

TO:	Mayor and Assembly
FROM:	Borough Manager
DATE:	November 16, 2022
SUBJECT:	Large Ship Mooring Project

The MOS advertised for bids to develop an alternative mooring plan on the Ore Dock to accommodate the Very Large Cruise Ships (VLCS). This project generally consists of demolishing the old dock and Ore Loader, installing a floating spud barge, reinforcing dolphins, adding a dolphin 75-feet south of the southernmost dolphin, and increasing the number and strength of the bollards. Originally the project was going to be completed by the 17th of April, however it became apparent through the bid process that more time was needed. For this reason, the completion date was moved to May 13th. Four companies provided bids on the project with Hamilton Construction being the apparent low bidder. The estimated total cost of the project including pre-procurement by the MOS, Engineering, permitting, and Hamilton's bid (with a 20% contingency) totals \$18.8 million. Approximately \$3 million of this will not be recovered in the long-term project for 2024.

I understand the desire to complete this project to accommodate the VLCS in 2023. However, I do not recommend moving forward with this project due in part to the following concerns:

1. This is a very aggressive timeline.
2. The project design is not complete. The accelerated design has reduced the design schedule by 6 months and will not be completed until next week. Typically, accelerated designs can carry more risk for change orders during construction.
3. Permits have not been issued.
4. The pilings, fenders, barge, and gangway that the MOS is required to provide have not yet been received.
5. There is not a firm confirmation from cruise lines that they will utilize the alternative mooring plan.
6. The increased costs that are associated with completing a project under such an aggressive timeline.
7. If the dock is demolished and the project is not completed on time, there is a potential that no ships will be able to use the facility.

If the Assembly decides to move forward with the project, I understand that desire and appreciate how difficult this decision is. However, I want everybody to be prepared for multiple change orders and schedule delays. There are a lot of unknowns in the project ranging from permitting to supply chain. If you decide against moving forward with the project, RFP documents provided broad latitude to reject all bids (see excerpt below).

"Rejection of Bids: The Municipality reserves the right to reject any and all bids when such rejection is determined to be in the best interests of the Municipality; to reject the bid of a Proposer who has previously failed to perform properly, or complete on time, any contracts or projects; to reject the bid of a Proposer who is not, in the opinion of the Municipality and sole discretion of the Municipality, in a position to perform the contract; and to reject a bid as non-responsive where the Proposer fails to furnish the required documents, fails to complete the required documents in the manner directed, or makes unauthorized alterations to bid documents."