

Tour Boat RFP Questions

1. Boat Height: The RFP states that all tour boats “should be less than 15 feet in height as measured from the water line to the highest point. (p.19 section B1: Size of Tour boats and Drawbridge Access). Several of our boats have slightly higher clearances, but all of our boats can safely clear all Chicago bridges.
Boats that do not require the lifting of the bridges regardless of the level of the Chicago River will be accepted. The City will not lift the bridges due to heavy rains that raise the level of the Chicago River.
2. Information Site: The RFP indicates on pp. 22-23 that Operators may disseminate materials from a City- designated “information site” located at the southwest corner of Michigan Avenue and Wacker Drive. There is currently no such information site at that location. Historically, each Operator’s information has been disseminated at the top of each stairway. Can you please confirm that each Operator’s literature can continue to be disseminated at each respective stairway entrance?
Information can be disseminated at the stop of the stairways provided it does not create an obstruction to pedestrian traffic accessing the stairways. The “Information Site” on the southwest corner of Michigan and Wacker was designated as a convenience for the tour bus and trolley that stop at that location.
3. Financial Statements: The RFP requests “audited financial statements for the past 3 years” (p.9 Section II g: Financial Capacity). We do not have our financial statements audited annually. May bidders who do not have audited financial statements instead submit tax returns in addition to financial statements?
If the audited financial statements for the past three years are not available, please provide the following financial statements: income statement, balance sheet and statement of cash flows and tax returns for the past three years.
4. Please allow for a three week extension.
Proposals will be due on **Monday, January 21, 2013 at 1 p.m.**
5. Will a representative be available to walk the properties? May we have access rights to investigate the premises with our contractors?
CDOT will be available on Tuesday January 8 at 10 a.m. at Location 1 immediately followed by Location 2.
6. May we review current detail drawings for the two properties showing architectural and engineering, including utilities, vessel boarding slots, etc?
The drawings provided in the RFP are all that is available.
7. Are there any building inspections or a list of building permits ever obtained for the properties?
The City performed improvements at both locations in 2008 and 2009.

8. How long have the premises been used for vessel operations?
Location 1- was made available during the reconstruction of East-West Wacker Drive in the late 1990's.
Location 2- was offering tours for the past 70 years.
9. Have previous operators been required to develop maintenance plans? May we review the plans and any evaluation from CDOT of implementation?
Yes, maintenance plans were submitted from previous operators as part of the RFP process. The specific plans are not available for review. The current license agreements states maintenance requirements.
10. What is the full scope of permitted use for the premises?
Please refer to page 4, I Scope of License and Exhibit 3, which references Terms and Conditions. The City is looking for creative proposals.
11. Will the portable trailers currently on site remain as part of the premises? Any inspections or permits on the trailers?
No inspections of the trailers will be permitted.
12. What are the restrictions of amplified music from the premises? What section of the code applies to CDOT controlled premises?
City ordinance prohibits amplified music on vessels after 8:30 p.m.
13. Are their design guidelines for public amenities in the premises (i.e.; benches, trash cans, etc...)?
The Chicago River Corridor Development Guidelines are available for review on the City's website at :
http://www.cityofchicago.org/city/en/depts/dcd/supp_info/chicago_river_corridordevelopmentplanandguidelines.html
CDOT will work with selected vendors on the development plan regarding selection of amenities.
14. Are there guidelines and approval process for any proposed infrastructure improvements to the premises?
CDOT will work with selected vendors on the development plan regarding improvements to the premises.
15. The RFP states that the Tour Boats should be less than 15 feet in height, as measured from the waterline to the highest point of the Tour Boat when the Tour Boat is fully unloaded. Most of the current vessels exceed this height. Will these vessels be able to continue operations? Can there be any relaxation to this 15-foot restriction, or a mix of vessels that allow operation under all river conditions?
Please refer to question 1. Boats that do not require the lifting of the bridges regardless of the level of the Chicago River will be accepted. The City will not lift the bridges due to heavy rains that raise the level of the Chicago River.

16. Are the incumbent vessels all currently under the 15' air draft as the specification requires?
No. Boats that do not require the lifting of the bridges regardless of the level of the Chicago River will be accepted. The City will not lift the bridges due to heavy rains that raise the level of the Chicago River.
17. What is the maximum width (beam) of vessels that will be allowed to berth at each of the two Location sites? What establishes this dimension?
Boat sizes need to be appropriate for the restrictions presented by the bridges of the Chicago River and the level of navigational traffic currently existing. The City currently has no maximum width standard and will require the width does not obstruct navigation of Chicago River system.
18. The RFP discusses "energy efficient Tour Boats." Is there an expectation that the Tour Boats will exceed current EPA engine emissions standards? What standard will be used to measure energy efficiency?
The City of Chicago is committed to sustainability in all operations. The evaluation committee will be assigning points for the Green Sustainable Plan. There is no expectation that the Tour Boats will exceed current EPA engine emissions standards.
19. It is essential that we have historical data regarding Tour Boat annual and monthly passenger counts at the two sites? Can you provide this information or tell us where to find it?
This information has not been provided to the City of Chicago as part of the past license agreements and is not available.
20. Can you provide maximum height restriction for all bridges in the operating area?
The RFP states on p. 19 section B1: Size of Tour Boat and Drawbridge Access that all tour boats "should be less than 15 feet in height as measured from the water line to the highest point. Several of our boats have slightly higher clearances, but can safely clear the bridges. The City will not lift the bridges due to heavy rains that raise the level of the Chicago River or for any operations of the Tour Boats.
21. The RFP requires information regarding "access-ways" and "boarding fixtures" on the Tour Boats. Can you clarify and expand upon this language?
Access-ways and boarding fixtures refer to the ramps or other methods used to move between the dock onto the vessel.
22. Exhibit 3, Section A. (6), of the RFP seems to disallow use of the public address (PA) system while the Tour Boat is docked at the Location(s). Can required safety announcements be made via the PA system while docked at the Location(s)?
Please see item 6 in exhibit 3.

(6) No Music, Announcements or Disruptive Noise:

Operator may not broadcast music, announcements or any other disruptive sounds from the Tour Boat or the Location. Such restrictions, however, will not prevent Operator from making any announcements or broadcasts required by USCG or other regulations, nor will the restrictions set forth here prevent Operator from using a Tour Boat's public address system to convey information to passengers while the Tour Boat is not docked at the Location(s). Amplified music on the Chicago River after 8:30 PM; Operator must adhere to all applicable ordinances.

23. What have the current operators paid historically for the space?

	<u>Location 1</u>	<u>Location 2</u>
2012-	\$169,423.26	\$281,419.95
2011-	\$161,355.49	\$268,019.00
2010-	\$156,655.82	\$255,256.00
2009-	\$152,093.03	\$243,101.00
2008-	\$150,587.16	\$231,525.00

24. What passenger volume and revenue have the current operators been producing?

Have they even been reporting to the City?

This information has historically not been provided to the City and is not available.

25. Why does the larger footprint (Location1-south dock have a lower Annual Guarantee?) (how would we know this is #19 and #20 are open items)

MAG is reflective of historic values from previous competitive bids for each Location.

26. Will the bid for the two sites be evaluated and awarded separately or at the same time?

At the same time.

27. Is there any advantage for the City to have one operator?

There is no advantage for the City to have one operator.

28. Are there other sites the City owns or plans to develop with similar access for boat tour operations?

Future sites are planned in the Riverwalk build-out but a timeline is not available.

29. Will the City favor local businesses?

No

30. Will the City favor Minority, or Women Owned Businesses?

No

31. May we get a copy of the current lease documents for both sites?
The City enters into a license agreement, not a lease. They are available on the City's website.
32. Is there a template available for the new lease that we can review?
Not at this time. Please review the previous agreements.
33. Are the current and future uses strictly limited to the sightseeing, or can you also operate water taxi, full charter, dinner cruise and casino boat business?
Please include all potential operations within your proposal.
34. Since the required vessels are unique and likely to be new built for a specific purpose, can you commence operations with a temporary vessel(s) while you complete new vessels?
Because of the timing of the RFP and the duration of the agreement, it is understood that time may be needed to expand and build a fleet for operations. Please submit that schedule to build the fleet as part of the proposal.
35. Are you limited to the number of vessels that can be berthed, or operated from either location?
The length of the available Location for single boat docking. Rafting or tying off boats at the Location will not be permitted.
36. What are the limitation to the development and programming you can do on the space provided on the riverbank?
Please see exhibit 3 Terms and Conditions of License Agreement p. 17
A. Restriction and Obligations Related to Operation at the Locations
37. What permits are required for the development and how fast can they be procured?
Harbor permits will be required for construction. CDOT will assist in acquiring necessary permits.
38. Does the City object to liquor licenses on the boats?
No
39. Can you expand upon the purpose and details of your "last and final" clause?
During the course of competitive negotiations equally qualified companies may be asked to submit a revised "best and final offer" in order for the evaluation committee to select the most advantageous proposal.
40. What issue does the City anticipate being negotiated after the selection?
The City reserves the right to negotiate any item within the proposal.
41. Why a 10 year term? It makes it tough to pay for equipment with a 15 year amortization, particularly specialized equipment limited to 15 ft overall height.

Proposals should adhere to the requirements of the RFP and submit proposals based on the provided lease terms and MAG and escalation requirements. Companies may, in addition, include alternative price proposals but must carefully explain the methodology and the amounts that would be paid to the City.

42. What happened to the relationship between Chicago's First Lady and Chicago Architecture Foundation if they loose their lease? Do they have other locations to conduct the same business?

The City has no involvement in this independent business relationship.

43. Same question for Wendella, who has another lease at Trump tower. Will they simply do the same business from the Trump location?

The City has no involvement in this independent business relationship.

44. What are the noise standards the vessels must meet when operating on the Chicago River?

There are currently no noise standards for vessels, aside from amplified music after 8:30 p.m. Reasonable noise levels for operations of Tour Boats is expected.

45. Are there any underwater obstacles in the RFP dock areas or projections from the quay walls that will damage the vessels?

The City is unaware of any obstacles in the dock area. Per page 5 under Proposal Submittal Requirements- "The City makes no representations regarding the condition of the docking areas, including but not limited to, the surface or the subsurface, and the land adjacent to the docking areas.

46. Does the City, County or State require collection of sales tax on ticket sales or revenue taking place on the premises?

Yes

47. Who is the primary USCG contact the City works with respect to vessel operation on the Chicago River?

Marine Safety Unit Chicago is CDOT primary contact for all USCG related issues.

48. Will the City require approval of any pricing charged to the public for products delivered from the RFP sites?

Historically, this has not been done.

49. The south dock area has large area adjacent to the permit area that are not incorporated into the permit? Is it possible to get a larger footprint for passenger waiting area or amenities than currently show?

It is the City's intent to retain a feeling of landscaping and greenery throughout the Riverwalk. However, the City is interested and will accept proposals that activate the space.

50. When do the current leases for the RFP sites expire? Can they be extended a year to allow a new operator to complete construction of new vessels?
New license agreements are preferred.
51. Can the selected Tour Boat operator install new utility services at both locations?
Yes
52. What information will be provided to respondents about their bid once a selection has been made?
As stated under IV Selection Process, on page 14, "The City will require the selected Respondent(s) to participate in License Agreement negotiations."
Content of all proposals submitted will remain confidential.
53. Is the City free to negotiate with incumbents or others regarding the property if no bids are tendered that meet the minimum requirements?
Yes
54. What is the timing for issuing RFP's for other City controlled sites on the Chicago River or at Navy Pier?
RFP for other boating operations will be issued near the completion of the Chicago Riverwalk construction, in 2016. The City is unaware of the Navy Pier schedule for Tour Boats.
55. Does the City have a preference for a particular style of vessel?
No
56. Does the City have a limitation on the passenger capacity of the vessels?
Vessels should meet safety requirements and be approved by the USCG
57. When was the last RFP for these sites, and how many respondents were there?
2012 and 3
58. What portions of the response to the RFP can become public? Will the financial information be protected?
Responses are confidential. Financial information is confidential.
59. Does greater economic support for charitable organizations result in higher scoring?
No
60. Who chooses the Evaluation Committee, and what is the composition?
Members of the Evaluation Committee are chosen by the Commissioner. They remain anonymous and sign a confidentiality agreement

61. Will the initial term of the License Agreement be through 2022 (10 years) or 2023 (11 years)?

February 2013 until November 30, 2023

62. Will the City consider a Supplemental Revenue Fee that only applies after a certain revenue threshold is reached (e.g., MAG of \$540,000, and 10% Supplemental Revenue Fee of revenues over \$5,400,000)?

Proposals should adhere to the requirements of the RFP and submit proposals based on the provided terms regarding the Supplemental Revenue Fee requirements. Companies may, in addition, include alternative price proposals but must carefully explain the methodology and the amounts that would be paid to the City

63. Will the City consider a "step" Supplemental Revenue Fee where the percentage changes based on reaching certain revenue targets?

Proposals should adhere to the requirements of the RFP and submit proposals based on the provided terms regarding the Supplemental Revenue Fee requirements. Companies may, in addition, include alternative price proposals but must carefully explain the methodology and the amounts that would be paid to the City, included percentage changes based upon reaching certain revenue targets.

64. The RFP indicates that the City reserves the right to enter into concurrent competitive price negotiations with one or more qualified Respondent(s). Can you provide any details regarding this process? For example, will evaluation at this phase continue to be based on the 50-point scale (with 10 points for compensation to the City), or will evaluation at this phase be strictly on price? Will a bidder in this phase be informed if there are other "qualified" Respondents that are being considered?

The City will only enter into concurrent competitive negotiations with companies that are deemed qualified to provide the services as described in the RFP, the 50 point scale is for use during the initial review of proposals. Yes, bidders will be informed whether the City is concurrently negotiating with another company. During the negotiation phase companies may be evaluated on any and all criteria in the RFP as well as information offered during any interviews, and on the submitted price proposals or any "best and final offers" requested by the City.

65. Can a bidder submit "alternative" bids at the two Locations with a preferential location? In other words, can a bidder bid on both Location, but only take its preferred dock if it is the winner of both bids?

Yes

66. The RFP indicates that the Evaluation Committee will consider the experience and qualifications of each bidder. For this criteria, will the Committee take into account the bidders' experience in operating on the specific conditions of the

Chicago River - a narrow, winding river system with heavy motorized and human-powered craft traffic?

The evaluation committee will consider all information provided in the proposal.

67. What other operations (tour boat, charter, kayak or otherwise) run from public or privately-owned docks on the main branch of the Chicago River near the two RFP Locations (e.g., at 401 N. Michigan Ave.)?

401 North Michigan runs water taxis and charters from their private dock.

The Chicago Park District has a concession for kayak rentals between Columbus and Lake Shore Drive.

The Chicago River and Rowing and Paddling Club operate out of the Lake Shore Drive bridge house.

The City has plans to expand recreational boat docking and kayak activities as well as possible charter docking as part of the Riverwalk project.

68. If a winning bidder desires to make its Location(s) ADA-compliant, would the bidder / operator or the City be responsible for related costs?

Operator will be responsible for improvements that benefit operations.