

January 31, 2023

Interested party:

**SUBJECT: CITY OF LOS ANGELES HARBOR DEPARTMENT INVITES COMMENTS ON DRAFT REQUEST FOR PROPOSALS FOR CRUISE DEVELOPMENT AND OPERATIONS**

The City of Los Angeles Harbor Department (Harbor Department) invites comments on a Draft Request for Proposals (Draft RFP) for cruise development and operations at the Port of Los Angeles. The goal of this process is to leverage the creativity and experience of prospective future proposers and receive comments on this Draft RFP. Comments will be utilized to produce a Final RFP that will best further the goals of the Harbor Department to (1) commercially grow cruise business at the Port, (2) address the desires of the public, and (3) positively contribute to the LA Waterfront.

The schedule for this Draft RFP will be as follows:

Draft Request for Proposals Published	Tuesday, January 31, 2023
Written Comments Due	Friday, March 3, 2023 by 3pm

Comments must be submitted by email to Tanisha Herr at [Therr@portla.org](mailto:Therr@portla.org), on or before 3:00 p.m. PST on Friday, March 3, 2023.

For questions on process regarding this Draft RFP, please contact Tanisha Herr by email at [therr@portla.org](mailto:therr@portla.org). Upon the release of the Draft RFP, all communications with Harbor Department must be with the Contracts and Purchasing Division only. It is the responsibility of any commenter to review the Port's website for any Draft RFP revisions or answers to questions prior to submitting comments.

Sincerely,

Tanisha Herr  
Contracts and Purchasing Division

**Waterfront and Commercial Real Estate  
Cruise Development and Operations**

**REQUEST FOR PROPOSALS**



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January 31, 2023

January 31, 2023

Prospective proposer:

**SUBJECT: REQUEST FOR PROPOSALS FOR CRUISE DEVELOPMENT AND OPERATIONS**

The City of Los Angeles Harbor Department (Harbor Department) invites the submittal of proposals from qualified entities to develop and operate all cruise terminals at the Port of Los Angeles.

Instructions and forms to be used in preparing the proposal are found in the information included in the Request for Proposals (RFP).

The schedule for this RFP will be as follows:

Draft RFP Released for Comments	Tuesday, January 31, 2023
Comments for Draft RFP Due	3:00pm Friday, March 3, 2023
Request for Proposals Published	TBD
Site Tour	TBD
Questions Due	TBD
Responses Posted	TBD
Proposals Due	TBD

If your firm cannot agree to the requirements exactly as set forth in this RFP, please do not submit a proposal. Upon the release of the Draft RFP, all communications with Harbor Department must be with the Contracts and Purchasing Division only.

For questions regarding this RFP, please contact Tanisha Herr by email at [THerr@portla.org](mailto:THerr@portla.org). Questions must be submitted by TBD. Responses will be posted on the [Harbor Department's website](#) and the Regional Alliance Marketplace for Procurement (RAMP), at [www.rampla.org](http://www.rampla.org), on TBD. It is the responsibility of all proposers to review the Port's website for any RFP revisions or answers to questions prior to submitting a proposal in order to ensure their proposal is complete and responsive.

In addition to providing information requested in this RFP, it should be noted that there are administrative documents that must be submitted with the proposal. Please refer to the Business Enterprise Programs and Contract Administrative Requirements section of this RFP. **In order for your proposal to be deemed responsive, these documents MUST be included with your proposal.**

All consultants and subconsultants must be registered on RAMP at the time proposals are due. If selected for award, for-profit companies and corporations must comply with RAMP's demographic reporting requirements, per the Mayor's Executive Directive 35.

Sincerely,

Tanisha Herr  
Contracts and Purchasing Division

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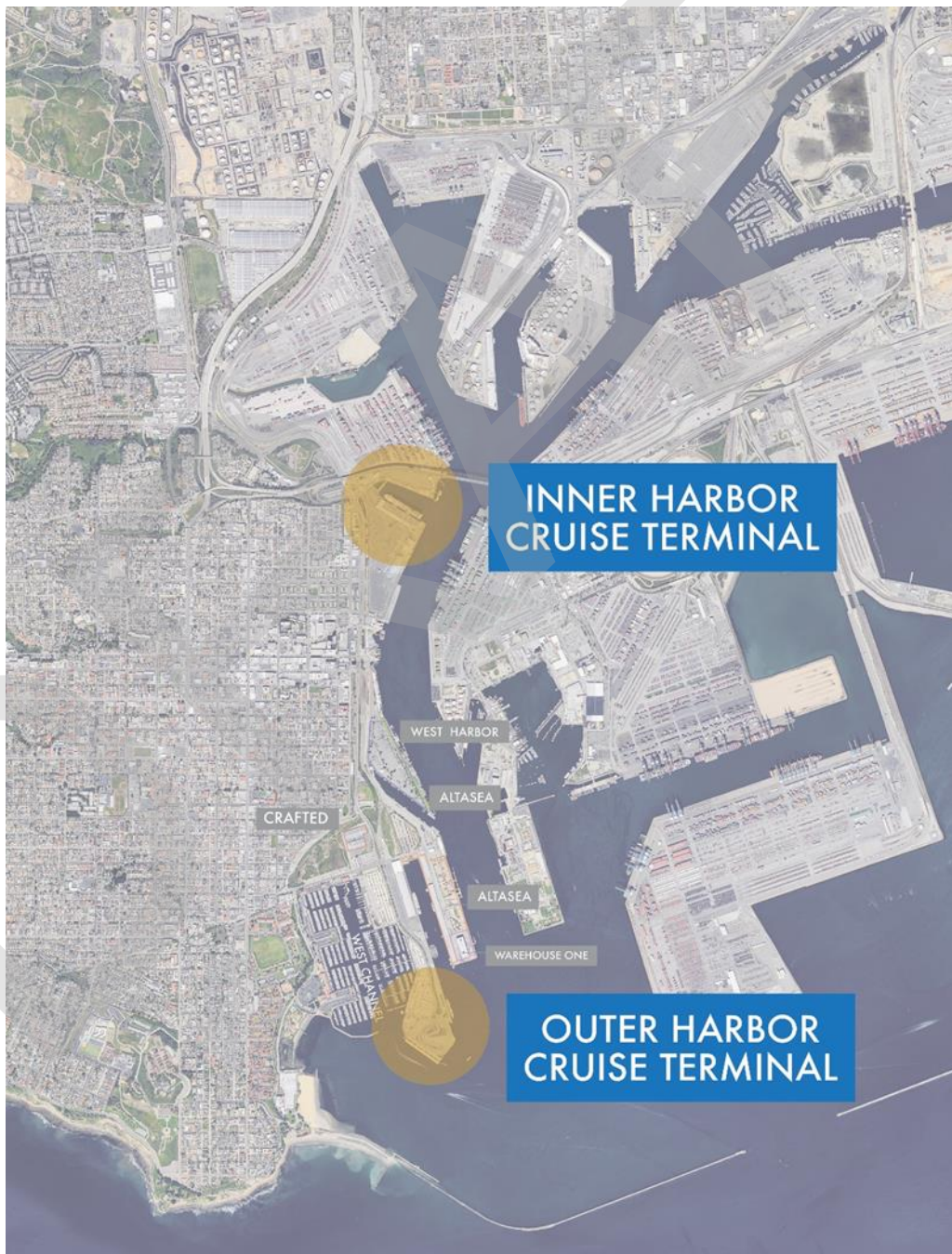
**ATTACHMENTS / EXHIBITS**

- Exhibit A – RFP Selection Evaluation Form
- Exhibit B – Operator Description Form
- Exhibit C - Indemnity and Insurance Requirements

# 1. INTRODUCTION

## 1.1 Overview

The Waterfront and Commercial Real Estate Division invites the submittal of proposals from qualified entities for cruise development and operations at the Port of Los Angeles (Port). The scope of the Draft RFP includes the development, redevelopment, and operations of all cruise operations at the Port. This includes development of a new cruise terminal at Berths 45-51 known as the Outer Harbor Cruise Terminal and redevelopment of the existing cruise terminal at Berths 87-93 known as the Inner Harbor Cruise Terminal.



## 1.2 The Port of Los Angeles

The Port of Los Angeles is America's Port®, the nation's premier gateway for international commerce and the busiest seaport in the Western Hemisphere. Located in San Pedro Bay, 25 miles south of downtown Los Angeles, the Port encompasses 7,500 acres of land and water along 43 miles of waterfront.

The Port features both passenger and cargo terminals, including cruise, container, automobile, breakbulk, dry and liquid bulk, and warehouse facilities that manage billions of dollars' worth of cargo each year. One of the world's busiest seaports and leading gateway for international trade in North America, the Port of Los Angeles has ranked as the number one container port in the United States each year since 2000. In 2021, the Port handled a total of 10.7 million TEUs, its busiest calendar year on record.

The Port of Los Angeles is a department of the City of Los Angeles (also known as the Los Angeles Harbor Department) and is governed by the Los Angeles Board of Harbor Commissioners, a panel appointed by the Mayor of Los Angeles. Although the Port is a City department, it is not supported by City taxes. Operating as a landlord port with more than 200 leaseholders, the Port instead generates its revenues from leasing and shipping service fees. The Port's jurisdiction is limited to the Harbor District, which includes property in San Pedro, Wilmington, and Terminal Island.

## 1.3 LA Waterfront

Set against the picturesque backdrop of America's Port®, the aptly titled LA Waterfront® consists of more than 400 acres and 8 miles of prime waterfront property that connects visitors and local harbor communities to the waterfront with active and vibrant recreational and commercial attractions. Over the past 17 years, the Harbor Department has invested over \$600 million in enhancing the LA Waterfront infrastructure, with miles of public promenade and walking paths, acres of open spaces and scenic views, and California's largest water feature. Through its public and private partners, the LA Waterfront is home to a marine aquarium, a battleship museum, an indoor craft marketplace, and new opportunities for authentic retail dining and entertainment attractions. The LA Waterfront is a unique location to play, dine, shop, and explore, attracting over 3 million visitors annually.

## 2. DEVELOPMENT OPPORTUNITY

### 2.1 Objectives

The Harbor Department invites firms to submit Proposals to develop and operate a new cruise terminal at the Outer Harbor Cruise Terminal and redevelop the cruise terminal at the Inner Harbor Cruise Terminal. The selected firm will assist the Harbor Department in meeting the following objectives:

- Develop economically sustainable cruise terminals that capture present and future demand and provide outstanding operations and customer service for cruise passengers.
- Increase the number of cruise passengers that visit the Port of Los Angeles.
- Generate revenue from cruise operations, parking, and ancillary revenue sources to justify the proposed phased development of four total cruise berths and related terminal facilities at the Inner

and Outer Harbor Cruise Terminals.

- Optimize utilization of Port land with infrastructure investments that promote cruise business and visitor attraction growth;
- Increase revenues and financial sustainability of the Port through a compensation structure that maximizes the development scope, incentivizes increased passenger volume from multiple cruise lines, and provides mutual financial benefit to the prospective tenant and Harbor Department considering each party's investment in the proposed development.

## 2.2 Site Description

The Outer Harbor Cruise Terminal site is located at 3011 Dave Arian Way, San Pedro at the south end of the Outer Harbor/Warehouse District of the LA Waterfront. The Outer Harbor Cruise Terminal consists of 13 acres of backland, two existing wharves, and 14 acres of associated off-site parking. The backland is generally bounded by Miner Street to the North, the Main Channel to the East, open navigation waters to the South, and the former San Pedro Boatworks site at Berth 44 to the West.



The Outer Harbor Cruise Terminal has two existing wharves, Berths 45-47 and Berths 49-51. Berths 45-47 feature a 900-foot concrete wharf with at-berth water depths exceeding 45 feet. Berths 49-51 have a 800-foot existing concrete wharf with minimum at-berth water depths of 35-45 feet. Berths 49-51 can potentially be extended up to 1,400 feet.

The Inner Harbor Cruise Terminal is located at 100 Swinford Street, San Pedro at the north end of the Cruise District of the LA Waterfront. The existing World Cruise Center, referred to as the Inner Harbor Cruise Terminal site, consists of 22 acres, two existing cruise berths, two existing terminal buildings, and a baggage handling structure. This area is generally bound by Swinford Street to the North, the Main Channel to the East, Downtown Harbor to the South, and Harbor Boulevard to the West. The Inner Harbor Cruise Terminal has three existing wharves, Berths 87-89, Berths 90-92 and Berth 93. The existing wharf at Berths 87-89 is 800 linear feet. The wharf at Berths 90-92 is 1,400 linear feet. Berth 93 is 1,200 linear feet. Berths 87-89 are currently occupied by the USS Battleship Iowa. Proposals may include the relocation of the USS Battleship Iowa to accommodate an additional cruise berth. The relocation cost is estimated at approximately \$25 million but is subject to

a final scope and updated unit costs.

## 2.3 Scope

The Harbor Department seeks to partner with a high-caliber development firm for the development and operations of the Inner and Outer Harbor Cruise Terminals with the primary objective to expand the Port's cruise business capacity to meet future demand. The goal is to develop cruise facilities to handle the largest ships presently serving the west coast market, with room to expand operations in response to future deployment of larger ships. Proposers may use a phased approach to the development of the new cruise terminals.

Proposers are expected to generally be responsible for all land and waterside development activities and costs to achieve the Harbor Department's objectives and market demand as stated above. The development scope includes, but is not limited to, wharf infrastructure; new and redeveloped cruise terminal buildings designed for multiple uses (event/conference), where feasible, when not in use for primary cruise business; parking (on and off site); regulatory requirements; and any other physical improvement required to achieve the Harbor Department's objectives. Dredging necessary for terminals can be assumed to be the responsibility of the Harbor Department. Proposals that identify specific land and waterside development activities and/or costs that are considered to be the Harbor Department's responsibility must include an explanation and financial justification for the proposal of shifting these responsibilities to the Harbor Department.

The sites are available for a long-term leasehold of 50 years with the Harbor Department. Proposer(s) may request a lease up to the maximum statutory lease term of 66 years with sufficient financial justification for the proposed lease term based on the overall investment and expected revenue stream.

### Development Scope

The leasehold agreement will obligate the proposer to complete phased physical development at the Port of Los Angeles for all elements except the Harbor Department Development Scope. Development proposals may deviate from any Harbor Department preferred descriptions and elements, provided that justification related to market, financial, and/or other considerations are provided.

Proposals may include improvements to the existing Inner Harbor Cruise Terminal buildings and baggage handling tent. Existing conditions of these building structures as well as all wharf structures will be provided through a web link to the Cloud Data Room (See section 2.7). Proposals for the Outer Harbor Cruise Terminal would naturally require new structures on the currently vacant land.

### Harbor Department Development Scope

Alternative Marine Power (AMP) Infrastructure at Berth 49-51 will be constructed by the Harbor Department.

### Required Developer Scope

The Harbor Department's preferred initial phase wharf requirements consists of:

- Two cruise berths with a minimum LOA of 1,200'



- Options include any of the following:
  - One minimum 1,200' LOA cruise berth at the Outer Harbor Cruise Terminal and one minimum 1,200' LOA cruise berth at the Inner Harbor Cruise Terminal
  - Two minimum 1,200' LOA cruise berths at the Outer Harbor Cruise Terminal
  - Two minimum 1,200' LOA cruise berths at the Inner Harbor Cruise Terminal

This initial phase is expected to have completed construction and be in operation within three (3) years of the approved lease.

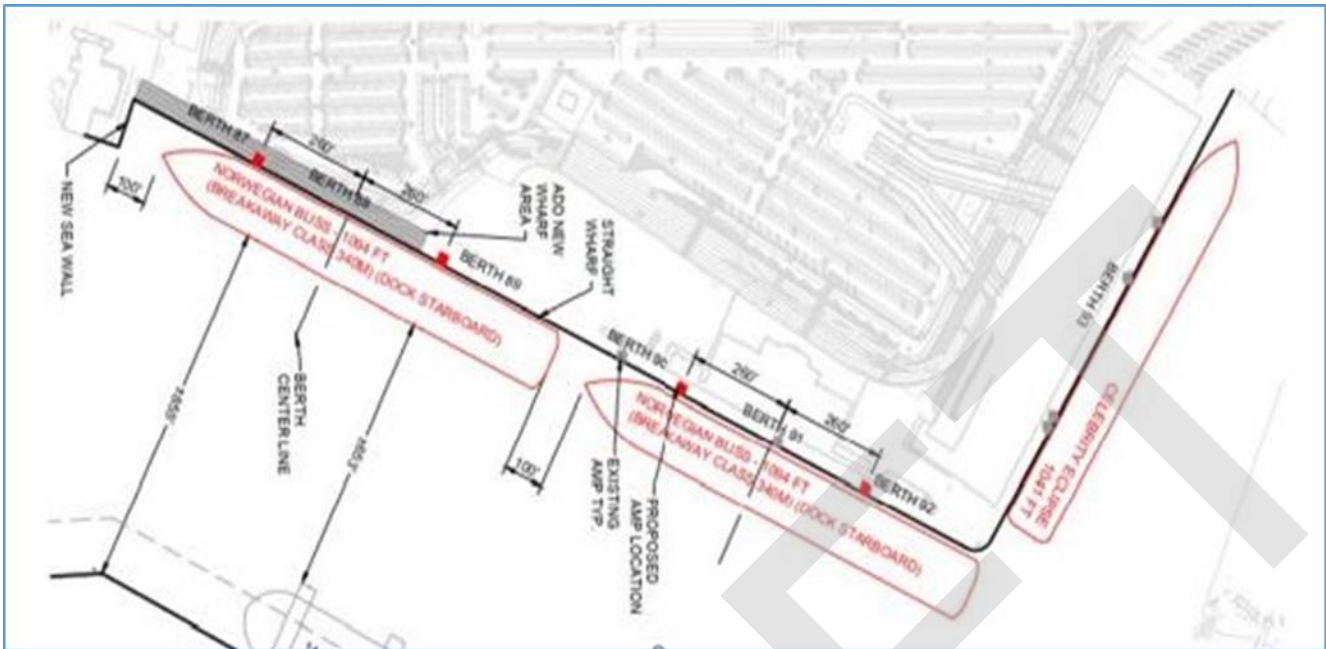
The Harbor Department preferred final buildout cruise berth requirements consists of:

- A minimum of two cruise berths at the Inner Harbor Cruise Terminal and two cruise berths at the Outer Harbor Cruise Terminal for a total of four cruise berths
- Both Outer Harbor Cruise Terminal cruise berths must have a minimum 1,200' LOA

The timing for the final buildout is subject to market conditions.

Potential cruise berth designs:





### Alternative Maritime Power

Alternative Marine Power (AMP) infrastructure is required for all cruise berths. The Harbor Department is currently planning on installing AMP Infrastructure that provides 12MVA of power for Berths 49-51 at the Outer Harbor Cruise Terminal. This service will likely be installed prior to other development activities to accommodate vessel call demand that may occur prior to development of the site. AMP infrastructure for Berths 45-47 is anticipated to be the financial responsibility of the development proposer. Note that any proposal to redevelop Berths 45-47 as the initial Outer Harbor Cruise Terminal berth and therefore requiring to redirect the planned Berths 49-51 AMP installation should assume that redirected AMP cost will be borne by the proposer.

At the Inner Harbor Cruise Terminal, AMP is available at Berths 90-92 and Berth 93 and provides 18MVA of power. Proposers would be financially responsible for installation of AMP infrastructure at Berths 87-89.

Terminal buildings are expected to be designed to maximize the expansive views and aesthetic attractiveness of the Inner and Outer Harbor Cruise Terminals. The functionality and design of the terminal should be flexible and be able to accommodate a variety of additional revenue producing uses during the off season if functionally and financially feasible, including but not limited to filming, conferences, and events. Design should include open space elements and areas that retain to the extent possible, access to the public during non-operational periods. Design may also include ancillary commercial uses that support public access, increased site utilization, site visitation, and the primary use.

### Parking

Parking for the Outer Harbor Cruise Terminal should be located on-site at 3011 Dave Arian Way and off-site in a parking lot and open area located on a 14-acre site at the northeast corner of 22<sup>nd</sup> Street and Miner Street. Proposers are encouraged to consider structured parking, ride share operations, remote check-in, and creative mobility alternatives to transport passengers from this location to the main terminal.

Proposers are encouraged to include both sites for parking and are granted discretion on the number of parking spots and designated on or off site with the understanding that the Harbor Department prefers densified parking to be developed at the 14-acre site at the northeast corner of 22<sup>nd</sup> Street and Miner Street barring operational or functional infeasibility.

Parking for the Inner Harbor Cruise Terminal is shared with adjacent tenants. Proposals are not anticipated to include the parking areas at the Inner Harbor Cruise Terminal but may include the parking area within the proposed leasehold provided an explanation and financial justification for the proposal which must include significant investment and densification of parking. Proposals expecting to leave the surface parking as is, permanently or for some period of time, should assume the parking operation and revenue shall remain with the Harbor Department and outside the proposed leasehold area until a significant investment and densification of parking is developed.

### **Terminal Operations and Additional Uses**

Full service cruise operations should be included as part of the proposal, including the operation and maintenance of the terminal and site, accommodating alternate uses on non-ship days such as filming, conferences, and events, and providing for cultural, community, and education benefits and programming.

## **2.4 Environmental Assessment**

The Harbor Department has previously assessed a cruise terminal in the Outer Harbor under the California Environmental Quality Act (CEQA). In 2009, the Harbor Department approved an Environmental Impact Report (EIR) for the San Pedro Waterfront Project, which assessed 2 cruise berths, two 100,000 square feet terminals, and a 6-acre park at the Outer Harbor. Depending on the scope of the proposed projects, however, additional analysis may be required. Detailed environmental assessment information on the San Pedro Waterfront Project can be found on the Harbor Department's website: <https://www.portoflosangeles.org/environment/environmental-documents>. Project EIRs may take up to 18 to 24 months.

## **2.5 Lease Negotiations and Approvals**

Lease negotiations with the Harbor Department may be initiated through a non-binding term sheet (template to be attached in final RFP), which is anticipated to be negotiated within 3 months of the selection of a Proposer. The final lease will be subject to final approval by the Board of Harbor Commissioners (Board) and the Los Angeles City Council.

Prior to Board action to consider a new lease, the project must comply with all required California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) assessments and compliance measures. Proposers will be expected to fund the Harbor Department's preparation and review of any environmental documentation.

The Harbor Department in its proprietary and operating capacity will actively assist the selected proposer in processing entitlements, provided all related costs are borne by the proposer.

The proposer will be required to demonstrate baseline financial strength to meet the proposed lease obligations. In addition, the proposed lease will require the proposer to furnish a financial instrument guaranteeing performance of the proposed lease obligations that is acceptable to the

Harbor Department.

## 2.6 Applicable Laws, Regulations, and Policies

Proposals are expected to comply with all applicable laws, regulations, and policies, as required to receive all required entitlements to develop the project scope including, but not limited to, the following: California Coastal Act, CEQA/NEPA, Design Guidelines, labor policies, LEED requirements, Los Angeles Building and Safety Department.

After the approval of all environmental entitlements and the final lease, it is generally anticipated that all related project entitlements, such as a Coastal Development Permits, or building permits, may take between 12 to 24 months to complete. Construction schedule will depend on the scope of the proposed project and related phasing which for the initial phase should be complete within 2 years. A Project Labor Agreement is required as part of the development proposal. Proposed schedules may deviate from the RFPs estimated durations with justification.

## 2.7 Cloud Data Room

Applicable documents and plans available to proposers to assist in the formulation of their proposals can be found in the Harbor Department's Cloud Data Room. Documents include, but are not limited to: Cruise Planning Studies, Cruise Market Studies, engineering reports on the condition of existing infrastructure, historical cruise passenger performance, historical parking performance and historic cruise financial reports. (Note: Access to the Cloud Data Room will be provided upon release of the Final RFP.)

# 3. PROPOSAL REQUIREMENTS

## 3.1 Proposal Submission

**One (1) digital copy of your proposal, as one complete file in .pdf format, must be submitted on or before 3:00 p.m. PST on (day), (month), 2023 to:**

Proposers solely are responsible for the timeliness of their submittals. As such, proposers are cautioned to budget adequate time to ensure that their proposals are delivered before the deadline set forth above.

By submitting a proposal, proposers certify that such proposal constitutes their full and complete written response to the RFP and evidences their acknowledgement that additional written material outside of such proposal shall not be considered by the City in connection with this RFP, unless the City provides a written request that they submit additional written materials. Absent such written request, proposers are instructed to not submit to the City written or other materials outside of the proposal, either in a subsequent interview or otherwise.

## 3.2 Evaluation Process and Selection Criteria

All proposals meeting the requirements of this RFP shall be reviewed and rated by an evaluation committee according to the criteria in Exhibit B. In addition to materials provided in the proposals, the Harbor Department may utilize generally available industry information and references in its decision-making during the evaluation process.

Select proposers may be contacted to arrange in-person interviews with the evaluation committee. The evaluation committee will make the final recommendation for selecting the consultant. All recommendations are subject to the approval of the Director of Waterfront and Commercial Real Estate, the Executive Director of the Harbor Department, the Board of Harbor Commissioners, and the Los Angeles City Council.

Proposers are advised that all documentation submitted in response to this RFP will be considered property of the Harbor Department and may become available to the public as a public record and be released without further notification. Any information that the proposer considers confidential should not be submitted with the proposal.

The right to reject any and all proposals shall, in every case, be reserved, as shall the right to waive any informality in the proposal when to do so would be to the advantage of the City.

### 3.3 Proposal Content

The following items shall be included in your proposal:

#### 1. Submittal Cover

The submittal cover shall include the title of the RFP, submittal date, the lead respondent, principal contact, address, telephone number, fax number, email address and web site address if applicable.

#### 2. Transmittal Letter

The transmittal letter, not exceeding two (2) pages, shall provide a narrative that introduces the reviewers to the Proposer and its team, summarizes the proposer's proposal and its ability to satisfy the financial and technical requirements of this RFP as well as to highlight the particular strengths of the proposer to implement the goals identified in this RFP. The letter should be signed by an authorized principal of the proposer.

#### 3. Qualifications and Experience

The Qualifications and Experience section encompasses information on the entity with the legal authority to execute the appropriate real estate agreement for the proposed project, the team, their qualifications, and relevant experience. This shall include, but is not limited to, the following:

- A brief description of the entity, including its organization structure, key personnel and financial and operational wherewithal and resources. Identify key team members implementing the project, their roles and responsibilities. Include the decision-making process and how those decisions will be communicated with the Harbor Department. Identify expectations for subcontracting and sub-consultants' function on the proposer(s)' team.
- Identify any members of your proposed team, including proposer's firm and any subconsultant firms, who are former Commissioners, officers or employees of the Harbor Department. Provide their name, proposed team position, and their past position and years of employment/appointment with the Department. If your proposed team does not have any such members, please include a statement in your proposal so stating.
- Proposers are advised that it is a proposer's obligation to determine whether any conflicts of

interest exist for their team members and the extent to which those conflicts need to be resolved or disclosed prior to engaging in business with the Department.

- A description of qualifying relevant experience in the (a) development and/or redevelopment of new or existing cruise terminal(s) and berth(s) and (b) operations of cruise terminal(s), and (c) accommodating alternate uses on non-ship days such as filming, conferences, and other events. Describe the overall qualifications gained from the relevant experience and its applicability to the project proposal, including but not limited to implementing remote parking operations, off-site security and check-in procedures. Additional description of pertinent experience should include, as applicable, a summary of the project/operation, total gross revenues, timeline of the project/operations and involvement in the project during and subsequent to project development, and the name, title, and phone number of clients to be contacted for references. Wherever possible, identify and provide contact references for public agencies involved in the process.
- A list and results of any lawsuits or litigation where litigation is still pending or has occurred within the last five years, resulting from any public operations undertaken by the proposer or any type of operations where claims or settlements were paid by the proposer or its insurers within the last five years.

Proposers are expected to meet TBD minimum financial metrics.

**NOTE:** If a new entity is being formed, the experience of the partners or members should be discussed as well as which partners or members will be in operational control.

#### 4. Developmental Approach

The Developmental Approach section shall provide a detailed description of the proposed project. This section shall include a narrative description, specific building details, concept plans/drawings, and project schedule. This shall include, but is not limited to, the following:

- Project schedule, including, but not limited to, lease term proposed, construction development phasing, planning, entitlements, environmental review, permits, construction, operations and utility needs. The schedule should be shown in two forms, one showing estimated calendar dates and the other in a project management format with relative time requirements. Provide justification for the term proposed, primarily based on factors such as the life of the improvements, the amount of capital investment by the proposer, financing terms and required return on investment.
  - Plan for Port and community engagement in design and construction updates.
- Project Design Concept Drawings that orient north up, and should only include one plan or elevation/perspective per sheet. At a minimum, proposers shall provide a Site Plan, Elevations and Context and Perspective drawings, as detailed below.
  - Site Plan – Provide a site plan that illustrates the proposed project for the site, including proposed terminal footprints (and other structures), proposed public spaces, preliminary landscape design, parking lots with estimated parking counts, vehicular and pedestrian access.
  - Elevations – Provide colored architectural exterior elevations and a comprehensive view

of the entire project that illustrate proposed building(s) massing and height, materials and colors and related architectural elements.

- Context and Perspective Drawings – Provide a representative illustration of the proposed project clearly showing the relationship of the proposed project in relation to the surrounding LA Waterfront area. Context elements do not need to be photorealistic but must adequately convey the bulk, scale, and character of the surrounding area.
- Market data and feasibility analysis that justifies the proposed terminals, including projected number of calls, ship sizes, etc.

It is at the discretion of the proposer to perform any and all necessary due diligence to determine project costs, including structural, mechanical, electrical, architectural, and in-water components to make the development project viable and successful. Proposers should provide assumptions dealing with all material revenue elements, the material expense elements, and cost assumptions. A source shall be provided for each assumption.

## 5. Operational Approach

The Operational Approach section provides a detailed description of day-to-day functions and organization of the cruise terminal and other uses. This shall include, but is not limited to, the following:

- Berthing policy and approach to cruise scheduling as well as the mix of vessels expected to call. Include information on passenger capacities, vessel dimensions, shore power capabilities, and other emissions-reduction measures.
- Passenger services and guest flow, including passenger check-in systems and facial recognition technology, and hospitality and concierge services.
- Security during active operations, off hours, and when the terminal is closed. Include Customs and Border Protection operations for passengers and crew as well as other law enforcement coordination including but not limited to Coast Guard and Los Angeles Port Police.
- Stevedoring services for cruise line requirements, regular turn-around calls and special needs of the vessel when at the wharf.
- Baggage operations and the coordination between the terminal operator and the stevedore.
- Off-site Parking management and passenger flows from off-site parking to the terminal.

## 6. Minimum Passenger Guarantee

The Minimum Passenger Guarantee section provides the Harbor Department with a projected number of cruise passengers that will come through both the Inner Harbor Cruise Terminal and Outer Harbor Cruise Terminal. This shall include, but is not limited to, the following:

- Financial incentives and penalties related to meeting the minimum passenger guarantee.
- Justification as to how the minimum passenger guarantee is established, including but not limited to a range for number of vessels, size of vessels, passengers per vessel, destination

and duration.

## 7. Financial Proposal

The Financial Proposal section shall provide the detailed financial aspects of the project, including a Financial Plan, Business, Plan, and Rent Proposal. This shall include, but is not limited to, the following:

- Financial Plan describing proposer(s)' approach to financing the project, including tabular and graphic depiction of the proposed capital stack(s) for each separately financed component and for the project as a whole. Specify any perceived challenges and risks to financing the project and proposed solutions to address these concerns.
- Business Plan, in narrative form and associated tables, describing in detail how the proposal will be implemented. The Business Plan timeframe covers construction period(s) and the first 10 years of operation of all phases of development (if applicable). Identify each separately constructed and financed component including estimated capital development costs (construction and soft costs), projected financing terms and Rent Proposal with a consolidated plan extending through 10 years after the last development component. Include unit costs for construction and identify contingency costs. Provide a detailed description of the required return on capital investment based on the proposed revenue streams, expected capital investment, financing terms and Rent Proposal. Explain how operational costs will be offset by corresponding fees charged to users.
- Rent Proposal includes:
  - Annual Ground Rent
  - Tariff fee allocation
  - Other passenger fees proposed along with allocation
  - Include CPI escalator
  - Minimum Annual Guarantee rent (MAG)
  - Demand analysis as basis for MAG
  - Minimum Passenger Guarantee
  - Any alternative or additional approaches

Utilize the following example tables in detailing the rent proposal:

Revenue Source		Unit Fee	% to Tenant	% Port	Variable % at x volume	% to Tenant	% to Port
Berth #							
Minimum Rent							
Passenger Fee							
Event Fees							
Filming Fees							
Parking Fees							
Parking Area							
Parking Area – Minimum Rent							



Parking Fees							
Other Revenue							

Minimum Rent- May be expressed as a volume level or as a lump sum. Unit fee split to the Harbor Department is assumed to be collected in lieu of minimum rent and minimum rent will only be collected if total revenue collected by the Harbor Department is less than the established minimum rent. Minimum rent is expected to increase annually by CPI and be subject to five-year compensation resets as required by the Los Angeles City Charter.

Unit Fee- Relates to per passenger or per car unit charge. Passenger fee is assumed to be charged on embark and shall be inclusive of all government fees. Parking fees shall be expressed as a daily charge per car. Variable fees may be expressed at a volume level or total revenue level relating to either passengers or parking.

Percentage Split- Proposer is expected to propose a Unit Fee percentage split that is relative to overall capital investment with justification for why the split is required to provide a required return on investment by proposer.

Proposed Capital Investment	Total \$	Years 1-5	Years 6-10
Berth # Site development			
Berth # wharf			
Berth # terminal			
Parking site development			
Parking structure development			
Other capital costs			
Total Capital Investment			

Selection of a proposal should not be interpreted as acceptance of any component of proposed rent. All terms and conditions, including rent, will be subject to market conditions and market value of the land at the time of negotiation.

8. Financial Strength

Provide a narrative of the financial strength and capability of the proposer(s) to support this opportunity. Examples of information include, but are not limited to, funding for previous projects, access to capital, ability to devote capital to a project, and capital liquidity. Other narrative means to evidence the financial strength and capability of the proposer are welcome. Describe a proposal for security and/or bonding agreements required to ensure the obligated capital improvements are completed and the obligated lease terms are met.

9. Audited Financial Statements

Proposer(s) shall provide the Harbor Department with documents indicating proposer's financial capability to provide the services required by this RFP. Proposer(s) can submit the documents with the Proposal or allow the Harbor Department to review these documents at the Port of Los Angeles Administration Building (HAB) or at a mutually agreeable location within 20 miles of the HAB. Documents submitted to the Harbor Department will be subject to the California Public Records Act (CPRA). Proposer(s) shall contact the Harbor Department at the email listed in the RFP's cover letter to arrange for an appointment for review of their documents within the time period

allowed. The Harbor Department, at its discretion, may require additional financial information beyond those requested herein. Proposer shall make available for review the most recent annual audited financial statements (or statements prepared by a Certified Public Accountant) as well as the most recent interim financial statement as part of their Proposal. If the proposer entity was or will be recently formed for the purposes of this solicitation, statements from the principal entities that combined to form the new entity are requested.

10. Litigation and Bankruptcy Information

Proposer(s) shall disclose any litigation and/or bankruptcy information. During the past ten (10) years, has the firm, or joint venture partner, including their parent corporation or subsidiary or affiliated corporation as well as any of the firm's officers, principal members, shareholders or investors been adjudged bankrupt, either voluntary or involuntary, or have been involved in litigation relating to marina operations or commercial development either voluntary or involuntary.

11. Contract Administrative Requirements

**In order for your proposal to be deemed responsive, the following documents MUST be included with your proposal:**

A) OPERATOR DESCRIPTION FORM

Provide with your proposal the Operator Description form (Exhibit B), fully filled out for your firm and any proposed subconsultants, subcontractors, or operating partners.

B) INSURANCE VERIFICATION LETTER

Provide a signed letter from your insurance carrier indicating that the insurance requirements for this project as described in this Exhibit C of this RFP are presently part of the proposer's coverage, or that the insurance company is able to provide such coverage should the proposer be selected. The insurance carrier must be aware of the indemnification requirements also set forth in this RFP. Proposer(s) are not required to purchase the required insurance in order to respond; however, all required insurance will need to be submitted at the time of contract award. ACORD certificates will not be accepted.

### 3.4 Checklist for RFP Submittal Requirements

A checklist is provided to assist in verification that all elements of the RFP have been addressed. However, firms are encouraged to review the entirety of the RFP, including the Standard Contract Provisions section, to ensure full compliance and not rely solely on this checklist.

- Submittal Cover
- Transmittal letter, signed by an authorized principal of the proposing consulting firm.
- Table of Contents, if included (not required).
- Proposal with the following sections, in order:
  - Qualifications and Experience
  - Developmental Approach
  - Operational Approach
  - Minimum Passenger Guarantee
  - Financial Proposal
- Operator Description Form
- Letter from insurance carrier or broker indicating ability to meet insurance requirements for this project, including general liability, auto liability, professional liability, ocean marine liability and workers' compensation. **Do not submit an ACORD® Certificate of Liability Insurance sheet. It will not be accepted in lieu of an insurance verification letter.**

**EXHIBIT A**  
**RFP SELECTION EVALUATION FORM**

**PROJECT:** CRUISE TERMINAL DEVELOPMENT OPPORTUNITY

**SCORING GUIDELINES:**

Rater's Score: (Range 0-5) - 0=not included/non responsive; 1= Serious Deficiencies; 2=Marginal Abilities; 3=Adequate, 4=Well Qualified; 5=Exceptionally Qualified.

Weighing Factor: A range of 1 through 6, with 1 being of relative lower importance and 6 being relative highest importance. Each number (1 through 6) may be used more than once; however, in establishing weights, the total of all the weighing factors (A –D) must equal 20.

Weighted Score= Rater's Score multiplied by (x) Weighing Factor. Totals should be calculated for each criterion.

Total score = Sum of all weighted scores.

Firm Name	Evaluated by	Date

CRITERIA TO BE RATED		RATER'S SCORE	WEIGHING FACTOR	WEIGHTED SCORE
<b>A. Qualifications and Experience</b>	Successful development and operations similar to proposed Port project scope and jurisdiction		TBD	
<b>B. Development Approach</b>	Quality of the proposal for the development, including design and construction assumptions		TBD	
<b>C. Operational Approach</b>	Quality of the proposal for the cruise operations, including safety, cruise passenger experience, and operational assumptions		TBD	
<b>D. Minimum Passenger Guarantee</b>	Number of passengers guaranteed, and strength of commitment from cruise lines		TBD	
<b>E. Financial Proposal</b>	Rent terms, Projected revenue, Projected revenue to the Port, and feasibility of financial assumptions		TBD	
	<b>Maximum points possible=100</b>		<b>A+B+C+D=20</b>	<b>Total Points=</b>

**EXHIBIT B**  
**Operator Description Form**

**PRIME OPERATOR:**

Contract Title: \_\_\_\_\_

Business Name: \_\_\_\_\_ RAMP#: \_\_\_\_\_

Local Business Enterprise: YES \_\_\_\_\_ NO \_\_\_\_\_ (Check only one)

Primary NAICS Code: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

County: \_\_\_\_\_

Telephone: (     ) \_\_\_\_\_ FAX: (     ) \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

**PARTNER:**

Business Name: \_\_\_\_\_ RAMP ID#: \_\_\_\_\_

Services to be provided: \_\_\_\_\_

Local Business Enterprise: YES \_\_\_\_\_ NO \_\_\_\_\_ (Check only one)

Primary NAICS Code: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

County: \_\_\_\_\_

Telephone: (     ) \_\_\_\_\_ FAX: (     ) \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

**PARTNER:**

Business Name: \_\_\_\_\_ RAMP ID#: \_\_\_\_\_

Services to be provided: \_\_\_\_\_

Local Business Enterprise: YES \_\_\_\_\_ NO \_\_\_\_\_ (Check only one)

Primary NAICS Code: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

County: \_\_\_\_\_

Telephone: (     ) \_\_\_\_\_ FAX: (     ) \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Email address: \_\_\_\_\_

## Operator Description Form

### **PARTNER:**

Business Name: \_\_\_\_\_ RAMP ID#: \_\_\_\_\_

Services to be provided: \_\_\_\_\_

Local Business Enterprise: YES \_\_\_\_\_ NO \_\_\_\_\_ (Check only one)

Primary NAICS Code: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

County: \_\_\_\_\_

Telephone: (     ) \_\_\_\_\_ FAX: (     ) \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

### **PARTNER:**

Business Name: \_\_\_\_\_ RAMP ID#: \_\_\_\_\_

Services to be provided: \_\_\_\_\_

Local Business Enterprise: YES \_\_\_\_\_ NO \_\_\_\_\_ (Check only one)

Primary NAICS Code: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

County: \_\_\_\_\_

Telephone: (     ) \_\_\_\_\_ FAX: (     ) \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

### **PARTNER:**

Business Name: \_\_\_\_\_ RAMP ID#: \_\_\_\_\_

Services to be provided: \_\_\_\_\_

Local Business Enterprise: YES \_\_\_\_\_ NO \_\_\_\_\_ (Check only one)

Primary NAICS Code: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

County: \_\_\_\_\_

Telephone: (     ) \_\_\_\_\_ FAX: (     ) \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_

Email address: \_\_\_\_\_

## **Exhibit C - Indemnity and Insurance Requirements**

**REQUIRED AT PROPOSAL STAGE:** A letter from each proposer's carrier or broker must be provided with their proposal. The letter should indicate that the requirements below are presently part of the proposer's coverage, or that the carrier/broker is able to provide such coverage should the proposer be selected. The carrier/broker must be aware of the indemnification requirements below. Proposers are not required to purchase the required insurance in order to respond, however all required insurance will need to be submitted at the time of contract award. **ACORD® certificates will not be accepted.**

### 1. Indemnification

Except for the sole negligence or willful misconduct of the City, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, Contractor undertakes and agrees to defend, indemnify and hold harmless the City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and Contractors), damages or liability of any nature whatsoever, for death or injury to any person, including Contractor's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by Contractor or its subcontractors of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the City.

### 2. Acceptable Evidence and Approval of Insurance

Electronic submission is the required method of submitting insurance documents. Contractor's insurance broker or agent shall register with the City's online insurance compliance system **KwikComply** at <http://kwikcomply.org> and follow the instructions to register and submit the appropriate proof of insurance on Contractor's behalf.

#### Carrier Requirements

All insurance which Contractor is required to provide pursuant to this Agreement shall be placed with insurance carriers authorized to do business in the State of California and which are rated A-, VII or better in Best's Insurance Guide. Carriers without a Best's rating shall meet comparable standards in another rating service acceptable to City.

#### Primary Coverage

The coverages submitted must be primary with respect to any insurance or self insurance of the City of Los Angeles Harbor Department. The City of Los Angeles Harbor Department's program shall be excess of this insurance and non-contributing.

#### Notice Of Cancellation

For each insurance policy described below, the Contractor shall give the Board of Harbor Commissioners a 10-days prior notice of cancellation or reduction in coverage for nonpayment of

premium, and a 30-days prior notice of cancellation or reduction in coverage for any other reason, by written notice via registered mail and addressed to the City of Los Angeles Harbor Department, Attention Risk Manager and the City Attorney's Office, 425 S. Palos Verdes Street, San Pedro, California 90731.

#### Modification of Coverage

Executive Director, at his or her discretion, based upon recommendation of independent insurance Contractors to City, may increase or decrease amounts an types of insurance coverage required hereunder at any time during the term hereof by giving ninety (90) days' written notice to Contractor.

#### Renewal of Policies

At least thirty (30) days prior to the expiration of any policy, Contractor shall direct their insurance broker or agent to submit to the City's online insurance compliance system **KwikComply** at <http://kwikcomply.org> a renewal certificate showing that the policy has been renewed or extended or, if new insurance has been obtained, evidence of insurance as specified below. If Contractor neglects or fails to secure or maintain the insurance required below, Executive Director may, at his or her own option but without any obligation, obtain such insurance to protect the City's interests. The cost of such insurance will be deducted from the next payment due Contractor.

#### Policy Copies

Upon request by City, Contractor shall furnish a copy of the binder of insurance and/or full certified policy for any insurance policy required herein. This requirement shall survive the termination or expiration of this Agreement.

#### Limits of Coverage

If the Contractor maintains higher limits than the minimums shown below, City requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

#### Right to Self-Insure

Upon written approval by Executive Director, Contractor may self-insure if the following conditions are met:

- a. Contractor has a formal self-insurance program in place prior to execution of this Agreement. If a corporation, Contractor must have a formal resolution of its board of directors authorizing self-insurance.
- b. Contractor agrees to protect the City, its boards, officers, agents and employees at the same level as would be provided by full insurance with respect to types of coverage and minimum limits of liability required by this Agreement.
- c. Contractor agrees to defend the City, its boards, officers, agents and employees in any lawsuit that would otherwise be defended by an insurance carrier.



- d. Contractor agrees that any insurance carried by Department is excess of Contractor's self-insurance and will not contribute to it.
- e. Contractor provides the name and address of its claims administrator.
- f. Contractor submits its most recently filed 10-Q and its 10-K or audited annual financial statements for the three most recent fiscal years prior to the Executive Director's consideration of approval of self-insurance and annually thereafter.
- g. Contractor agrees to inform Department in writing immediately of any change in its status or policy which would materially affect the protection afforded Department by this self-insurance.
- h. Contractor has complied with all laws pertaining to self-insurance.

## Insurance

In addition to and not as a substitute for, or limitation of, any of the indemnity obligations imposed by Indemnification Section Above, Contractor shall procure and maintain at its sole cost and expense and keep in force during the term of this Agreement the following insurance:

### 3. General Liability Insurance

Contractor shall procure and maintain in effect throughout the term of this Agreement, without requiring additional compensation from the City, commercial general liability insurance covering personal and advertising injury, bodily injury, and property damage providing contractual liability, independent contractors, products and completed operations, and premises/operations coverage written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within Contractor's normal limits of liability but not less than Five Million Dollars (\$5,000,000) combined single limit for injury or claim. Where Contractor provides or dispenses alcoholic beverages, Host Liquor Liability coverage shall be provided as above. Where Contractor provides pyrotechnics, Pyrotechnics Liability shall be provided as above. Said limits shall provide first dollar coverage except that Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her judgment, such retention or self-insurance is justified by the net worth of Contractor. The retention or self-insurance provided shall provide that any other insurance maintained by Department shall be excess of Contractor's insurance and shall not contribute to it. In all cases, regardless of any deductible or retention, said insurance shall contain a defense of suits provision and a severability of interest clause. Additionally, each policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds.

### 4. Fire Legal Liability

In addition to and concurrently with the aforesaid insurance coverage, Contractor shall also procure and maintain, fire legal liability insurance with a minimum limit of Two Hundred and Fifty Thousand Dollars (\$250,000), covering legal liability of Contractor for damage or destruction by fire or explosion to the works, structures and improvements owned by City provided that said minimum limits of liability shall be subject to adjustments by Executive Director to conform with the deductible amount of the fire insurance policy maintained by Board.

## 5. Automobile Liability Insurance

Contractor shall procure and maintain at its expense and keep in force at all times during the term of this Agreement, automobile liability insurance written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's is not available) within Contractor's normal limits of liability but not less than Five Million Dollars (\$5,000,000) covering damages, injuries or death resulting from each accident or claim arising out of any one claim or accident. Said insurance shall protect against claims arising from actions or operations of the insured, or by its employees. Coverage shall contain a defense of suits provision. Additionally, each policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as Primary additional insureds.

## 6. Professional Liability

Contractor is required to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be provided under this "Agreement". This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and includes coverage (or no exclusion) for contractual liability.

Contractor certifies that it now has professional liability insurance in the amount of Five Million Dollars (\$5,000,000), which covers work to be performed pursuant to this Agreement and that it will keep such insurance or its equivalent in effect at all times during performance of said Agreement and until two (2) years following the completed term of the Agreement. Notice of occurrences of claims under the policy shall be made to the City Attorney's office with copies to Risk Management.

## 7. Ocean Marine Liability

Contractor shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connections with Contractor's operations. The cost of the insurance shall be borne by Contractor. The coverage shall be written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's Rating is not available). Coverage shall include, but not be limited to:

- (i) Hull and machinery coverage up to the value of the vessel(s);
- (ii) Protection and Indemnity coverage with combined single limits of Five Million Dollars (\$5,000,000) per occurrence for bodily injury, illness, death, loss of or damage to the property of another, and Jones Act risks or equivalent thereto internationally.

Coverage shall contain a defense of suits provision and a severability of interest clause. Each policy shall also contain an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents, and employees as Primary additional insureds.

## 8. All Risk Property

Contractor shall secure, and shall maintain at all times during the life of this Agreement, All Risk Property insurance that requires the Contractor to insure the works, structures and

improvements erected by Contractor on the premises on an "All Risk" basis equal to the full replacement cost of the property with no coinsurance clause. Coverage shall include a "Loss Payee" endorsement where losses payable under this policy shall be adjusted with the named insured and paid to the "City of Los Angeles Harbor Department" as its interests may appear. Additionally, evidence of Business Interruption and Extra Expense insurance in such amounts as will cover all rent and other monies payable to the Harbor Department and will reimburse Contractor for direct and indirect loss of earnings due to a covered peril for a period of at least twelve (12) months.

Said policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as additional insureds.

9. All Risk Builder's Risk/Installation Floater

a. Contractor shall, at the Contractor's own expense, provide all risk builder's risk insurance covering loss, damage or destruction of property, including material in transit and stored on and off site, satisfactory to the City, in an amount at least equal to the value of the construction and materials on hand. The Contractor's insurance broker or agent shall submit for approval said insurance to the City's online insurance compliance system KwikComply™ <https://kwikcomply.org/>. Acceptable evidence of coverage shall name the City as an additional named insured and as loss payee as its interest may appear.

b. The Contractor need not provide all risk builder's risk insurance for fills; excavations; rock work; concrete or masonry walls and bulkheads retaining earth; foundations entirely below ground or in earth fill; pipe, sewer systems, conduit, and electric light and power systems entirely below ground or submerged; ballast and grading for railroad tracks on or in earth; pavements, sidewalks and pits on solid earth or in fill outside of buildings; incombustible poles, area lighting and metal fencing not attached to exterior or interior of buildings. Contractor is not relieved of the obligation to rebuild these improvements when damaged.

c. An installation risk or "floater" policy, written to cover only specific types of equipment during construction, may be provided to cover damage to work or high valued equipment or materials.

10. Workers' Compensation and Employer's Liability

Contractor shall certify that it is aware of the provisions of Section 3700 of the California Labor code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that the Contractor shall comply with such provisions before commencing the performance of the tasks under this Agreement. Coverage for claims under U.S. Longshore and Harbor Workers' Compensation Act, if required under applicable law, shall be included. Contractor shall submit Workers' Compensation policies whether underwritten by the state insurance fund or private carrier, which provide that the public or private carrier waives its right of subrogation against the City in any circumstance in which it is alleged that actions or omissions of the City contributed to the accident. Such worker's compensation and occupational disease requirements shall include coverage for all employees of Contractor, and for all employees of any subcontractor or other vendor retained by Contractor.