise Ship Passenger Shuttle Service to Historic Tours of America, Inc. (HTA) per Key West City Ordinance Section 2-797(4)b, authorizing the City Manager to negotiate the per passenger fee with HTA after six (6) months, and ratification of the emergency procurement.



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

TO: Bob Vitas, City Manager

FROM: Doug Bradshaw, Port and Marine Services Director

CC: E. David Fernandez, Asst. City Manager – Operations
Mark Finigan, Asst. City Manager – Administration

DATE: December 30, 2013

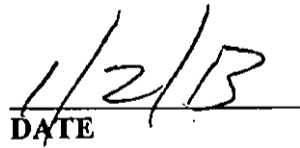
SUBJECT: Emergency Procurement: Extension of the Agreement for Cruise Ship Passenger Shuttle Service

Resolution 07-379 awarded an Agreement to Historic Tours of America (HTA) to provide shuttle service for cruise ship passengers embarking and disembarking from the Navy Outer Mole Pier. The original agreement was extended on November 12, 2012 per Resolution 12-317 and expired on June 30, 2013 without either party officially extending the Agreement for six (6) months as allowed for in the Agreement. A verbal agreement did occur between the parties. That extension if officially executed would expire on December 30, 2013. The City felt that the extension would have been sufficient time to resolve the lease agreement with the Navy for the use of the Outer Mole and would have allowed adequate time for rebidding of the shuttle service. However, the City is continuing to negotiate with the Navy and the outcome is uncertain at this point.

In order to continue with uninterrupted shuttle service to cruise ships scheduled to dock at the Outer Mole and to authorize payment for past service it is necessary for the City Manager to execute an emergency procurement per City Ordinance 2-797(2) in order to protect the City from financial loss of canceled port calls. The emergency procurement retroactively approves the extension of the Agreement to December 30, 2013 and authorizes an additional twelve (12) month extension to the Agreement beginning December 31, 2013 in order for negotiations between the City and Navy to be resolved. HTA has agreed to continue shuttle service from December 31, 2013 at the existing rate for an additional six (6) months. Beyond that HTA has agreed to continue services for another six (6) months at a rate to be negotiated by both parties.

This emergency procurement will be ratified by the City Commission at the next available meeting.


CITY MANAGER APPROVAL


DATE

Key to the Caribbean - Average yearly temperature 77° F.

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Dec.

RESOLUTION NO. 12-317

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING THE ATTACHED "FIRST AMENDMENT TO AGREEMENT," AMENDING THE "AGREEMENT BETWEEN THE CITY OF KEY WEST AND HISTORIC TOURS OF AMERICA, INC. FOR THE PROVISION OF SHUTTLE SERVICES FOR CRUISE SHIP PASSENGERS"; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in Resolution No. 07-379, the City Commission awarded the bid of Historic Tours of America, to provide shuttle services for cruise ship passengers for the City of Key West;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the attached "First Amendment to Agreement," between the City and Historic Tours of America is hereby approved.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held
this 7th day of November, 2012.

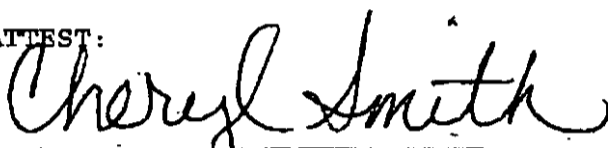
Authenticated by the presiding officer and Clerk of the
Commission on November 8, 2012.

Filed with the Clerk November 8, 2012.



CRAIG BATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK



Executive Summary

To: Bogdan Vitas, City Manager

From: Jim Fitton, Port & Transit Director

Via: David Fernandez, Assistant City Manager, Operations
Mark Frigan, Assistant City Manager, Administration

Date: October 10, 2012

Re: **CONTRACT FOR CRUISE SHIP TRANSPORTATION SERVICES**

ACTION ITEM

This is a request to enter into a contract with Historic Tours of America to provide transportation services for cruise ship passengers from the Outer Mole Pier.

BACKGROUND

At the August 7th, 2012 Commission meeting the Commission rejected the only bid for transportation services as non-responsive and directed the City Manager to negotiate an interim agreement with a qualified contractor, Resolution 12-236. Staff approached both local vendors concerning an agreement to provide services thru 30 June 2013, with a possible six month extension. HTA was the only contractor able to provide the needed service.

The proposed contract is an extension of their current contract with the City with two minor changes. The number of passengers to be transported per hour was reduced from 1700 to 1500 and the cost for using City buses to supplement was set at the City's standard non-profit rate, currently \$60 per hour.

FINANCIAL IMPACT:

Without a transportation contract the City will be unable to utilize the Outer Mole Pier for cruise ships, which contributes over net \$500,000 to the City General Fund annually.

OPTIONS:

1. Approval of this request will ensure transportation is available for the Outer Mole Pier while the City negotiates a long term lease with the US Navy for use of the pier.
2. Disapproval will require cancellation of cruise ships scheduled to moor at the Outer Mole Pier

RECOMMENDATION:

Staff recommends approval.

FIRST AMENDMENT TO AGREEMENT

This Amendment to Agreement is entered into this 8th day of November, 2012, by and between the City of Key West, Florida, a municipal corporation (hereinafter the "City") and Historic Tours of America, Inc., a Florida corporation (hereinafter "HTA").

WITNESSETH

WHEREAS, CITY and HTA entered into an Agreement on the 19th day of October, 2007, (the "Agreement"), pertaining to shuttle services for cruise ship passengers, a copy of which is attached hereto, incorporated by reference, and more particularly described as Exhibit "A"; and

WHEREAS, the Agreement expires on October 18, 2012; and

WHEREAS, CITY is required to obtain contractual shuttle services for cruise ship passengers pursuant to the competitive bidding process; and

WHEREAS, on August 7, 2012, the City Commission of the City of Key West, Florida, passed Resolution No. 12-236, directing City staff to negotiate an agreement with a qualified contractor terminating at a time certain to facilitate the issuance and award of a competitive bid for cruise ship passenger shuttle services; and

WHEREAS, CITY and HTA desire to amend the Agreement to provide for continued contractual shuttle services for cruise ship passengers for a limited period of time beyond the said expiration date of the Agreement.

NOW, THEREFORE, in mutual consideration of the benefits conferred upon the parties by the terms of this Amendment, CITY and HTA agree to modify the Agreement as follows:

RECITALS: That the above recitals are true and correct and made a part hereof;

Section 1: Paragraph 2.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

In resolving inconsistencies among two or more sections of these documents, precedence shall be given in the following order: First Amendment to Agreement, Agreement, HTA's response, City's RFP.

Section 2: Paragraphs 2.3 and 2.4 of the Agreement are hereby deleted in their entirety and replaced with the following:

In consideration of the performance of the services as set forth in the attached Service Requirements, the City shall to pay to HTA based on eighty percent (80%) of the total number of passengers and fifty percent (50%) of the crew members as evidenced on the manifest for each vessel docking at the Outer Male Pier. The rate per passenger and crew will be \$3.55.

Section 3: Paragraph 2.8 of the Agreement is hereby deleted in its entirety and replaced with the following:

HTA shall transport a minimum of 1,500 passengers per hour from any ship subject to this Agreement. In the event HTA is unable to transport a minimum of 1,500 passengers from any such ship, City will provide the additional means of transportation, and HTA shall reimburse City at the rate of \$50.00 per hour for each vehicle provided, with a minimum charge for 2 hours per occurrence. In the event City requires transportation of more than 1,500 passengers per hour from any ship, City shall provide the additional means of transportation at City's sole cost and expense.

Section 4: Paragraph 3.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

Dec. 30, 2013

This Agreement is for a term ending on June 30, 2013. HTA and City may extend the Agreement on the same terms and conditions, for an additional six (6) calendar month period, with an increase negotiated by both parties, if mutually agreed to by the parties at least sixty (60) calendar days prior to the contract expiration. If not renewed prior to the time specified, City may proceed to go out for bid for the services.

Section 5: Except as modified herein, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Agreement on the date first written above.

CITY OF KEY WEST, FLORIDA

By: Craig Cates
Craig Cates, Mayor



Ryhl Smith
Ryhl Smith, City Clerk

HISTORIC TOURS OF AMERICA, INC.

Hope Casar

Witness

[Signature]

Witness

By: *[Signature]*
Edwin O. Swift III, President

RESOLUTION NO. 12-236

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, REJECTING THE BID RECEIVED IN RESPONSE TO INVITATION TO BID (ITB) #12-020, FOR CRUISE SHIP PASSENGER SHUTTLE SERVICE, PURSUANT TO SECTION 2-834 OF THE CODE OF ORDINANCES; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the sole response to ITB #12-020 included modifications which rendered it non-responsive; and

WHEREAS, City staff anticipates a new lease with the U.S. Navy for the Mole Pier area will be negotiated and become effective upon the expiration of the current lease in June, 2013; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the bid received in response to ITB #12-020, for Cruise Ship Passenger Shuttle Service is rejected pursuant to city code of ordinances section 2-834.

Section 2: That City staff is hereby authorized to negotiate an agreement for cruise ship passenger shuttle service at the Navy Mole Pier to terminate no more than six months after the commencement of the new Navy Mole lease (anticipated to commence in June, 2013), to facilitate the issuance and award of a competitive bid for cruise ship passenger shuttle service in conformance with that new lease.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 7th day of August, 2012.

Authenticated by the presiding officer and Clerk of the Commission on August 8, 2012.

Filed with the Clerk August 8, 2012.

ATTEST

Cheryl Smith
CHERYL SMITH CITY CLERK

Craig Cates
CRAIG CATES, MAYOR

* Expires on Oct. 2012

RESOLUTION NO. 07-379

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AWARDING THE BID OF HISTORIC TOURS OF AMERICA FOR A SHUTTLE SERVICE FOR CRUISESHIP PASSENGERS PURSUANT TO RFP #04-007; PROVIDING FOR AN EFFECTIVE DATE

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the bid of Historic Tours of America is hereby awarded upon the terms and conditions set forth in the attached Agreement.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 16th day of October, 2007.

Authenticated by the presiding officer and Clerk of the Commission on October 17, 2007.

Filed with the Clerk October 17, 2007.


MORGAN MCPHERSON, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



Oct 2007 - 08
08-09 - 325
09-10 - 335
10-11

Executive Summary

To: Jim Scholl, City Manager
From: Raymond Archer, Port Director
Doug Bradshaw, Port Project Manager
Date: October 5, 2007
Re: New Historic Tours of America, Inc Transportation Contract for Outer Mole Cruise Ship Passengers

PROJECT ISSUE

In March 2007, the City readvertised Request for Proposal 04-007 (RFP #04-007) with bids due on April 11 for transportation services for Cruise Ship passengers arriving at the Outer Mole. The original RFP was advertised in January and no responses were received. Historic Tours of America, Inc (HTA) was the only bidder that submitted a response to the readvertised RFP.

The following are the major terms of the AGREEMENT that were negotiated with HTA:

1. The parties agree that HTA for a period of 12 months commencing on the date the AGREEMENT is entered into by both parties shall be paid by the CITY based on eighty percent (80%) of the total number of passengers and fifty percent (50%) of the total number of the crew members as evidenced on the manifest for each vessel docking at the Outer Mole. The parties agree that the rate within the 12 months period will be \$2.60 per passenger and \$2.60 per crew member.
2. At the end of the 12-month period the parties agree that the pre-established rates to be paid by the CITY will remain based on eighty percent (80%) of the total number of passengers, and fifty percent (50%) of the number of crew members as evidenced on the manifest for each vessel docking at the Outer Mole. The rates will be adjusted to \$3.25 per passenger and \$3.25 per crew member.
3. The Parties agree that should the CITY re-negotiate a higher per passenger port fee within the 12-month period, the increase rate of \$3.25 per passenger and \$3.25 per crew member will immediately take affect. 08/09
4. The parties agree that the rates will increase by 3% per year on each anniversary date (including any extension option) beginning two (2) years from the date this AGREEMENT was entered into. \$3.35 9/10
\$3.45 10/11
\$3.55 11/12
5. The parties agree that HTA shall use only conch tour trains or trolleys as the vehicles to provide the shuttle service for cruise ship passengers.

6. The parties agree that HTA will transport a minimum of 1,700 passengers per hour from the ship. If the CITY desires the transportation of more than 1,700 passengers then the CITY shall provide additional means of transportation and/or a traffic control police officer at designated intersections.
7. The term of this AGREEMENT shall be for a period of five (5) years from the date that this AGREEMENT was entered into by both parties.
8. The CITY reserves the right to terminate this AGREEMENT at any time, but with no less than 30-days written notice to HTA.
9. HTA reserves the right to terminate this AGREEMENT at any time, but with no less than 90-days written notice to the CITY.

The current AGREEMENT expired on September 30, 2007. This AGREEMENT, if approved, will have a start date retroactively of October 1, 2007.

OPTIONS

At this point in the process there are three options:

1. Approve the AGREEMENT as written.
2. Disapprove the AGREEMENT and direct the City to reissue another RFP.
3. Approve the AGREEMENT with City Commission modifications

ADVANTAGES/DISADVANTAGES

Option 1: This option allows for the continued operations of bringing Cruise Ships into the Outer Mole.

Option 2: By not approving the AGREEMENT, the City could lose its ability to transport passengers arriving by Cruise Ships at the Outer Mole thus having to suspend Cruise Ships activity at the Outer Mole. No other contractor, including the City, has indicated that they could meet the terms and conditions of the RFP. At this time HTA is the only option.

Option 3: The City Commission could recommend modifications to the AGREEMENT that staff would then take back and negotiate with HTA. A modified AGREEMENT would then be brought back to City Commission for review.

FINANCIAL ISSUES

The 2007-2008 budget is based on the rate and percentages as stipulated in the AGREEMENT. The current rate is \$1.50 per passenger. The new rate is \$2.60. This represents a transportation expense increase of \$737,731 over the 2006-2007 budget. The 2007-2008 budget anticipates 277,710 passengers and 125,663 crew members.

RECOMMENDATION

City Staff recommends approval of the AGREEMENT as written with a commencement date of October 1, 2007.

AGREEMENT BETWEEN THE CITY OF KEY WEST
AND
HISTORIC TOURS OF AMERICA, INC.

May 2011
RFP
Expires 07/10

FOR THE PROVISION OF
SHUTTLE SERVICES FOR CRUISE SHIP PASSENGERS

CS THIS AGREEMENT is made and entered into this 19 day of October ~~2007~~, by and between the CITY OF KEY WEST, a municipal corporation of the State of Florida, with an address of P.O. Box 1409, Key West, Florida 33041, hereinafter referred to as the "CITY", and HISTORIC TOURS OF AMERICA, INC. hereinafter referred to as the "HTA"

WHEREAS, the CITY issued Request for Proposals No. 04-007, dated March 25, 2007, for the provision of shuttle service for cruise ship passenger; and

WHEREAS, in accordance with its purchasing procedures, the CITY has selected HTA as an independent contractor to provide shuttle service for cruise ship passengers.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION 1. RECITALS

- 1.1 The parties agree that the foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. SCOPE OF SERVICES

- 2.1 The CITY engages HTA to perform the shuttle service under the terms and conditions as described the CITY's RFP No. 04-007 dated March 25, 2007, in HTA's response to the CITY's RFP dated April 10, 2007, and as described in this AGREEMENT. The CITY's RFP and HTA's response are attached hereto and made a part of this Agreement as Exhibit "A" and Exhibit "B" respectively.
- 2.2 In resolving inconsistencies among two or more sections of these Documents, precedence shall be given in the following order: AGREEMENT, HTA's response, CITY's RFP.

- 2.3 The parties agree that HTA for a period of 12 months commencing on the date this AGREEMENT was entered into by both parties shall be paid by the CITY based on eighty percent (80%) of the total number of passengers and fifty percent (50%) of the total number of the crew members as evidenced on the manifest for each vessel docking at the Outer Mole. The parties agree that the rate within the 12 months period will be \$2.60 per passenger and \$2.60 per crew member.
- 2.4 At the end of the 12-month period the parties agree that the pre-established rates to be paid by the CITY will remain based on eighty percent (80%) of the total number of passengers, and fifty percent (50%) of the number of crew members as evidenced on the manifest for each vessel docking at the Outer Mole. The rates will be adjusted to \$3.25 per passenger and \$3.25 per crew member.
- 2.5 The Parties agree that should the CITY re-negotiate a higher per passenger port fee within the 12-month period, the increase rate of \$3.25 per passenger and \$3.25 per crew member will immediately take affect.
- 2.6 The parties agree that the rates will increase by 3% per year on each anniversary date (including any extension option) beginning two (2) years from the date this AGREEMENT was entered into.
- 2.7 The parties agree that HTA shall use only coach tour trains or trolleys as the vehicles to provide the shuttle service for cruise ship passengers.
- 2.8 The parties agree that HTA will transport a minimum of 1,700 passengers per hour from the ship. If the CITY desires the transportation of more than 1,700 passengers then the CITY shall provide additional means of transportation and/or a traffic control police officer at designated intersections.

3.25 x
3. x
0.10 *

SECTION 3. TERMS

- 3.1 The term of this AGREEMENT shall be for a period of five (5) years from the date that this AGREEMENT was entered into by both parties.
- 3.2 The CITY reserves the right to terminate this AGREEMENT at any time, but with no less than 30-days written notice to HTA.

- 3.3 HTA reserves the right to terminate this AGREEMENT at any time, but with no less than 90-days written notice to the CITY.

SECTION 4. INDEMNIFICATION

- 4.1 HTA agrees to indemnify and hold the CITY harmless from and loss, damage, or injury, including costs and expenses of defending against such claims by, or on behalf of, or through the fault of HTA.

SECTION 5. NOTICES

- 5.1 Notices, requests, or authorizations provided for herein shall be in writing and shall be delivered or mailed addressed as follows:

To the CITY: City of Key West
 Attention: City Manager
 P.O. Box 1409
 Key West, Fl. 33041-1409

 City of Key West Port Operations
 Attention: Port Director
 P.O. Box 6434
 Key West, Fl. 33041-6434

To HTA: Historic Tours of America, Inc.
 Attention: Christopher Belland
 201 Front Street, Suite 224
 Key West, Fl. 33040

or addressed to either party at such other address as such party shall hereinafter furnish to the other party in writing. Each such notice, request, or authorization shall be deemed to have been duly given when so delivered, or if mailed, when deposited in the U.S. mail, registered or certified, return receipt requested, postage pre paid.

SECTION 6. GENERAL CONSIDERATIONS


- 6.1 This Agreement shall inure to the benefit of and be binding upon the heirs, personal representative, successors and assigns of the parties hereto.

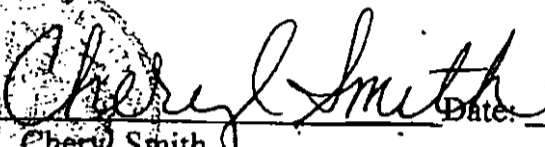
- 6.2 HTA shall not assign, sublet, or transfer any rights under, or interest in this Agreement without the written consent of the CITY.
- 6.3 If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall not be impaired thereby, but such remaining provisions shall be interpreted and enforced so to achieve, as near as may be possible, the purpose of this Agreement, to the extent permitted by law.
- 6.4 This Agreement constitutes the full and complete Agreement between the CITY and HTA and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument of the same formality and dignity hereof.
- 6.5 HTA warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the HTA to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual, or firm other than a bona fide employee working solely for the HTA any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Agreement.
- 6.6 In the carrying out of this Agreement, HTA shall not discriminate any employee or applicant for employment because of sex, race, creed, color, handicap or national origin. In carrying out this Agreement, HTA will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their sex, race, creed, color, handicap or national origin.
- 6.7 This Agreement shall be governed by the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement
To be executed on the day and year first above written.

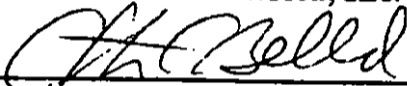
Signed, sealed and delivered in the
presence of:

City of Key West, Florida

By:  Date: 10-16-07
Morgan McPherson
Mayor

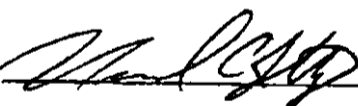
Attest:  Date: 10-17-07
Cheryl Smith
City Clerk

Historic Tours of America, Inc.

By:  Date: Oct 19, 2007

Print Name: Christopher C. Belland

Title: C.E.O

Witness  Date: 10/19/07

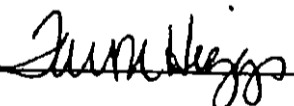
Witness  Date: 10/19/07

EXHIBIT A



THE CITY OF KEY WEST

Post Office Box 1409
Key West, FL 33041-1409

March 25, 2007

To: All Prospective Bidders

Pursuant to the City of Key West's Code of Ordinances Section 2-769: Request for Proposals (RFP), the City is soliciting competitive sealed bids for OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE. RFP No. 04-007 contains the following documents.

- a. Cover letter
- b. Information to Bidders
- c. Request for Proposals
- d. RFP Requirements
- e. City of Key West Licenses, Permits, and Fees
- f. Proposal
- g. Conditions of the Contract

Please review your package to ensure it contains all of these documents. If not, contact Sue Snider, City of Key West Purchasing Agent at (305) 809-3815, immediately, to obtain copies of any missing document(s).

Firms/corporations submitting a bid should ensure that the following documents are completed, certified, and returned as instructed: Proposal/Bid Form, Anti-Kickback Affidavit and Public Entity Crimes Certification, Qualifications/Insurance.

INFORMATION TO BIDDERS

SUBJECT: REQUEST FOR PROPOSALS NO. 04-007 OUTER MOLE
CRUISE SHIP PASSENGER SHUTTLE SERVICE

ISSUE DATE: MARCH 25, 2007

PRE BID CONFERENCE: NONE

MAIL BIDS TO: CITY CLERK
CITY OF KEY WEST
525 ANGELA STREET
KEY WEST, FL 33040

DELIVER BIDS TO: SAME AS ABOVE

BIDS MUST BE
RECEIVED: APRIL 11, 2007

NOT LATER THAN: 3:00 P.M. LOCAL TIME

SUE SNIDER
PURCHASING AGENT
CITY OF KEY WEST

ses

Enclosures

REQUEST FOR PROPOSALS

Sealed Bids addressed to the City of Key West, for the OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE (RFP No. 04-007) will be received at the office of the City Clerk, City of Key West, Florida, until 3:00 p.m., local time, on April 11, 2007, and then will be publicly opened and read. Any bids received after the time and date specified will not be considered.

The City of Key West Port Operations is requesting proposals from qualified bidders to provide shuttle service for cruise ship passengers arriving on vessels that moor at the Outer Mole at the Truman Waterfront at a minimum rate of 1,700 passengers per hour. Passengers are to be shuttled from the ship to specified sites in Key West and back.

Bid Documents may be obtained from DemandStar by Onvia. Please contact DemandStar at www.demandstar.com or call 1-800-711-1712.

One (1) original and eight (8) copies of the proposal are to be submitted in two sealed envelopes, one within the other, clearly marked on the outside "RFP 04-007: OUTER MOLE CRUISE SHIP PASSENGERS SHUTTLE SERVICE" and addressed to the City Clerk.

Before a Contract will be awarded for the work contemplated herein, the Owner will conduct such investigation as is necessary to determine the performance record and ability of the apparent lowest, qualified Bidder to perform the size and type of work specified under this Contract. Upon request, the Bidder shall submit such information as deemed necessary by the Owner to evaluate the Bidder's qualifications.

For information concerning the RFP, contact Martha Arencibia, Project Manager, telephone (305)-809-3790, email marencib@keywestcity.com.

The City may reject bids: (1) for budgetary reasons, (2) if the bidder misstates or conceals a material fact in its proposal, (3) if the bidder does not strictly conform to the law or is non-responsive to proposal requirements, (4) if the bid is conditional, or (5) if a change of circumstances occurs making the purpose of the bid unnecessary to the City. The City may also waive any minor informalities or irregularities in any bid.

The City may, however, reject all bids whenever it is deemed in the best interest of the City to do so, and may reject any part of a bid unless bid has been qualified as provided for in (3).

Dated this ____ day of _____, 2007

CITY OF KEY WEST, FLORIDA

BY: _____

Julio Avel, City Manager
or Authorized Representative

**City of Key West
Port Operations
Requirements for RFP No. 04-007
Outer Mole Cruise Ship Passenger Shuttle Service**

The City of Key West Port Operations is requesting proposals from qualified bidders to provide shuttle service for cruise ship passenger/ crew members arriving on vessels that moor at the Outer Mole at the Truman Waterfront. The yearly average passengers for the Outer Mole are 234,000. The City cannot guarantee this number nor can the City guarantee an equivalent number for subsequent years. The Passengers are to be shuttled from the ship to specified sites in Key West, as identified by the Owner, and back.

Terms shall be for three (3) years with an option to renew for an additional two (2) years.

All bidders shall submit a package that identifies qualifications, experience, ability to meet insurance requirements, description of method for transporting passengers, description of vehicles, description of employee training programs for better safety and customer service procedures, and proof of sufficient staffing and vehicles to accomplish task (taking into account requirements for background checks).

The City reserves the right to terminate any contract arising from this RFP at any time.

Qualifications/Requirements

- Operator must be able to transport a minimum of 1,700 passengers per hour from the ship to specified Key West locations and back, as determined by the City.
- Operator must be able to guarantee that shuttle service can be provided for an unscheduled ship upon being given a minimum 12-hour notice by the City.
- Vehicles used for transportation shall be representative of Key West and be part of the overall experience for the Cruise Ship passenger.
- Operator must demonstrate sufficient experience in providing similar services.
- Operator must have the ability to field the required number of staff members to run the daily service and also provided a plan for back-up staff in the event of attrition or other unforeseen difficulties.
- Operator must have experience and a plan for ongoing driver safety and preventative maintenance programs.
- Vehicles must be equipped with radio control from a base station.
- Operator must possess or obtain at least the following minimum insurance coverage with the limits specified:

Coverage	Limit
Commercial General Liability	\$1,000,000.00 per occurrence \$2,000,000.00 aggregate
Auto Liability	\$1,000,000.00 combined single Limit per Occurrence

Worker's Compensation	Statutory – Florida Benefits
	\$1,000,000.00 per occurrence
Umbrella/Excess Liability	\$2,000,000.00 per occurrence

- Certificate of Insurance should name the City of Key West as additional insured.
- Rated Insurance Carriers through A.M. Best of not less than A-VI rating.
- Operator must possess all required federal, state, and local license, certifications and permits for legal operation of the service.
- Operator will be paid directly by the City on pre-established rates. The rates will be based on a per passenger count/crew count as indicated by each vessel's US Customs Form #1300 (passenger manifest).
- Typical operating hours are between 6:30 a.m. to 11:00 p.m. Operator will occasionally be required to provide transportation outside of these operating hours.
- Operator must complete the attached bid form.
- The City of Key West has the right to approve all written advertising and verbal announcements in or on the shuttle vehicle. The City of Key West reserves the right to place its own advertising or announcements in/on the vehicle with the cooperation of the vendor.
- All personnel entering the restricted access area must comply with current & future Homeland Security laws, at the operator's expense. Each individual will be required to obtain, at the expense of the Operator, a Port of Key West credentialing badge as required by Florida State 311.12 and Federal Rule 33 CFR part 105.

CITY OF KEY WEST LICENSES, PERMITS, AND FEES

Pursuant to the Public Bid Disclosure Act, each license, permit, or fee a Contractor will have to pay the City of Key West before or during all licenses, permits, and fees REQUIRED BY THE CITY OF KEY WEST and payable to the City by virtue of this Contract is as follows:

- Applicant must hold City of Key West License as Passenger Vehicle for Hire (PVH) or Contract Vehicle for Hire (CVH) or Sightseeing Vehicle or must obtain franchise from City Commission and license prior to bid response.

Note: Contractor shall verify each license, permit, or fee before submitting the bid.

Notice to Bidder: Use Black Ink or Type For Completing the Form.

PROPOSAL

To: The City of Key West
Address: 525 Angela Street, Key West, Florida 33040
Project Title: OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE
Project No.: RFP No. 04-007

BIDDER'S INFORMATION

Name: _____
Address: _____

Contact Name: _____
Email: _____
Telephone: _____
Fax: _____

BIDDER'S DECLARATION AND UNDERSTANDING

The undersigned, hereinafter called the Bidder, declares that the only persons or parties interested in this Proposal are those named herein, that this Proposal is, in all respects, fair and without fraud, that it is made without collusion with any official of the Owner, and that the Proposal is made without any connection or collusion with any person submitting another Proposal on this Contract.

The Bidder further declares that he/she has carefully examined the Contract Documents for the project that he/she has personally inspected the site that he/she has satisfied himself/herself as conditions of work involved.

The Bidder further agrees that he/she has exercised his/her own judgment regarding the interpretation of job conditions and has utilized all data, which he/she believes pertinent from the Project Manager, Owner, and other sources in arriving at his/her conclusions.

CERTIFICATES OF INSURANCE

Bidder agrees to furnish the Owner, before commencing the work under this Contract, the certificates of insurance as specified in these Documents.

ADDENDA

The Bidder hereby acknowledges that he has received Addenda No's. (Bidder shall insert No. of each Addendum received) and agrees that all addenda issued are hereby made part of the Contract Documents, and the Bidder further agrees that his Proposal(s) includes all impacts resulting from said addenda.

SALES AND USE TAXES

The Bidder agrees that all federal, state, and local sales and use taxes are included in the stated bid prices for the work.

PUBLIC ENTITY CRIMES

"A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list."

BID FORM

OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE

Rate Per Passenger	\$ _____
Rate Per Passenger in words	_____
Rate Per Crew Member	\$ _____
Rate Per Crew in words	_____

**SWORN STATEMENT UNDER SECTION 287.133(3)(a)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES**

PROJECT RFP NO. 04-007: OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICE AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Bid, Proposal or Contract No. _____
for _____

2. This sworn statement is submitted by _____
(Name of entity submitting sworn statement)
whose business address is _____
_____ and (if applicable) its Federal
Employer Identification Number (FEIN) is _____ (If the entity has no FEIN,
include the Social Security Number of the individual signing this sworn statement.)

3. My name is _____ and my relationship to
(Please print name of individual signing)
the entity named above is _____

4. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, material misrepresentation.

5. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

6. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means
 1. A predecessor or successor of a person convicted of a public entity crime: or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

7. I understand that a "person" as defined in Paragraph 287.133(1)(8), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The

term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

8. Based on information and belief, the statement, which I have marked below, is true in relation to the entity submitting this sworn statement. (Please indicate which statement applies.)

Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with no convicted of a public entity crime subsequent to July 1, 1989, AND (Please indicate which additional statement applies.)

There has been a proceeding concerning the conviction before a hearing of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer did not place the person or affiliate on the convicted vendor list. (Please attach a copy of the final order.)

The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in the public interest to remove the person or affiliate from the convicted vendor list. (Please attach a copy of the final order.)

The person or affiliate has not been put on the convicted vendor list. (Please describe any action taken by or pending with the Department of General Services.)

(Signature)

(Date)

STATE OF _____

COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority,

_____ who, after first being sworn by me, affixed his/her signature in the
(Name of individual signing)

space provided above on this _____ day of _____, 2007.

My commission expires:

NOTARY PUBLIC

ANTI-KICKBACK AFFIDAVIT

PROJECT NO. 04-007: OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE

STATE OF FLORIDA)
 : SS
COUNTY OF MONROE)

I, the undersigned hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employees of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

By: _____

Sworn and subscribed before me this

_____ day of _____, 2007.

NOTARY PUBLIC, State of Florida at Large

My Commission Expires: _____

GENERAL CONDITIONS
CITY OF KEY WEST

1. PREPARATION OF BIDS:

Bids will be prepared in accordance with the following:

- a. The enclosed Bid Response Form is to be used, other forms may be rejected.
- b. All information required by the Bid form shall be furnished. The bidder shall print or type his/her name and manually sign the Bid Response Form plus each continuation sheet on which an entry is made.
- c. Bid delivery time must be shown and shall include Sundays and holidays.
- d. Bidder shall thoroughly examine the RFP documents.
- e. All bids shall be submitted in original plus eight (8) copies.
- f. Bidders are advised that all City contracts are subject to all legal requirements provided for in City ordinances and/or State and Federal Statutes.

2. SUBMISSION OF BIDS:

- a. Bids and changes thereto shall be enclosed in sealed envelopes addressed to the City Clerk, City of Key West. The name and address of the bidder, the date and hour of the proposal opening and the proposal number shall be placed on the outside of the envelope.
- b. Bids must be submitted on the form furnished. Telecopy bids will not be considered.
- c. Unless otherwise indicated, all City of Key West Bids may be awarded on a line-item basis.
- d. Bid prices must remain in effect for ordering up to three (3) months from bid opening date.

3. REJECTION OF BIDS:

- a. The City may reject bids for any and/or all of the following reasons: (1) for budgetary reasons, (2) if the bidder misstates or conceals a material fact in his/her bid, (3) if the bid does not strictly conform to the law or is non-responsive to the bid requirements, (4) if the bid is conditional, or (5) if a change of circumstances occurs making the purpose of the bid unnecessary to the City. The City may also waive any minor informalities or irregularities in any bid.

4. WITHDRAWAL OF BIDS:

- a. Bids may not be withdrawn after the time set for the bid opening for a period of time as specified in the Instruction to Bidders.
- b. Bids may be withdrawn prior to the time set for bids opening. Such request must be in writing addressed to the City Clerk.

5. LATE BIDS OR MODIFICATION:

- a. Bids and modifications received after the time set for the bid opening will not be considered.
- b. Modifications in writing received prior to the time set for the bid opening will be accepted.

6. LOCAL, STATE, AND FEDERAL COMPLIANCE REQUIREMENTS:

- a. Bidders shall comply with all local, state and federal directives, orders and laws as applicable to this proposal and subsequent contract(s) including, but not limited to:
 1. Equal Employment Opportunity (EEO), in compliance with Executive Order 11246, as applicable to this contract.
 2. Minority Business Enterprises (MBE), as applicable to this contract.
 3. Occupational Safety and Health Act (OSHA), as applicable to this contract.

7. COLLUSION:

- a. The proposer by affixing his/her signature to this Invitation to Bid, agrees to the following: "Bidder certifies that his/her bid is made without previous understanding, agreement, or connection with any person, firm, or corporation making a bid for the same items and is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action".

8. VARIANCE IN CONDITIONS:

- a. Any and all special conditions and specifications attached hereto, which vary from General Conditions, shall have precedence.

9. APPROPRIATIONS CLAUSE:

- a. If the contract or delivery extends beyond the current fiscal year, which ends on September 30, the contract shall be contingent upon the availability of funds appropriated for such purposes in the City's annual budget for the next succeeding fiscal year.

10. CLARIFICATION OR OBJECTION TO BID SPECIFICATIONS:

- a. If any person contemplating submitting a proposal for this contract is in doubt as to the true meaning of the RFP documents or any part thereof, he/she may submit to the Finance Director on or before five calendar (5) days prior to scheduled opening a request for clarification. All such requests for information shall be made in writing and the person submitting the request will be responsible for prompt delivery. Any interpretation of the bid, if made, will be made only by Addendum duly issued. Such addendum will be made available through the DEMANDSTAR web site. The City will not be responsible for any other explanation or interpretation of the proposed bid

made or given prior to the award of the contract. Any objection to the specification and requirements as set forth in the proposal must be filed in writing with the Finance Director on or before five calendar (5) days prior to the scheduled opening.

11. AWARD OF CONTRACT:

- a. The contract will be awarded to the lowest responsive and responsible bidder whose bid, conforming to the Request for Proposal, is most advantageous to the City, prices and other factors considered.
- b. The City reserves the right to accept and award item by item, and/or by group or in the aggregate, unless the bidder qualifies his/her bid by specified limitations as provided in 4 (4).
- c. If two (2) or more bids received are for the same total amount or unit price, quality and service being equal, the contract will be awarded according to City Ordinance Section 2-835(c).
- d. A written award of acceptance (Purchase Order) and a signed contract, mailed or otherwise furnished to the successful Bidder shall result in a binding contract without further action by either party.

12. LOCAL PREFERENCE:

- a. Pursuant to City Code 1.26 (d) the City of Key West policy of local preference is applied to bids submitted by qualified local businesses. Local preference is 5% of quoted bidder or \$1,000.00, whichever is less.

13. INSURANCE PROVISIONS FOR CONTRACTS

- a. Refer to RFP Requirements

Special Requirements

- a. The City of Key West is to be included as an additional insured on both Comprehensive General Liability and Business Auto Liability Policies.
- b. An appropriate Hold Harmless Clause shall be included.
- c. Current, valid insurance policies meeting requirements herein identified shall be maintained during the duration of the named project. Renewal certificated shall be sent to the City 30-days prior to any expiration date. There shall also be a 30-day notification to the City in the event of cancellation or notification of any stipulated insurance coverage.
- d. It shall be the responsibility of the contractor to insure that all subcontracts comply with the same insurance requirements that he is required to meet.
- e. Certificates of insurance meeting the required insurance provisions shall be forwarded to the office of risk management.

14. SURETY AND INSURER QUALIFICATIONS

- a. All bonds, insurance contracts, and certificates of insurance shall be either executed by or countersigned by a licensed resident agent of the surety or insurance company, having his/her place of business in the State of Florida, and in all ways complying with the insurance laws of the State of Florida. Further, the said surety or insurance company shall be duly licensed and qualified to do business in the State of Florida.

EXHIBIT B

INTEROFFICE MEMORANDUM

To: Raymond Archer, Port Operations Director
CC: John Jones, Acting City Manager
Martha Arencibia, Project Manager
Sue Snider, Purchasing

From: Cheri Smith, City Clerk

Date: April 11, 2007 *Cheryl Smith*

Subject: **OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE; RFP #04-007**

Attached for your review are copies of the bids opened Wednesday, April 11, 2007 at 3:00 p.m. in response to the above referenced project.

- | | | |
|----|--|--|
| 1. | Historic Tours of America, Inc.
201 Front Street, Suite 224
Key West, FL 33040 | \$2.60 per passenger
\$2.60 per crew member |
|----|--|--|

FROM THE DESK OF...
CHERYL SMITH, CMC
CITY CLERK
CITY OF KEY WEST
525 ANOELA STREET
KEY WEST, FL 33040
(305) 809-1815
Fax: 809-1811



HISTORIC TOURS OF AMERICA, INC.®

"The Nation's Storyteller"
<http://www.historictours.com>

Christopher C. Belland, Chief Executive Officer

201 Front Street, Suite 224
Key West, Florida 33040
(305) 292-8920
Fax (305) 295-4999

Email: cbelland@historictours.com

VIA HAND DELIVERY

Original and 8 Copies Delivered Under Seal to City Clerk

April 10, 2007

City Clerk
City of Key West
525 Angela Street
Key West, FL 33040

Ref: Historic Tours of America, Inc.'s RFP No. 04-007 (Cover/Transmittal Letter)

To The City Clerk:

Thank you for this opportunity to respond to the above-referenced Request For Proposals.

In addition to our narrative response and the official proposal forms which are included in this response, I would like to add the following comments. Historic Tours of America, Inc. and its wholly owned subsidiaries, Conch Tour Train, Inc. and Old Town Trolley Tours Of Key West, Inc. (hereinafter referred to as HTA, CTT and OTT respectively) have been operating the Mole Pier Shuttle on behalf of the city since 1996. During this time, we have appropriately served the needs and interests of the City of Key West in providing a level of service that has been on time, safe and reliable. Casual inquiry as to the satisfaction of the cruise ships served will easily corroborate this statement.

While we fully understand the current budgetary situation of the city and the issues concerning cruise ship disembarkation fees, we need to inform you of the following situations.

First, at the inception of service in 1996, we were charging a rate of \$1.25 per passenger for all passengers and half of the crewmembers as reported in each ship's manifest. In response to the increased capacity needs for larger ships, HTA has been obliged to add additional equipment for the sole purpose of providing this service.

Our per passenger fee increased in 2001 to \$1.50, but was effectively decreased in 2002 by virtue of the fact that we were paid for only 80% of the disembarking passengers.

We have tried to maintain a low per capita rate, not only as the city's franchisee, but also in the spirit of enhancing and promoting the level of service that our community provides

OLD TOWN TROLLEY TOURS®: Boston • Key West • St. Augustine • San Diego • Savannah • Washington, DC
CONCH TOUR TRAIN • KEY WEST AQUARIUM • KEY WEST SHIPWRECK HISTORICUM® • FLAGLER'S STATION • MALLORY SQUARE FESTIVAL MARKETPLACE
HARRY S. TRUMAN LITTLE WHITE HOUSE • YANKEE FREEDOM II • SAN DIEGO SEALS • SAN DIEGO OLD TOWN MARKET
BOSTON TEA PARTY SHIP, & MUSEUM • DC TRUCKS • GARDENS & GOLF COURSES

for this vital component of our economy. In so doing, we have actually lost money on the Mole Pier Shuttle for quite some time. It is no secret that all companies in Key West, including our own, have had to increase salaries to maintain their workforces; gas prices have risen dramatically since the inception of the contract; and our insurance premiums have increased substantially. These forces are mainly out of our control. While we have absorbed such cost increases in the past, we are simply no longer able to do so.

Hence, given the current state of affairs relative to our costs, and the requirements of the proposal, we have no choice but to submit this RFP response which includes an increase to the current rates and implements an annual increase of 3%. Please note that this submitted response, including these "increase" components, merely insures that we no longer lose money on this operation.

Against this backdrop, enclosed please find HTA's response to RFP No. 04-007. First you will note that we have completed the standard form "Proposal" page. Next you will find HTA's completed standard "Bid Form" page. Next, you will find, in narrative form, HTA's answers to the "Qualifications/Requirements" section of the RFP, with HTA's responses enumerated in order as they appear in the "Qualifications/Requirements" section of the RFP. Then, you will see the anti-Kickback Affidavit which I have executed before a Notary Public. Finally, I have completed, signed and had notarized the Sworn Statement on Public Entity Crimes. I certainly appreciated the City's consideration of HTA's response to RFP No. 04-007. Please do not hesitate to contact me if any Commissioner or member of City Staff has any questions regarding this response. Thank you, again, for your time and consideration.

Sincerely,



Chris Belland
Chief Executive Officer

CB/na

Enclosures in addition to this cover/transmittal letter:

1. Proposal Page
2. Bid Form Page
3. Narrative response to "Qualifications/Requirements"
4. Executed Anti-Kickback Affidavit
5. Sworn Statement on Public Entity Crimes

PROPOSAL

To: The City of Key West
Address: 525 Angela Street, Key West, Florida 33040
Project Title: OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE
Project No.: RFP No. 04-007

BIDDER'S INFORMATION

Name: Historic Tours of America, In
Address: 201 Front Street, Suite 224
Key West, Florida 33040

Contact Name: Christopher C. Belland, CEO
Email: cbelland@historictours.com
Telephone: 305-292-8920
Fax: 305-295-4999

BIDDER'S DECLARATION AND UNDERSTANDING

The undersigned, hereinafter called the Bidder, declares that the only persons or parties interested in this Proposal are those named herein, that this Proposal is, in all respects, fair and without fraud, that it is made without collusion with any official of the Owner, and that the Proposal is made without any connection or collusion with any person submitting another Proposal on this Contract.

The Bidder further declares that he/she has carefully examined the Contract Documents for the project that he/she has personally inspected the site that he/she has satisfied himself/herself as conditions of work involved.

The Bidder further agrees that he/she has exercised his/her own judgment regarding the interpretation of job conditions and has utilized all data, which he/she believes pertinent from the Project Manager, Owner, and other sources in arriving at his/her conclusions.

CERTIFICATES OF INSURANCE

Bidder agrees to furnish the Owner, before commencing the work under this Contract, the certificates of insurance as specified in these Documents.

ADDENDA

The Bidder hereby acknowledges that he has received Addenda No's. , , , (Bidder shall insert No. of each Addendum received) and agrees that all addenda issued are hereby made part of the Contract Documents, and the Bidder further agrees that his Proposal(s) includes all impacts resulting from said addenda.

SALES AND USE TAXES

The Bidder agrees that all federal, state, and local sales and use taxes are included in the stated bid prices for the work.

PUBLIC ENTITY CRIMES

"A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list."

BID FORM

OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE

Rate Per Passenger \$ 2.60*

Rate Per Passenger in words Two Dollars And Sixty Cents for 100% of
all passengers per ships manifest

Rate Per Crew Member \$ 2.60*

Rate Per Crew in words Two Dollars And Sixty Cents for 50% of
the ship's crews

* These rates will increase by 3% per year on each anniversary date (including any option extensions) of either (1) the resolution approving HTA's response to the RFP, or (2) the date of the City's written award of acceptance, whichever is applicable.

Note: Please note that, pursuant to HTA's franchise obligations (i.e. City Ordinances 95-4 and 95-5), five percent of all gross revenues paid by the City to HTA hereunder shall be "paid back" to the City in the form of franchise fees. For example, the \$2.60 per-passenger rate actually nets HTA 5% less, or \$2.47 per passenger.

HTA'S NARRATIVE RESPONSE TO QUALIFICATIONS/REQUIREMENTS

FOR RFP NO. 04-007

City of Key West Port Operations Requirements for RFP No. 04-007

Outer Mole Cruise Ship Passenger Shuttle Service

Introductory Remarks

We agree that the city anticipates approximately 234,000 passengers but cannot guarantee this number. HTA will use both Conch Tour Trains and Old Town Trolley Tours® vehicles for shuttle operations. The trains are operated by Conch Tour Trains, Inc. (CTT) and the trolleys are operated by Buggy Bus, Inc. Both CTT and Buggy Bus are wholly-owned subsidiaries of HTA. HTA agrees that the passengers will be initially picked up at the Outer Mole, and that they will both drop off and collect those passengers carried by Conch Tour Train, Inc. (CTT) at our property at Front and Duval Streets; those passengers brought in by Old Town Trolley Tours of Key West, Inc. (OTT) will be dropped off and collected at our staging area on city property known as Mallory Square.

We agree that the term will be for three years, with an option of the city to renew for an additional two years. The per passenger fee as defined in the fee schedule shall increase 3% on each anniversary of this agreement including any option anniversaries. The package of information requested that identifies certain other qualifications is as follows:

1. **Experience** – We have been providing this service since 1996 and have further transportation/shuttle experience in Crystal City, Virginia and a current contract with the City of San Diego to conduct transportation operations in Balboa Park.
2. **Insurance** – We exceed the stated insurance requirements.
3. **Description of method for transporting passengers** – We will pick the passengers up on the Mole Pier using Conch Tour Trains, Old Town Trolley vehicles and Bone Island Shuttle buses. We will transport passengers to one of two respective locations: either (1) the Conch Tour Train staging area at Front and Duval Streets, or (2) the city property known as Mallory Square (leased to an HTA subsidiary, Tropical Shell & Gifts, Inc.).
4. **Description of vehicles** – Conch Tour Trains use a puller vehicle and four articulated passenger cars with a total capacity of 64. The trolley vehicles used will have a minimum capacity of 36 and a maximum capacity of 42 and will be used according to need. Similarly, the Bone Island Shuttle buses have a capacity of 22 to 31 and will be used according to need.
5. **Employee training programs** – Our employees are fully trained in all aspects of safety and customer service procedures. We have an extensive program that is



nationally recognized as one of the best in the industry. Upon request, HTA will provide the training manuals and training curriculum.

6. **Proof of sufficient staffing and vehicles** – Given the fact that we have provided this service for so many years without complaint from the city or the cruise ships, we consider this prima facia evidence of our ability to provide the requested service.
7. **Termination** – We understand that the City reserves the right to terminate this contract at any time, but with no less than 30 days written notice. HTA may terminate this contract upon providing 90 days written notice to the City.

Qualifications/Requirements

1. Operator is able to transport a minimum of 1,700 passengers per hour from the ship provided:
 - a) We are permitted to use Bone Island Shuttle vehicles.
 - b) The City provides no less than four city buses as in the past
 - c) The City provides a traffic control policeman at the corner of Southard and Whitehead Streets to insure unimpeded passage of the transportation

vehicles to and from their disembarkation points in town and on the Mole Pier.

2. HTA will guarantee shuttle service will be provided if HTA is given 24 hours notice by the City.
3. Vehicles used for transportation will be representative of Key West and will include Conch Tour Train Vehicles, Old Town Trolley Tours® vehicles and Bone Island Shuttle buses.
4. Operator has sufficient experience to provide the service, including having provided this service for over 10 years. HTA has also provided the Balboa Park shuttle service to the City of San Diego for approximately 10 years.
5. Historic Tours of America® has the ability to field the required number of staff members to run the daily service and has provisions for back-up staff in the event of attrition or other unforeseen difficulties.
6. HTA has experience and a plan for ongoing driver safety and preventive maintenance programs.
7. Vehicles are equipped with radio control from a base station.

8. HTA possesses insurance in excess of the city's specified requirements. Proof of such insurance will be provided upon request.
9. The Certificate of Insurance will name the city as additional insured.
10. The insurance carrier has an A.M. Best rating in compliance with the request.
11. HTA possesses all required federal, state and local licenses, certifications and permits for legal operation of the service.
12. We agree to the payment schedule as presently being done using US Customs Form # 1300 (passenger manifest).
13. In the unlikely event that the City desires HTA to perform services "after hours" (i.e. between 8:00pm and 6:30am based on experience, a very rare occurrence), HTA proposes to charge the City an additional \$150.00 per hour (or portion thereof) for each trolley vehicle (capacity of approximately 41 passengers) or each Bone Island Shuttle vehicle (capacity of between 22 and 31) desired during the "after hours" period between 8:00 p.m. and 11:00 p.m.; during the "after hours" period between 11:00 p.m. and 6:30 a.m. the per-vehicle "after hours" charge shall be \$200.00 for each hour, (or portion thereof). These "after hours"



surcharges shall be charged in addition to the per passenger/per crew member rates outlined on the Bid Form.

In the event "after hours" service is requested, the City shall provide seven days written notice to HTA and such notice shall specify the need for such "after hours" service and such notice shall also include how many trolley or Bone Island Shuttle vehicles will be required, and the hours of such requested operation.

Note: Please note that, pursuant to HTA's franchise obligations (i.e. City Ordinances 95-4 and 95-5), five percent of all gross revenues paid by the City to HTA hereunder shall be "paid back" to the City in the form of franchise fees. For example, the \$150.00 per vehicle/per hour "after hours" surcharge (for services performed between 8:00 p.m. and 11:00 p.m.) shall net HTA \$142.50.

14. HTA will not permit any City of Key West written advertising in or on the trolleys but will make a "best efforts" attempt to include City of Key West announcements so long as they are not commercial in nature and do not interfere with the current script.

15. All personnel entering the restricted areas will comply with current and future Homeland Security laws. Any costs relevant to this procedure that are charged by the City will be waived by the City. HTA will absorb any costs related to federal

fees so long as they do not increase from current amounts, in which case the City will reimburse HTA for these increased costs.

City of Key West Licenses, Permits and Fees

HTA agrees to pay all license, permit and fees required by the City of Key West pursuant to the franchise agreements currently in place between Conch Tour Train, Inc., Buggy Bus, Inc. and the City of Key West (City Ordinance 95-4 and 95-5 respectively). Any license, permit or fee shall be verified upon further request from the city to do so.

General Conditions

To the extent that any General Condition conflicts with any portion of HTA's response, then the term or provision in HTA's response shall govern.

ANTI-KICKBACK AFFIDAVIT

PROJECT NO. 04-007: OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE

STATE OF FLORIDA)
 : SS
COUNTY OF MONROE)

I, the undersigned hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employees of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.


By: *Chad Bell* CEO

Sworn and subscribed before me this

11th day of April, 2007.

Nancy Aspinwall
NOTARY PUBLIC State of Florida at Large

My Commission Expires: _____

NOTARY PUBLIC-STATE OF FLORIDA
 Nancy Aspinwall
Commission # DD421852
Expires: APR. 24, 2009
Bonded Thru Atlantic Bonding Co., Inc.

SWORN STATEMENT UNDER SECTION 287.133(3)(a)

FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

PROJECT RFP NO. 04-007: OUTER MOLE CRUISE SHIP PASSENGER SHUTTLE SERVICE

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICE AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Bid, Proposal or Contract No. Project RFP No. 04-007 for Outer Mole Cruise Ship Passenger Shuttle Service

2. This sworn statement is submitted by Historic Tours Of America, Inc.
(Name of entity submitting sworn statement)
whose business address is 201 Front Street, Suite 224, Key West, FL, 33040 and (if applicable)
its Federal Employer Identification Number (FEIN) is 592512154 (If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement.)

3. My name is Christopher C. Belland and my relationship to
(Please print name of individual signing)
the entity named above is Chief Executive Officer

4. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, material misrepresentation.

5. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
6. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida statutes, means
1. A predecessor or successor of a person convicted of a public entity crime; or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
7. I understand that a "person" as defined in Paragraph 287.133(1)(8), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
8. Based on information and belief, the statement, which I have marked below, is true in relation to the entity submitting this sworn statement. (Please indicate which statement applies.)
- Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.
- The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has

been charged with no convicted of a public entity crime subsequent to July 1, 1989, AND (Please indicate which additional statement applies.)

There has been a proceeding concerning the conviction before a hearing of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer did not place the person or affiliate on the convicted vendor list. (Please attach a copy of the final order.)

The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in the public interest to remove the person or affiliate from the convicted vendor list. (Please attach a copy of the final order.)

The person or affiliate has not been put on the convicted vendor list. (Please describe any action taken by or pending with the Department of General Services.)

Ch Bell

(Signature)

April 11, 2007

(Date)

STATE OF FLORIDA

COUNTY OF MONROE


PERSONALLY APPEARED BEFORE ME, the undersigned authority,

CHRISTOPHER BELLAND who, after first being sworn by me, affixed his/her signature in the
(Name of individual signing)

space provided above on this 11th day of APRIL, 2007.

My commission expires:

Nancy Aspinwall
NOTARY PUBLIC

NOTARY PUBLIC-STATE OF FLORIDA
 Nancy Aspinwall
Commission # DD421852
Expires: APR. 24, 2009
Bonded Thru Atlantic Bonding Co., Inc.