

# REQUEST FOR PROPOSAL (RFP)

No. 070030

## Seaport Alliance Financial Valuation

Issued by

Port of Tacoma

One Sitcum Plaza

P.O. Box 1837

Tacoma, WA 98401-1837

RFP INFORMATION	
<i>Email Addresses:</i>	<a href="mailto:procurement@portoftacoma.com">procurement@portoftacoma.com</a>
<i>Phone:</i>	(253) 428-8608
<i>Submittal Date</i>	DECEMBER 9, 2014 @ 4:00 PM (PST)

PLEASE SUBMIT ALL CORRESPONDENCE AND PROPOSALS  
VIA E-MAIL DIRECTLY TO THE PROCUREMENT CONTACT LISTED ABOVE AND INCLUDE  
'TITLE' IN THE SUBJECT LINE

# **REQUEST FOR PROPOSAL**

## **SEAPORT ALLIANCE FINANCIAL VALUATION**

### **BACKGROUND**

The Ports of Tacoma and Seattle have adopted an Inter-local Agreement with the intent of establishing a Seaport Alliance by March 31, 2015 that will provide unified management of all cargo-related terminals on behalf of both Ports. An independent valuation of each Port's contribution to the Alliance is required in order to establish their proportional shares of future income generated by the Alliance as well as relative capital contributions. A preliminary valuation model was developed by Mercator International LLC based on discounted future cash flows projected for each Port's potential contribution of terminals to the Alliance over the next ten years.

Only firms registered to conduct business in the state of Washington, in accordance with Revised Code of Washington (RCW) 18.04 should respond to this RFP.

The Port anticipates awarding a single contract on a time and material basis.

### **SCOPE OF WORK**

The primary scope of work is as follows:

- a. Review the approach for the Seaport Alliance financial valuation model developed by Mercator International LLC on behalf of the Port of Tacoma and Port of Seattle.
- b. Evaluate the assumptions related to revenue, direct and indirect expenses and capital reinvestment needed to support the 10 year assumptions for both Ports.
- c. Determine if the current financial valuation model is sound and recommend changes if necessary to support a final valuation for the business combination.
- d. Recommend any adjustments, if necessary, to the financial projections in order to ensure comparability.
- e. Based on updated financial projections and refinements, if any to the methodology, determine a final valuation for each Port's contribution to the Alliance.
- f. If the valuation does not result in equal shares, identify potential mechanisms that would achieve a 50-50 split.
- g. Prepare a final report describing the work and potentially present the results to the commission of both Ports and the public.

### **DELIVERABLES**

Final Report  
Presentation to Port Commissions  
Presentation for Public Audience

### **ANTICIPATED TIMEFRAME**

Late December 2014 through end of April 2015

## **PRIMARY SKILL SET REQUIRED TO PERFORM THE WORK**

Described how your firm meets the following requirements:

1. Experience with business valuations, business combinations, relevant accounting standards, and financial modeling best practices;
2. Experience of the team members (acting together) in performing the tasks similar to those identified under the Scope of Services;
3. Ability of the firm and the assigned team to communicate and work effectively with client firms, regulators and other stakeholders involved in the work;
4. Commitment of the firm to meet scope, schedule, and budget; and
5. List of recent projects similar in scope in the last three years, to include a point of contact and contact information and brief description, for services relevant to the items listed in the Scope of Services as performed by the key personnel. Only projects completed by members of the project team will be considered.

## **COMPENSATION**

Proposal should include estimated hours, resources by type and rate for each of the areas described in the scope of work.

A separate table (Attachment A) reflecting each resource type to be used in support of this work and the corresponding rate must be included with each proposal.

All rates quoted shall be:

- a) **Fully burdened, including, but not limited to, per diem, administrative overhead, travel, lodging, and transportation (all direct/indirect expenses included);**
- b) Quoted in US Dollars;
- c) Full cost inclusive of sales tax and other government fees, taxes and charges; and
- d) Valid throughout the contract period unless otherwise amended and agreed to by both parties in writing.

## **TERMS AND CONDITIONS**

Standard Terms and Conditions are included in this RFP. By submitting a proposal, the Proposer represents that it has carefully read and agrees to be bound by the Standard Terms and Conditions. Identify, during the question submittal and response period, any sections you consider onerous, clarify why you consider these sections onerous, propose alternative language and describe why it is in the Port's best interests to adopt the alternative language.

## **PROCUREMENT PROCESS**

### **SOLICITATION TIMELINE:**

Issuance of RFP	NOVEMBER 24, 2014
Last Day To Submit Questions	DECEMBER 2, 2014
Final Q&A issued	DECEMBER 5, 2014
<b>Responses due</b>	<b>DECEMBER 9, 2014 @ 4:00 PM (PST)</b>
Short List	DECEMBER 16, 2014
Interviews	DECEMBER 17 – 19, 2014
Final Selection*	DECEMBER 22, 2014
Execute Contract*	DECEMBER 31, 2014

\*Dates are tentative.

All status updates on the above solicitation timeline will be announced via email.

### **COMMUNICATION / INQUIRES**

Proposers who, relative to this scope of services, contact any individuals (Commission members representing the Port, Mercator International LLC or any of its employees, or the Port of Seattle or any Commission members representing the Port of Seattle) other than the Procurement Representative listed on this RFP will be disqualified from consideration.

Written questions about the meaning or intent of the Solicitation Documents shall only be submitted to the Procurement Department, [procurement@portoftacoma.com](mailto:procurement@portoftacoma.com) (**Solicitation Name** in the subject line).

Proposers who may have questions about provisions of these documents are to email their questions by the date listed above. The Port will respond to all written questions submitted by this deadline.

### **ADDENDA**

The Port may make changes to this Solicitation. Oral or other interpretations, clarifications or submittal instructions will be without legal effect. Any information modifying a solicitation will be furnished in a formal, written addendum provided via email.

### **SUBMITTAL PROCESS**

Proposals must be received via email on or before the date and time listed on the front page of this RFP. Send your electronic submittal to:

[procurement@portoftacoma.com](mailto:procurement@portoftacoma.com).

Name of Firm, RFP Title (Subject Line)

Please submit one electronic copy in Adobe Acrobat PDF format, including all appendices. Submittals need to be limited to **9 MB in total email size**. It is the Consultant's responsibility to verify the receipt of the submittal. Electronic verification will be provided upon request.

Cost proposals must be submitted as a separate attachment to the submittal email.

**\*Late responses will not be accepted by the Port. Proposals received after the stated date and time will not be reviewed and shall be deemed non-responsive.**

All proposals submitted shall be valid and binding on the submitting firm for a period of ninety days following the submittal deadline and for any extension of time granted by the submitting firm.

## **EVALUATION AND AWARD PROCESS**

### **Evaluation Criteria**

Experience	70 points
Cost	30 points
Interview	100 points

An evaluation team will review each proposal and evaluate all proposals received based upon price and its description of how it meets the Primary skills identified in Primary Skill Set Required to Perform the Work shown above.

Reference checks (Attachment B) must be distributed in accordance with the instructions provided and received by the submittal deadline from the Reference themselves. Reference checks submitted by the Proposer will not be considered. The reference checks will be used to assess the proposed team's overall performance and success of previous, similar work. Reference checks will also be utilized to validate information contained in the proposal.

The Port may request clarifications or additional information, if needed.

An evaluation team will create a short list of the top ranked firms and invite the short listed firms in for interview. Failure to participate in the interview process will result in the Proposer's disqualification from further consideration. Travel costs will not be reimbursed for the interview. Scores for interviews will be tallied and added to the short listed firm's initial evaluation scores. Final selection will be based on the total score.

The selected Proposer will be invited to enter into contract negotiations with the Port. Should the Port and the selected firm(s) not reach a mutual agreement, the Port will terminate negotiations and move to the next highest ranked firm and proceed with negotiations.

The Port reserves the right to accept or reject any or all information in its entirety or in part and to waive informalities and minor irregularities and to contract as the best interest of the Port may require. The Port reserves the right to reject any or all Proposals submitted as non-responsive or non-responsible.

### **Procedure When Only One Proposal is received**

In the event that a single responsive proposal is received, the Proposer shall provide any additional data required by the Port to analyze the proposal. The Port reserves the right to reject such proposals for any reason.

## **GENERAL INFORMATION**

News releases pertaining to this RFP, the services, or the project to which it relates, shall not be made without prior approval by, and then only in coordination with, the Port.

## **COSTS BORNE BY PROPOSERS**

All costs incurred in the preparation of a Proposal and participation in this RFP and negotiation process shall be borne by the proposing firms.

## **SMALL BUSINESS AND DISADVANTAGED BUSINESS OPPORTUNITIES**

The Port of Tacoma encourages participation in all of its contracts by MWBE firms certified by the Office of Minority and Women's Business Enterprises (OMWBE). Participation may be either on a direct basis in response to this solicitation/invitation or as a subcontractor to a Bidder/Proposer. However, unless required by federal statutes, regulations, grants, or contract terms referenced in the contract documents, no preference will be included in the evaluation of bids/submittals, no minimum level of MWBE participation shall be required as a condition for receiving an award and bids/submittals will not be rejected or considered non-responsive on that basis. Any affirmative action requirements set forth in federal regulations or statutes included or referenced in the contract documents will apply.

## **PUBLIC DISCLOSURE**

Responses submitted under this Solicitation will be considered public documents and, with limited exceptions, will become public information and may be reviewed by appointment by anyone requesting to do so following the conclusion of the evaluation, negotiation, and award process. This process is concluded when a signed contract is completed between the Port and the selected Consultant.

If a firm considers any portion of its response to be protected under the law, the vendor shall clearly identify each such portion with words such as "CONFIDENTIAL," "PROPRIETARY" or "TRADE SECRET" on each page for which the protection is sought. If a request is made for disclosure of such portion, the Port will notify the vendor of the request and allow the vendor not less than ten (10) days to seek a protective order from the Courts or other appropriate remedy and/or waive the claimed confidentiality. Unless such protective order is obtained and provided to the Port by the stated deadline, the Port will release the requested portions of the Proposals. By submitting a response the vendor assents to the procedure outlined in this paragraph and shall have no claim against the Port on account of actions taken under such procedure.

## **Terms and Conditions Personal Services Agreement**

In consideration of the mutual covenants, obligations, and compensation to be paid by the Port to Consultant, it is agreed that:

### **1. Key Personnel**

The Consultant and/or its subconsultants' key personnel, as described in its Consultant selection submittals, shall remain assigned for the duration of the Project unless otherwise agreed to by the Port.

### **2. Relationship of the Parties**

Consultant, its subconsultants and employees, is an independent Contractor. Nothing contained herein shall be deemed to create a relationship of employer and employee or of principal and agent.

### **3. Conflicts of Interest**

Consultant warrants that it has no direct or indirect economic interest which conflicts in any manner with its performance of the services required under this Agreement. Consultant warrants that it has not retained any person to solicit this Agreement and has not agreed to pay such person any compensation or other consideration contingent upon the execution of this Agreement.

### **4. Compliance with Laws**

Consultant agrees to comply with all local, state, tribal and federal laws and regulations applicable to the project, including building codes and permitting regulations existing at the time this Agreement was executed and those regarding employee safety, the work

place environment, and employment eligibility verifications as required by the Immigration and Naturalization Service. Consultant shall obtain all professional licenses and permits required to complete the scope of work as defined.

### **5. Records and other Tangibles**

Until the expiration of six years after the term of this Agreement, Consultant agrees to maintain accurate records of all work done in providing services specified by the Agreement and to deliver such records to the Port upon termination of the Agreement or otherwise as requested by the Port.

### **6. Ownership of Work**

The services to be performed by Consultant shall be deemed instruments of service for purposes of the copyright laws of the United States. The Port has ownership rights to the plans, specifications, and other products prepared by the Consultant. Consultant shall not be responsible for changes made in the models, programs, reports or other products by anyone other than the Consultant. Consultant shall have free right to retain, copy and use any tangible materials or information produced but only for its own internal purposes. Use of models, programs, reports or other products prepared under this Agreement for promotional purposes shall require the Port's prior consent.

### **7. Disclosure**

All information developed by the Consultant and all information made available to the Consultant by the Port, and all analyses or opinions reached by the Consultant shall be confidential and

shall not be disclosed by the Consultant without the written consent of the Port.

## **8. Compensation**

As full compensation for the performance of its obligations of this Agreement and the services to be provided, the Port shall pay Consultant as specified in the Agreement.

## **9. Payment Schedule**

Consultant shall submit detailed numbered invoices showing contract number, description of work items being invoiced, title of project, total authorized, total current invoice, balance of authorization by the 10<sup>th</sup> of the month to be paid by the end of the current month, unless other terms are agreed to by the parties.

## **10. Costs and Disbursements**

Consultant shall pay all costs and disbursements required for the performance of its services under this Agreement.

## **11. Insurance - Assumption of Risk**

- a) As a further consideration in determining compensation amounts, the Consultant shall procure and maintain, during the life of this Agreement, such commercial general and automobile liability insurance as shall protect Consultant and any subconsultants performing work under this Agreement from claims for damages from bodily injury, including death, resulting there from as well as from claims for property damage which may arise under this Agreement, whether arising from operations conducted by the Consultant, any subconsultants, or anyone directly or indirectly employed by either of them.

- b) With respect to claims other than professional liability claims, Consultant and its subconsultants agree to defend, indemnify and hold harmless the Port of Tacoma, its appointed and elective officers and its employees from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatever kind and nature, including attorney fees and costs by reason of any and all claims and demands on it, its officers and employees, arising from the negligent acts, errors or omissions by the Consultant in the performance of the Consultant's professional services.

- c) With respect to professional liability claims only, Consultant and its subconsultants agree to indemnify and hold harmless the Port of Tacoma, its appointed and elective officers and its employees from and against any and all suits, claims, actions, losses, costs, penalties and damages of whatever kind and nature, including attorney fees and costs by reason of any and all claims and demands on it, its officers and employees, arising from the negligent acts, errors or omissions by the Consultant in the performance of the Consultant's professional services.

## **12. Standard of Care**

Consultant shall perform its work to conform to generally accepted professional standards. Consultant shall, without additional compensation, correct or revise any errors or omissions in such work.

## **13. Time**

Time is of the essence in the performance by the Consultant of the services required by this Agreement.



#### **14. Assignability**

Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the Agreement to any party without prior written consent of the Port.

amended only by written instrument signed by both the Port and Consultant.

#### **15. Term of this Agreement**

The effective dates of this Agreement are as specified. This Agreement may be terminated by the Port for cause when the Port deems continuation to be detrimental to its interests or for failure of the consultant to perform the services specified in the Agreement. The Port may terminate this Agreement at any time for government convenience in which case it shall provide notice to the Consultant and reimburse the Consultant for its costs and fees incurred prior to the notice of termination.

#### **16. Disputes**

If a dispute arises relating to this Agreement and cannot be settled through direct discussions, the parties agree to endeavor to settle the dispute through a mediation firm acceptable to both parties, the cost of which shall be divided equally. The Port reserves the right to join any dispute under this Agreement with any other claim in litigation or other dispute resolution forum, and the Consultant agrees to such joinder, so that all disputes related to the project may be consolidated and resolved in one forum. Venue for any litigation shall be the Pierce County Superior Court of the state of Washington and the prevailing party shall be entitled to recover its costs and reasonable attorney's fees.

#### **17. Extent of Agreement**

This Agreement represents the entire and integrated understanding between the Port and Consultant and may be

**Attachment "A"**  
**Hourly Rates**

<b>Resource Type</b>	<b>Fully Burdened Hourly Rate*</b>

\*Fully Burdened Hourly Rate is a rate that includes, but is not limited to, per diem, administrative overhead, travel, lodging and transportation.

Additional resource types are not authorized without prior written approval from the Port's Project Manager.

## ATTACHMENT B REFERENCES QUESTIONNAIRE

### **INSTRUCTIONS TO THE PROPOSER:**

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Proposers are required to have three (3) completed reference questionnaires submitted by the closing date. The completed references questionnaires must be from individuals, companies, or agencies with knowledge of the proposer's experience that is similar in nature to the products or services being requested by this RFP, and are within the last three (3) years from the date this RFP was issued.

References not received prior to the RFP Closing Date and time will receive a score of "0" for that reference. References outside the three (3) years, and references determined to be not of a similar nature to the products or services requested by this RFP will also receive a score of zero (0) points. **Determination of similar will be made by using the information provided by the reference in Section II of the Reference Questionnaire, General Information and any additional information provided by the reference.**

If more than three (3) qualifying references are received, the first three (3) fully completed references received will be used for evaluation purposes. References will be averaged.

1. Proposers must complete the following information on page 2 of the "Reference's Response To" document before sending it to the Reference for response.

- a. Print the name of your reference (company/organization) on the "REFERENCE NAME" line.
- b. Print the name of your company/organization on the "PROPOSER NAME" line.
- c. Enter the RFP Closing date and time in Instruction 5 (see the INSTRUCTIONS block.)

2. Send the "Reference's Response To" document to your references to complete.

**NOTE:** It is the proposer's responsibility to follow up with their references to ensure timely receipt of all questionnaires. Proposers may e-mail the Procurement Representative prior to the RFP closing date to verify receipt of references.

**REFERENCE QUESTIONNAIRE  
REFERENCE'S RESPONSE TO:  
RFP Number: 070030**

**RFP Title: Seaport Alliance financial Valuation Review and Validation**

**REFERENCE NAME (Company/Organization):** \_\_\_\_\_

**PROPOSER NAME (Company/Organization):** \_\_\_\_\_ has submitted a proposal to the Port of Tacoma, provide the following services:

- a. Review the approach for the Seaport Alliance financial valuation model developed by Mercator International LLC on behalf of the Port of Tacoma and Port of Seattle.
- b. Evaluate the assumptions related to revenue, direct and indirect expenses and capital reinvestment needed to support the 10 year assumptions for both Ports.
- c. Determine if the current financial valuation model is sound and recommend changes if necessary to support a final valuation for the business combination.
- d. Recommend any adjustments, if necessary, to the financial projections in order to ensure comparability.
- e. If the valuation does not result in equal shares, identify potential mechanisms that would achieve a 50-50 split.
- f. Prepare a final report describing the work and potentially present the results to the commission of both Ports and the public.

We've chosen you as one of our references.

**INSTRUCTIONS**

1. Complete **Section I. RATING** using the Rating Scale provided.
2. Complete **Section II. GENERAL INFORMATION** (*This section is for information only and will not be scored.*)
3. Complete **Section III. ACKNOWLEDGEMENT** by manually signing and dating the document. (*Reference documents must include an actual signature.*)
4. E-mail **THIS PAGE** and your completed reference document, **SECTIONS I through III** to:  
  
Procurement Representative:  
E-mail: [procurement@portoftacoma.com](mailto:procurement@portoftacoma.com)
5. This completed document **MUST** be received no later than **Tuesday, December 9, 2014** at **4:00** p.m. (Pacific Time). Reference documents received after this time will not be considered. **References received without an actual signature will not be accepted.**
6. DO **NOT** return this document to the Proposer.

7. In addition to this document, the Port may contact references by phone for further clarification if necessary.

## Section I. RATING

Using the Rating Scale provided below, rate the following numbered items by circling the appropriate number for each item:

**Rating Scale**

Category	Score
Poor or Inadequate Performance	0
Below Average	1 – 3
Average	4 – 6
Above Average	7 - 9
Excellent	10

Circle **ONE** number for each of the following numbered items:

1. Rate the overall quality of the firm's services:

a. 10    9    8    7    6    5    4    3    2    1    0

2. Rate how well the agreed upon, planned schedule was consistently met and deliverables provided on time. *(This pertains to delays under the control of the firm):*

a. 10    9    8    7    6    5    4    3    2    1    0

3. Rate the knowledge of the firm's assigned staff and their ability to accomplish duties as contracted:

a. 10    9    8    7    6    5    4    3    2    1    0

4. Rate the accuracy and timeliness of the firm's billing and/or invoices:

a. 10    9    8    7    6    5    4    3    2    1    0

5. Rate the firm's flexibility in meeting business requirements:

a. 10    9    8    7    6    5    4    3    2    1    0

6. Rate the likelihood of your company/organization recommending this firm to others in the future:

10    9    8    7    6    5    4    3    2    1    0

## **Section II. GENERAL INFORMATION**

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1. Please include a brief description of the services provided by this firm for your business:

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2. During what time period did the firm provide these services for your business?

Month: \_\_\_\_\_ Year: \_\_\_\_\_ to    Month: \_\_\_\_\_ Year: \_\_\_\_\_

## **Section III. ACKNOWLEDGEMENT**

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I affirm to the best of my knowledge that the information I have provided is true, correct, and factual:

\_\_\_\_\_  
Signature of Reference

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone Number

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