



Maryland Port Administration  
Request for Qualifications  
**Seagirt Marine Terminal, Baltimore, Maryland**  
Lease and Finance  
Issued April 15, 2009



Maryland Port Administration  
The World Trade Center - Baltimore  
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Baltimore, MD 21202  
[www.marylandports.com](http://www.marylandports.com)



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## **1. EXECUTIVE SUMMARY**

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The Maryland Port Administration (“MPA”) is offering the opportunity for a private party(s) to establish long-term marine terminal operations at Seagirt Marine Terminal in the Port of Baltimore. The successful bidder for this opportunity will be afforded complete control of operations and cargo development at the terminal, enabling it to solidify its presence in the Mid-Atlantic region and facilitating service to customers within the heart of the Baltimore/Washington/Philadelphia market and throughout the Midwest. MPA hereby requests the submittal of sealed responses to this Request for Qualifications (“RFQ”) from Respondents desiring to enter into a long-term lease (minimum of 30 years) with MPA for the operation of the existing Seagirt Marine Terminal and the construction and operation of a new Berth IV to accommodate the larger ships that will be able to transit the Panama Canal after its expansion (“New Panamax” vessels).

Seagirt Marine Terminal (“SMT,” “Seagirt” or the “Terminal”) is owned by the Maryland Transportation Authority (“MdTA”), an entity of the State of Maryland. MPA operates Seagirt on behalf of MdTA. Seagirt has been operated by MPA as a container terminal since its opening in 1990. Seagirt is the primary container terminal at the Port of Baltimore and serves a regional population of over 14 million in the Baltimore/Washington/Philadelphia area, as well as an additional 36 million consumers in a truck market of up to 400 miles.

MPA believes that to compete with other East Coast ports in 2014 when the enlarged Panama Canal will open, Seagirt must have at least one 50-foot berth capable of handling the New Panamax vessels. Construction of the New Panamax berth requires berthside dredging to a 50’ depth, new wharf infrastructure, and four new quay cranes.

MPA is seeking private partners who are interested in leasing the premises and developing the additional berth at Seagirt Marine Terminal. The private partner(s) would be responsible for constructing Berth IV, as well as all operations and equipment at Seagirt during the lease term. In exchange, the private partner(s) will have exclusive operating rights for Seagirt during the lease term. MPA also seeks payment for existing land, berth and waterside improvements. (All of this collectively is referred to as the “Seagirt Project”). The State of Maryland will continue to be the owner of Seagirt Marine Terminal throughout the lease term and after the lease term ends.



The MPA requires that successful completion of the Seagirt Project will meet several key objectives, including:

- 1) Development and construction of Berth IV for New Panamax vessels;
- 2) Payment of sufficient up front-funds to repay the State's investment in the existing Seagirt Marine Terminal;
- 3) Receipt of periodic lease payments during the term of the lease; and
- 4) Increased cargo volumes and correspondingly increased economic benefit to the citizens of the State of Maryland.

This Request for Qualifications ("RFQ") provides interested parties ("Respondents") the opportunity to express formally their interest in bidding on the Seagirt Project and present their qualifications to MPA in a Statement of Qualifications ("SOQ"). The RFQ provides the following information:

- Section 2 - overview of the MPA and its position in State of Maryland government;
- Section 3 - description of the Seagirt Project investment highlights;
- Section 4 - physical and financial overview of Seagirt;
- Section 5 - key elements of the Seagirt Project;
- Section 6 - description of the evaluation process and criteria;
- Section 7 - description of submission requirements and procedures for the SOQ;
- Section 8 - MPA's reserved rights; and
- Appendix - transmittal letter form.

Those interested in participating in the Seagirt Project must respond to this RFQ by submitting their SOQs to the contact person listed on the next page no later than 4:00 p.m. EDT May 18, 2009.

Based on the SOQs, MPA will develop a short list of Respondents with whom it would like to have further communications. There will be no restriction on the number of Respondents that may qualify to be short listed.



Parties short listed in response to this RFQ will be given access to confidential documents after signing appropriate confidentiality agreements and will be invited to submit a response to a confidential Request for Offers (“RFO”).

After evaluating the responses to the RFO, MPA may choose, in its sole discretion, to enter into negotiations with one or more Respondents or to terminate the process. Should MPA come to agreement with a Respondent, thereafter known as the “Lessee”, the parties shall enter into a Lease Agreement, the final execution of which shall be subject to approval of various State entities.

The single MPA point of contact for the Seagirt Project is listed below.

Kathy Broadwater  
Deputy Executive Director  
Maryland Port Administration  
The World Trade Center - Baltimore  
Baltimore, MD 21202  
[MPASeagirtP3Project@marylandports.com](mailto:MPASeagirtP3Project@marylandports.com)

**DO NOT contact any Maryland Port Administration, Maryland Transportation Authority, Maryland Department of Transportation, or Maryland Port Commission employee or official, or any other employee or official of Maryland State government regarding this RFQ or the Seagirt Project, except through the single contact person above and in writing.**

Questions may also be addressed to MPA’s P3 advisor, Public Financial Management, through:

David Miller  
(407) 648-2208  
[millerd@pfm.com](mailto:millerd@pfm.com)

Laurie Mahon  
(732) 872-7319  
[laurie@lbmahon.com](mailto:laurie@lbmahon.com)



## **2. MPA GOVERNANCE AND OVERSIGHT**

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The Maryland Port Administration, a modal unit of the Maryland Department of Transportation, a department of Maryland State government, is located in Baltimore, Maryland. Its statutory mission is to increase international waterborne commerce through the Port of Baltimore and, by doing so, benefit the people of the State of Maryland. MPA has close working relationships with other modal administrations of the Department of Transportation, such as the State Highway Administration and the Maryland Transportation Authority (“MdTA”), and works with these agencies to facilitate efficient cargo movement through the Port. MPA operates Seagirt on behalf of MdTA, the owner.

MPA is supervised by the Maryland Port Commission, a public body made up of the Secretary of Transportation, as Chair, and six private sector individuals who are appointed by the Governor and serve three-year terms. The Maryland Port Commission meets monthly and approves MPA’s significant contracts. Final authority on MPA’s significant contracts rests with the Maryland Board of Public Works.

MdTA is also an entity of the State of Maryland and has authority over toll roads and bridges and related facilities. MdTA may be willing to offer financing opportunities not available through the MPA, such as facilitating the issuance of private activity bonds for the Project by serving as the conduit issuer. MdTA is made up of the Secretary of Transportation, as Chair, and eight private sector individuals who are appointed by the Governor and serve four-year terms.

Other State entities, such as the Maryland Economic Development Corporation (MEDCO), also have the ability to act as conduit issuers of private activity bonds.

Please see MPA’s website for additional information about the MPA: [www.marylandports.com](http://www.marylandports.com)



## **3. SEAGIRT INVESTMENT HIGHLIGHTS**

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### **3.1 CURRENT OPERATIONS**

Seagirt Marine Terminal, the largest container facility in Baltimore Harbor, opened in 1990. It has the capacity to handle 1.0 million TEUs annually across its current three berths using its seven cranes. In FY 2008, Seagirt handled approximately 500,000 TEUs. With a 50' channel, it currently has a mean low water depth (MWD) of 45' quayside, and approximately 200 acres of yard and container storage. Seagirt is a fully grounded operation utilizing RTGs and top picks.

### **3.2 MARKET**

The Port of Baltimore is strategically located 150 miles further inland than any other Mid-Atlantic port. It serves as the port of entry to a consumer base of more than 14 million people, the third largest market in the US and one of the highest income population concentrations. Fully one-half of the US population can be reached within a one-day drive from the Port. Within a six-hour drive, the Port reaches 36 million consumers. The market served by the Port spans the Mid-Atlantic region north and south and extends inland and west through the Ohio Valley. The truck cost-competitive market for Seagirt is estimated at approximately 3 million TEUs.

### **3.3 INLAND ACCESS**

#### **3.3.1 Highway**

Strategically located in the Mid-Atlantic region of the U.S. East Coast, Baltimore sits in the center of the enormous Baltimore/Washington/Philadelphia Consumer Market. This inland location makes Baltimore the closest Atlantic port to the Midwest. One-half of America's manufacturing base and population is within a one-day by truck drive.

Seagirt is located less than two miles from Interstate 95, the East Coast's major north-south interstate highway. It is via I-95 that the major population centers of the northeast can be reached, as well as manufacturing centers and the growing cities of the Southeast. From I-95, connections are easily made to Interstate 70 for points throughout the expansive Midwest as well as Pittsburgh and the Ohio valley, as well as to Interstate 83 for points north throughout Pennsylvania and New York. By highway, the Port of Baltimore is closer than any other East Coast port to every major Midwest city.





### **3.3.2 Rail**

The Port of Baltimore is served by two Class I railroads: CSX and Norfolk Southern (NS). Through the extensive networks of each railroad, Baltimore cargoes reach destinations throughout the East and connect to points west in a timely and efficient manner. CSX directly serves marine terminals on the south side of Baltimore Harbor and provides on-dock service at Seagirt's Intermodal Container Transfer Facility ("ICTF"). NS provides service to the east side of Baltimore Harbor, with direct service to MPA's Dundalk Marine Terminal and several other terminals as well. Access to Baltimore is via the Northeast Corridor. NS provides near-dock intermodal service at the Bay View yard and to the Midwest via Harrisburg, Pennsylvania.

CSX's planned National Gateway Initiative will have a pronounced affect on Baltimore's intermodal rail service. This initiative will provide a double-stack cleared route through Maryland connecting the Port of Baltimore to points in the Southeast and Midwest. When completed, the Port will be positioned to reach a much broader rail market than at present. Currently, seven markets can be directly served via CSX. When the Gateway is completed, service will available to 21 markets. Coupled with the National Gateway is CSX's development of a new intermodal container transfer facility. This facility will be served by truck and rail from the Port of Baltimore. Shippers and ocean carriers using the Port of Baltimore stand to benefit greatly from the CSX National Gateway Initiative which will result in near-dock double-stack service and access to an increased number of markets.

### **3.4 FUTURE OUTLOOK/EXPANSION**

It is expected that when larger vessels will be able to transit the expanded Panama Canal in 2014, ocean carriers moving consumer goods from Asia to the eastern and middle US will deploy increased vessel capacity to the more cost-effective East Coast all-water routes. Seagirt stands to benefit from such increased vessel capacity, given its strategic market location and its deep channels. Baltimore is located far closer to more consumer markets than its other East Coast competitors, resulting in a less expensive all-in shipping cost.

Upon completion of a fourth berth, Seagirt will be able to handle 10,000 TEU New Panamax ships up to 1,200 feet in length, making it one of only two US East Coast ports able to do so without major channel dredging. The investment required to serve the larger ships expected in the East Coast trade is estimated to be approximately \$80 million to build the berth and acquire the four cranes necessary for its operation. Seagirt's capacity would then be 1.5 million TEUs annually. The existing ICTF, currently consisting of approximately 66 acres, and the Canton Warehouse Property, consisting of approximately 18 acres, could present future land opportunities for the private partner.



## 4. SEAGIRT MARINE TERMINAL OVERVIEW

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### 4.1 SEAGIRT MARINE TERMINAL CURRENT PHYSICAL FEATURES

Location:	2 miles (3.2km) to I-95; 2 miles (3.2 km) to I-695. Adjoins Dundalk Marine Terminal via internal connector bridge.
Use:	Container Terminal.
Size:	Total P3 Project terminal area is approximately 200 acres. Net container storage is 134 acres.
Gates:	Terminal entrance gate with 9 inbound and 5 outbound lanes. Fully automated; EDI; scales; outbound OCR; radiation scan.
Building Specs:	Main building - three floors, 11,180 SF total including restrooms. Inbound inspection canopy - 14,275 SF. Outbound inspection canopy - 8,800 SF. Outbound gate building - 6,126 SF including restroom. Marine service buildings (2) - 2 floors, 1,512 SF per building, including restrooms.
Berths:	Total of 4 berths; 3 for vessels and 1 for barge. Berth 1 - 1,071 ft. (326.4 m); depth - 45 ft. (13.7 m). Berth 2 - 1,028 ft. (313.3 m); depth - 45 ft. (13.7m). Berth 3 - 1,028 ft. (313.3 m); depth - 45 ft. (13.7m). Total berthing space: 3,127 ft. (953.1 m). Barge berth - 700 ft. (213.4 m); depth - 32 ft. (9.8 m).



#### Ship to Shore

Cranes: Berths 1 through 3 have 7 Sumitomo cranes with 100 ft. (30.5 m) gauge.  
Outreach from water side rail - 156 ft. (47.53m).  
Total lifting height of spreader - 158 ft. (48.14m).  
Height available under spreader - 110 ft. (36 m) all cranes.  
Outreach over vessel is 140 ft. (42.7 m) (Post Panamax) all cranes.  
Maximum lifting capacity with spreader – 50 long tons (50.8 M.T.).  
Maximum lifting capacity without spreader - 60 long tons (60.9 M.T.)

#### Terminal Yard

Cranes: 12 Kone rubber tired gantry cranes (RTGs).  
Capacity - 50 long tons (45.36 M.T.).  
Span - 78 ft. (23.8 m); height under spreaders - 50 ft. (15.2 m).

Reefer Outlets: Total - 192.

Rail: Direct connection to adjacent ICTF by CSX Transportation.

Services: Current stevedores: Ceres Terminals Incorporated;  
Ports America Baltimore, Inc.



## 4.2 ICTF CURRENT PHYSICAL FEATURES

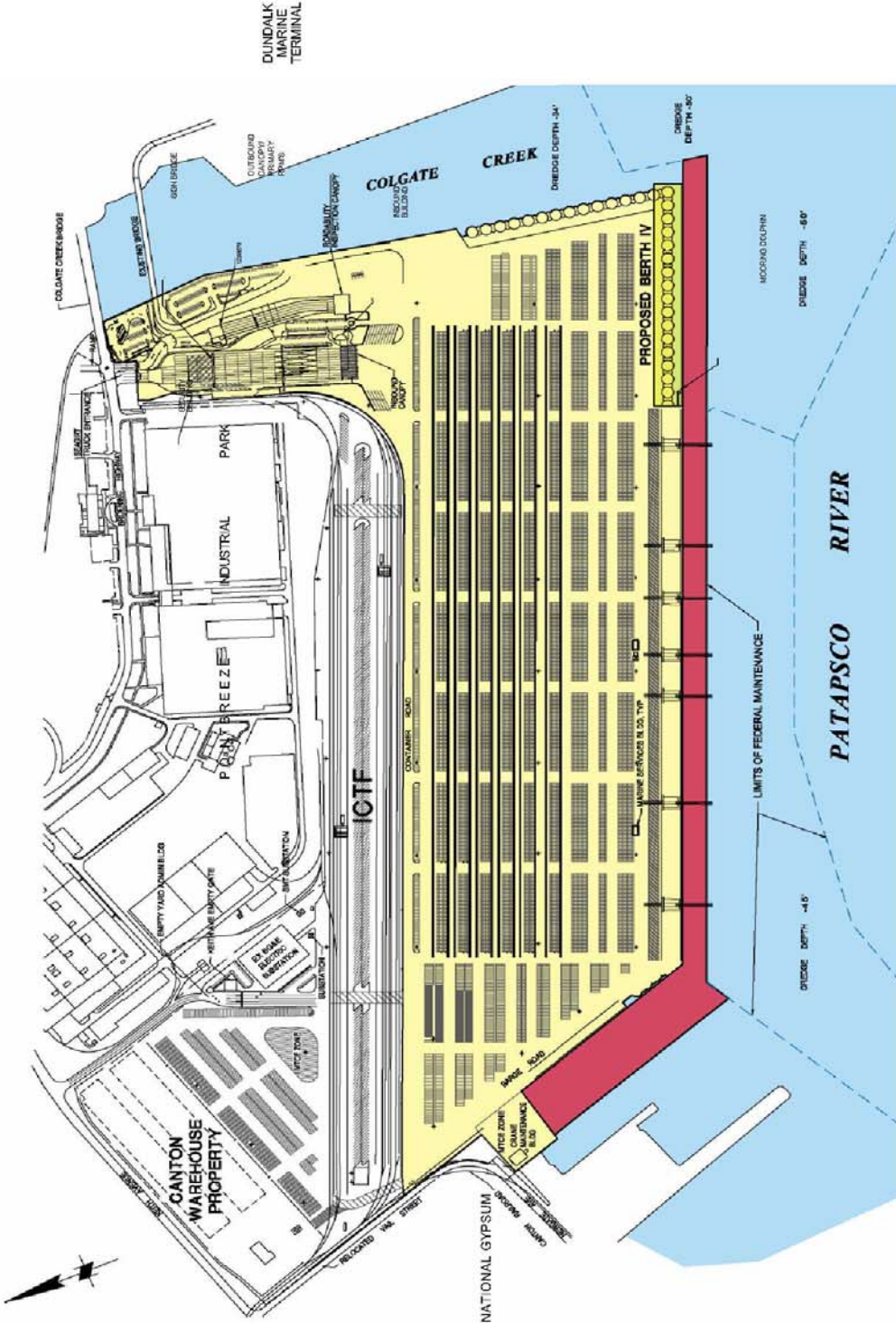
While the ICTF is not part of this Seagirt Project, it does play an integral role in the movement of international container cargo to and from Seagirt Marine Terminal. The 66-acre facility is currently leased to and operated by CSX through 2014. CSX has made it known publically that it is actively pursuing property options to relocate the domestic portion of its operation off-terminal and away from the ICTF as part of the National Gateway Project. This effort could potentially free up additional terminal space to further expand the Terminal. This expansion opportunity could be addressed under separate negotiations subsequent to the finalization and execution of the Lease Agreement. The ICTF is not included in the Project; however, it could become the subject of subsequent negotiations.

Location:	Adjacent to Seagirt Marine Terminal; 1,000 ft. (304 m) from berth.
Use:	Transfer containers from rail to truck and ship. Terminal leased to CSX Intermodal.
Size:	Total rail operation terminal area is 66 acres.
Gates:	Terminal entrance gate with 3 inbound and 2 outbound lanes.
Cranes:	2 rubber tired gantry cranes (transtainers). Capacity - 40 long tons (40.6 M.T.). Span - 65 ft. (19.8 m). / Height under spreader - 40 ft. (12.2 m).
Rail:	CSX Transportation (ICTF lease with CSX Intermodal through 2014). 4 Loading/unloading tracks; 3 storage tracks; 1 run-around track. Track length is 3,750 ft. (1,143 m).
Services:	Terminal operator for CSX currently is Ports America Baltimore.
Future Expansion:	CSX and MPA can mutually agree to reduce ICTF acreage throughout the term of the lease.



### **4.3 DESCRIPTION OF CANTON WAREHOUSE PROPERTY**

The Canton Warehouse Property is an 18-acre parcel located adjacent to the ICTF and owned by the Maryland Port Administration. This property has been strategically targeted by MPA as future expansion capability for Seagirt Marine Terminal. This property is not part of the Seagirt Project but could play an important role in further terminal expansion or for operations that would compliment the Terminal. The property has good road access just off I-95. The parcel contains a 1,600 ft. rail spur to the property and includes a 7,200 sq. ft. service building/ maintenance shop. The site has two large above-grade concrete pads (160'W x 1,000'L each) that served as foundations for previously demolished warehouses. Depending on future uses of the parcel, these concrete pads may need to be removed. The Canton Warehouse Property is not included in the project; however it could become the subject of subsequent negotiations.



- PROPOSED P3 LEASE AREA
- P3 MAINTENANCE DREDGING AREA  
FEBRUARY, 2008
- PROPOSED BERTH IV

**EXISTING CONDITIONS PLAN**  
**Seagirt Marine Terminal**



SCALE: NOT TO SCALE



## 4.5 SMT FINANCIALS

The following is a summary of MPA's financials. MPA's estimates of additional revenue that would be available to the Lessee are described below.

### SUMMARY STATEMENT OF OPERATING REVENUES AND EXPENSES

FOR FISCAL YEARS ENDED JUNE 30, 2008, 2007 AND 2006

(in thousands)

(UNAUDITED)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Maryland International Terminals, Inc.	\$41,635	\$39,961	\$39,124
Maryland Port Administration	\$15,788	\$15,133	\$14,387
Total operating revenues	\$57,423	\$55,094	\$53,511
Maryland International Terminals, Inc.	\$40,697	\$38,728	\$37,453
Maryland Port Administration	\$7,017	\$6,362	\$5,930
Total operating expenses, excluding rent	\$47,714	\$45,090	\$43,383
Operating income before rent	\$9,709	\$10,004	\$10,128
Terminal rent	\$8,601	\$8,039	\$7,753
Operating income	\$1,108	\$1,965	\$2,375
<b>TEUs</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Loaded	391,312	379,921	359,745
Empty	<u>88,181</u>	<u>101,326</u>	<u>108,853</u>
Total	479,493	481,247	468,598



**Note 1. Explanation of increases in total operating expenses, excluding rent:**

**a. Maryland International Terminals, Inc. (MIT):**

MPA attributes the net annual increase in this category primarily to additional container throughput related to TIR and Mounts/Grounds services:

<u>TIR – M/G</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
TIR	480,922	466,609	435,218
M/G	466,720	457,422	415,972

**b. Maryland Port Administration:**

Crane maintenance expenses increased by \$82,000 from FY2006 to FY2007 primarily due to increases in salaries and fringe benefit costs. From FY2007 to FY2008 crane maintenance expenses increased by \$328,000 primarily due to an increase of \$168,000 in salaries and fringe benefits and \$133,000 in maintenance parts & supplies.

RTG crane maintenance expenses increased by \$120,000 from FY2006 to FY2007 primarily due to maintenance parts & supply costs and increased fuel costs. From FY2007 to FY2008 fuel costs again increased by \$219,000. However, this increase was partially offset by a drop in maintenance parts & supply costs during this same period.

Utility expenses increased by \$350,000 from FY2006 through FY2008 primarily due to increased utility purchase costs.

Terminal security expenses increased from FY2006 through F2008 for a total increase of \$167,000 over this period.





**Note 2. Additional revenues.**

Not included in the above MPA/MIT Summary Statement of Operating Revenues and Expenses is certain information that MPA/MIT does not have. Specifically, MPA/MIT does not know the revenues and expenses for some vessel stevedoring and terminal handling for some container volumes performed not by MIT, but rather by MIT's contractor under independent agreements between the contractor and certain steamship lines. MPA estimates the following for FY 2008:

- 160,000 vessel and barge moves and 40,000 gate and terminal moves;
- \$15.2 million - \$16.8 million in container billings for these vessel and barge containers;
- \$2 million in container billings for gate and terminal containers; and
- \$1.5 million in additional miscellaneous revenues such as CBP container exams, RTG yard segregation and terminal drays.

MPA's estimate of total revenue to the contractor for this independent, non-MIT work is \$18.7 million - \$20.3 million. MPA does not know the associated expense for the contractor.



## **5. PROJECT TERMS AND CONDITIONS**

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### **5.1 BERTH IV CONSTRUCTION**

The MPA and its design consultant, Moffat and Nichol, have completed 90% of the final design for Berth IV. Those documents describe a 1,225-foot long by 154-foot wide reinforced concrete, earth-filled, pile-supported marginal wharf along the Patapsco River. The marginal wharf structure consists of a low level relieving platform supported by 24-inch square, precast, pre-stressed concrete piles and by concrete filled HP14X89 composite steel piles. The wharf fascia wall, flat plate slab, and pile supported crane beams are cast-in-place concrete. The relieving platform incorporates two gantry crane rails, 100-foot gauge. With the new construction, the two crane rail beams will be supported by either 42" steel pipe piles or 30" square pre-stressed concrete piles. The design requires the construction of a sheet pile cutoff wall inboard of the marginal wharf, a sheet pile toe wall to the west at Berth III, and a mooring dolphin east of the wharf terminus, or another structure of similar strength and longevity. The Project also requires dredging from the present 45' to 50" at the face of the wharf. Construction documents will be made available confidentially to short-listed Respondents.

Respondents may use the construction documents developed by the MPA or develop their own construction documents that at a minimum, specify a design of similar strength and longevity and meet the criteria and standards established within MPA's documents. Any construction documents developed by the Lessee will need to be submitted and approved through the MPA's Tenant Renovation/Alteration process before construction may begin.

MPA requires that the new Berth IV include four New Panamax class cranes. Each crane shall provide a minimum 65-ton lift capacity with twin-twenty spreaders and be capable of handling, at a minimum, vessels carrying 24 containers across their beam.

### **5.2 FUNDING REQUIREMENTS**

The successful Respondent will be required to guarantee full payment of the upfront amounts bid and the construction of Berth IV, as well as of all annual lease payments. The nature and source of any financing required by the Respondent shall be its sole obligation. However, if so requested, the MdTA (or another State agency) may be able to assist in Project financing by facilitating the issuance of tax-exempt private activity bonds. MdTA (or other State agency) would consider providing the Lessee with access to private activity tax exempt financing via the issuance of Special Purpose Facility Revenue Bonds. The bonds would be secured by, at a minimum, the Lessee's corporate guarantee (provided that the Lessee's credit ratings are and remain investment grade). Depending on structure and market conditions, the Lessee may be required to obtain a bank letter



of credit or other credit enhancement for the bonds. The Lessee would be responsible for all payments on these bonds, which would have a final maturity no later than the expiration of term of the Lease Agreement. There would be no recourse to MPA, MdTA, or any other State agency with regard to security of the debt.

### **5.3 OWNERSHIP**

The fast land at Seagirt will be owned by the State of Maryland, either MPA or MdTA. The Lessee shall purchase and own existing cranes and equipment currently being used at Seagirt, as well as any additional equipment needed in its operation of the Terminal during the lease term. At the end of the lease term, all improvements and equipment will become the property of the State. Neither MPA nor MdTA makes any representation as to the ability of the Lessee to depreciate any equipment associated with this Project. Respondents should review all applicable tax laws and seek their own counsel in these and all tax matters.

### **5.4 LEASE AGREEMENT**

The Lease Agreement will constitute a full net lease, requiring, among other things, that the Lessee will be responsible for keeping the facility in safe, efficient and productive working order, at the level of that currently existing at the Terminal or better, at its own expense. This will include ongoing systems preservation and replacement of existing equipment and infrastructure, as needed. All property, improvements, equipment and infrastructure, either existing or new, shall be sustained to a standard equal to or better than the condition in which they are received. Matters not specifically addressed in the Lease Agreement will be subject to MPA's Prices and Rules Schedule and the Baltimore Maritime Terminal Association (BMTA) Schedule, if applicable. They can be viewed at [www.marylandports.com](http://www.marylandports.com) under the heading "Rate Schedules."

### **5.5 LEASE PAYMENTS TO MPA**

The Lessee shall be required to make periodic fixed lease payments to MPA in an amount to be proposed and negotiated. Fixed lease payments may take the form of ground lease, facilities rent, or alternative form of scheduled payments.

The Lessee shall also make periodic variable lease payments to MPA based on container volume in an amount to be proposed and negotiated.

### **5.6 BUSINESS DEVELOPMENT**

The Lessee will be responsible for business development and will maintain control over operations and shipping contracts.



MPA, through its Marketing Department, will offer the Lessee the same level of strong commercial support that it makes available to all stakeholders, public and private, in the Port of Baltimore. MPA currently has offices in Chicago, New York/New Jersey, and Pittsburg and representatives in the United Kingdom, Italy, Japan, Taiwan and China.

## **5.7 EXISTING CONTRACTS**

The Lessee shall assume all existing contracts related to Seagirt. MPA, through its private operating company, Maryland International Terminals, Inc. ("MIT"), currently has the significant contracts listed below. All Seagirt contracts will be available to those Respondents to the RFQ that MPA short lists for further communications and the RFO process.

Evergreen Shipping - Five years beginning 10/1/08 and ending 9/1/2013.  
CY 2008 Evergreen volumes were 152,000 TEUs.

Mediterranean Shipping Company – Approximately 13 years beginning 4/1/01 and ending 12/31/2014. CY 2008 MSC volumes were 210,000TEUs.



## **5.8 LABOR**

The labor provided at Seagirt Marine Terminal for vessel and terminal cargo operations falls under the jurisdiction of the International Longshoremen's Association (ILA) under its 2004 Master and Local Agreements. The Steamship Trade Association of Baltimore, through its member organizations, is responsible for providing ILA labor to perform services at Seagirt Marine Terminal.

The crane and facility maintenance services at Seagirt Marine Terminal are currently performed by MPA State employees who are members of the American Federation of State, County and Municipal Employees (AFSCME).

MPA seeks to preserve as many State jobs as possible under any long term Lease Agreement.

## **5.9 ENVIRONMENT**

The Lessee must operate Seagirt in full compliance with all applicable environmental laws and regulations, and shall strive to operate with no or minimal impact to the environment.

## **5.10 SECURITY**

MPA will be responsible for perimeter security and access control in accordance with its current Facility Security Plan and will collect container security fees in accordance with its Prices and Rules Schedule.



## 6. EVALUATION PROCESS AND CRITERIA

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### 6.1 OVERALL PROCESS

#### 6.1.1. Responses to the Request for Qualifications (RFQ)

This RFQ is open to all prospective bidders who are interested in making an offer to MPA for the Seagirt Project.

MPA will evaluate all Statements of Qualifications (SOQs) it receives in response to the RFQ and will determine, in its sole discretion, the identity of the short-listed Respondents selected to receive further communications, including the confidential Request for Offers (“RFO”). There will be no restriction as to the number of Respondents that may be short-listed.

Once an SOQ has been submitted, any changes in the composition of a Respondent must be approved by the MPA in order for that Respondent to remain under consideration.

At any time during the process, MPA may request additional information or clarification from individual Respondents. The MPA may also schedule interviews or discussions with one or more Respondents on a one-on-one basis for the purpose of enhancing its understanding of the SOQ, obtaining clarifications of the terms contained in the SOQ, or confirming any information.

Following submittal of the SOQs, the following actions may not be undertaken without MPA’s prior written consent:

- Deletion or substitution of a member of Respondent identified in the SOQ;
- Deletion or substitution of an equity owner of Respondent, a guarantor of Respondent or any other entity that will bear financial responsibility or liability for the performance of the Respondent; and
- Other changes in the equity ownership or team membership of a Respondent.

SOQs may not exceed 30 pages in length, excluding appendices, and must use a 12-point or larger font.



### **6.1.2 Confidential Request for Offers (RFO)**

After MPA reviews the Statements of Qualifications received in response to the RFQ, it will develop a short list of those Respondents with whom MPA would like to have further communications and will release to them the confidential RFO and draft Lease Agreement and make available to them confidential and proprietary information. MPA reserves the right to have discussions with one or more Respondents before it releases the RFO.

### **6.1.3. SOQ Evaluation Criteria**

MPA expects that a successful Respondent to the RFQ will be able to demonstrate its ability to perform the following functions:

- Safely, efficiently and productively manage and operate Seagirt Marine Terminal during the lease term, including, but not limited to:
  - providing a proven management team;
  - providing and operating a state-of-the-art effective Terminal Operating System;
  - adhering to MPA required operating standards, including, but not limited to, systems preservation, environmental, tenant alteration, security, policing and risk management; and
  - working successfully with union labor, particularly the ILA or ILWU.
- Design, and construct a safe and efficient Berth IV and procure all needed cranes and equipment by 2014 capable of handling the New Panamax vessels during the lease term.
- Have sufficient financial strength to provide all financing required to support the amounts expected to be contained in its Offer, some of which may be facilitated by the State's cooperation in arranging private activity bond financing.
- Provide a sound and profitable marketing plan for Seagirt Marine Terminal that results in ongoing economic benefit for the State of Maryland



## 6.2 SEAGIRT PROJECT SOLICITATION SCHEDULE

MPA issues Request for Qualifications (RFQ)	April 15, 2009
Tour of Seagirt Marine Terminal	May 4, 2009
Last date for any clarification questions to MPA	May 7, 2009
<b>Statement of Qualifications (SOQ) due to MPA</b>	May 18, 2009
Short-list selection/notification (MPA will send confidentiality agreements and will release the Request for Offers (RFO) following receipt of executed agreements.)	June 8, 2009
<b>Offers due to MPA by 4:00 EDT</b>	September 4, 2009
Negotiation of final terms with selected offeror(s)	September/October 2009
Required approvals	November/December 2009
Financial closing	First Quarter 2010

This schedule is subject to modification at the sole discretion of MPA. MPA will notify potential private party(s) of any change by an addendum to this RFQ by posting it on the website MPA has established for this public-private partnership solicitation:

[www.marylandports.com/MPASeagirtP3Project](http://www.marylandports.com/MPASeagirtP3Project)

Respondents are responsible for monitoring this website for information concerning the Project.





## **7. SOQ SUBMISSION REQUIREMENTS**

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### **7.1 ADVISORS TO MPA**

The following firms are serving as advisors or consultants to MPA on the Seagirt Project and are not available to provide services to any Respondent or to participate as members of any Respondent team:

- AECOM
- K&L Gates
- Laurene B. Mahon
- Martin Associates
- McKennon Shelton Henn LLP
- Moffat & Nichol
- Public Financial Management, Inc.

### **7.2 PROPRIETARY/CONFIDENTIAL INFORMATION**

All Respondents should assume that any information submitted as part of the Seagirt Project may be made public, subject to the Maryland Public Information Act (“MPIA”), Maryland Annotated Code, State Government Article, Title 10, §§ 10-611 - 629, and at the discretion of MPA. MPA notes that the Maryland Public Information Act MPIA requires it to maintain the confidentiality of confidential commercial and financial information. However, it is the responsibility of Respondents to be thoroughly informed and familiar with the requirements of the MPIA. Information that a Respondent considers confidential and wishes to have withheld from the public must be clearly labeled “confidential” and be exempted under the MPIA.

### **7.3 NO LIABILITY FOR COSTS**

MPA and its advisors are not responsible for costs or damages incurred by Respondents or other interested persons in connection with the Seagirt Project, including but not limited to costs associated with preparing responses, qualifications, or offers proposals, and of participating in any conferences, oral presentations, or negotiations, or the exercise by MPA of its reserved rights as specified in this RFQ.



## 7.4 FORMAT

Each Respondent to the RFQ shall submit one (1) hard copy original of its SOQ, marked conspicuously as “Signed Original,” containing the original signature of the Respondent’s authorized representative, along with eight (8) copies of the fully signed SOQ in loose-leaf three ring binders, as well as one (1) electronic copy in PDF format. The SOQ must have the following components:

- Cover Page;
- Transmittal Letter (RFQ Attachment);
- Statement of Qualifications (SOQ) as set forth below; and
- Tab 1: Required Appendices.

The SOQ may not exceed 30 pages, exclusive of appendices, and must use a 12-point or larger font.

## 7.5 REQUIRED RESPONSES AND ORGANIZATION

Each Respondent shall organize its SOQ in the order set forth below. Each Respondent is solely responsible for ensuring that its SOQ is accurate, clear, correct and internally consistent.

### 7.5.1. Organizational Information

Reminder: Identify any proprietary information included in the SOQ that the Respondent considers confidential commercial or financial information or protected trade secrets.

(a) Provide full contact information for a single contact person for Respondent for all future communications between MPA and Respondent. Identify contact person’s name, title, organization, work address, email address and work, cell, and fax phone numbers.

(b) Provide an executive summary not to exceed three pages that describes Respondent’s experience with marine terminal operations and managing the design and construction of marine berths.

(c) Provide evidence of Respondent’s legal structure and corporate status. If Respondent is a joint venture or a partnership, provide information for each entity.



### **7.5.2. Qualifications and Experience**

- (a) Identify Respondent's organizational structure.
- (b) Describe Respondent's experience with stevedoring and marine terminal operation, including adhering to any port-required standards.
- (c) Describe Respondent's length of time in the business, private and public sector marine terminal experience, and any comparable experience with long-term port leases or agreements.
- (d) State the names and describe experience and qualifications of key personnel who would be involved with the operation of Seagirt Marine Terminal on behalf of Respondent under the Lease Agreement. Include their resumes in an Appendix.
- (e) Describe Respondent's demonstrated success with design, management and construction of infrastructure berth development.
- (f) State the names and describe the experience and qualifications of key personnel who would be involved with managing the construction of Berth IV. Include their resumes in an Appendix.
- (g) Provide contact information, including, name, address and telephone number, for public entities with which Respondent has engaged in similar long term lease or concession agreements.
- (h) Describe Respondent's performance as lessee under similar lease or concession transactions, and include contact information for representatives of lessors involved in those transactions, including those listed in response to Section 7.5.2(g) above.
- (i) Describe Respondent's success in growing cargo volumes under similar lease or other agreement.
- (j) Describe Respondent's experience with financing arrangements for similar infrastructure development of port marine terminals.
- (k) Describe Respondent's experience in working governmental agencies, particularly the Environmental Protection Agency, U.S. Customs and Border Protection, Occupational Safety and Health Administration, and U.S. Coast Guard, in a marine terminal environment.
- (l) Describe Respondent's experience with union contracts and negotiations, particularly those with the ILA and/or ILWU.



(m) Provide acceptable documentation of Respondent's ability to meet the required funding requirements. Acceptable documentation shall include independently audited financial statements for the prior three years and the most recent 10-K and 10-Q SEC reports, or comparable information if Respondent is a private company. Include these financial documents in an Appendix.

(n) Provide Respondent's or, if applicable, parent company's credit ratings.

### **7.5.3. Respondent's Approach to the Seagirt Project**

(a) Describe Respondent's management and business approach to its proposed operation of Seagirt Marine Terminal. Specifically address business development and strategies to increase cargo volumes.

(b) Describe Respondent's approach to implementing new technologies to increase facility capacity and expansion.

(c) Describe what Respondent determines are the critical factors for successful operation of Seagirt by a private party(s).

(d) Describe Respondent's approach for managing the design, construction and quality control of Berth IV.

(e) Describe Respondent's expectations of the roles of MPA for both the design and construction of Berth IV and the operation of Seagirt during the lease term.

(f) Describe strategies Respondent expects to implement to address environmental issues.

(g) Describe Respondent's ability to participate in the described financing for Seagirt Project costs, including Respondent's ability to obtain a corporate guarantee for any private activity conduit bonds.

(h) Describe the overall approach and milestones that Respondent would implement to achieve financial close for the Project by first quarter calendar year 2010.



## 7.6 SOQ SUBMITTAL REQUIREMENTS

Send the completed Statement of Qualifications by 4:00 PM EDT, May 18 2009 to:

Kathy Broadwater  
Deputy Executive Director  
Maryland Port Administration  
The World Trade Center - Baltimore  
401 East Pratt Street  
Baltimore, MD 21202

Label the outside of the response:

Statement of Qualifications  
Seagirt Terminal Lease and Financing

MPA staff will send to the contact person listed in Section 7.5.1(a) an electronic receipt for all SOQs received. MPA will not accept facsimile or other electronically submitted SOQs. Respondents are solely responsible for assuring that MPA receives their SOQs by the deadline.

**DO NOT contact any Maryland Port Administration, Maryland Transportation Authority, Maryland Department of Transportation, or Maryland Port Commission employee or official, or any other employee or official of Maryland State government regarding this RFQ or the Seagirt Project, except through the single contract person above and in writing.**

Questions may be addressed to MPA's P3 advisor, Public Financial Management through:

David Miller  
[millerd@pfm.com](mailto:millerd@pfm.com)  
(407) 648-2208

Laurie Mahon  
[laurie@lbmahon.com](mailto:laurie@lbmahon.com)  
(732) 872-7319



## 8. MPA'S RESERVED RIGHTS

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In connection with this proposed Seagirt Project, MPA reserves to itself all rights (which rights shall be exercisable by MPA in its sole discretion) available to it under applicable laws and regulations, including without limitation, with or without cause and with or without notice, the right to:

- Modify the Seagirt Project process in its sole discretion if it determines modification to be in the best interest of MPA or the State of Maryland.
- Develop the Seagirt Project process in any manner that it, in its sole discretion, it deems necessary. If MPA is unable to negotiate a Lease Agreement to its satisfaction with a Respondent, it may negotiate with the next highest ranked Respondent, terminate the Seagirt Project process and pursue other alternatives, or exercise such other rights under applicable laws and regulations as it deems appropriate.
- Cancel the process, as applicable, in whole or in part at any time prior to the execution by MPA of an agreement, without incurring any cost obligations or liabilities.
  - Issue a new RFQ after withdrawal of this RFQ.
  - Reject any or all submittals, responses and SOQs received at any time.
  - Modify all dates set or projected in this RFQ.
  - Terminate evaluations of any or all Responses or Offers received at any time.
  - Exclude any potential Respondent from submitting any SOQ or Offer, as the case may be, based on failure to comply with any requirements.
  - Suspend and terminate negotiations at any time, elect not to commence negotiations with any Respondent, and engage in negotiations with other than the highest ranked Respondent.
  - Negotiate with more than one Respondent simultaneously.
  - Issue addenda, supplements and modifications to this RFQ.



- Appoint evaluation committees to review SOQs and Offers, make recommendations to appropriate officials and seek the assistance of outside technical experts and consultants in SOQ and Offer evaluation.
- Require confirmation of information furnished by a Respondent, require additional information from a Respondent concerning its SOQ, and require additional evidence of qualifications to perform the work described in this RFQ.
- Seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFQ.
- Refuse to consider Responses of, or conduct negotiations with, any Respondent who contacts any employee or official of Maryland State government other than the MPA's sole contact person in connection with the Seagirt Project process.
- Add or delete Respondent responsibilities from the information contained in this RFQ or any subsequent process instruments.
- Negotiate with a Respondent without being bound by any provision in its Offer.
- Waive deficiencies in a SOQ, accept and review a non-conforming SOQ or permit clarifications or supplements to a SOQ.
- Disqualify any Respondent under this RFQ, or at any time during the process for violating any rules or requirements of the Seagirt Project process set forth in this RFQ or in any other communication from or to MPA .
- Exercise any other right reserved or afforded to MPA under this RFQ or under law.

This RFQ does not commit MPA to enter into a Lease Agreement or proceed with the Seagirt Project as described herein. Except as expressly set forth herein, MPA, assumes no obligations, responsibilities, and liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFQ, or in considering or submitting any SOQ or subsequent Offer. All of such costs shall be borne solely by each Respondent.



In no event shall MPA be bound by, or liable for, any obligations with respect to the Seagirt Project until such time (if at all) as a Lease Agreement, in form and substance satisfactory to MPA, has received any required approvals and has been executed by MPA and, then, only to the extent set forth therein.

In no event shall MPA, MdTA, MDOT, the State or Maryland, or any of their designees, agents, representatives, consultants, directors, officers or employees be liable to a Respondent or Respondent team member for the disclosure of all or a portion of a SOQ submitted under this RFQ.

All written correspondence, exhibits, reports, printed material, photographs, tapes, electronic disks, and other graphic and visual aids submitted to MPA during this process become the property of MPA upon receipt and will not be returned to the submitting party.





## APPENDIX - TRANSMITTAL LETTER FORM

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[insert date]

RESPONDENT: [Insert Name]

RE: SEAGIRT MARINE TERMINAL PROJECT  
STATEMENT OF QUALIFICATIONS

Kathy Broadwater  
Deputy Executive Director  
Maryland Port Administration  
The World Trade Center - Baltimore  
401 East Pratt Street  
Baltimore, MD 21202

Dear Ms. Broadwater:

The undersigned (“Respondent”) submits this Statement of Qualifications (“SOQ”) as its response to that certain Request for Qualifications dated as of April 15, 2009, as amended, (the “RFQ”), issued by the Maryland Port Administration (“MPA”) for the Seagirt Marine Terminal Project.

Respondent acknowledges receipt, understanding and full consideration of the RFQ, all addenda, and all other necessary information available from MPA as of the date of this letter, specifically including the following addenda and sets of questions and answers to the RFQ:

[Respondent to list each addendum to this RFQ and each set of questions and answers, by date and number prior to executing its transmittal letter]



Respondent represents and warrants that it has read the RFQ and agrees to abide by the contents and terms of the RFQ and its Statement of Qualifications (“SOQ”).

Respondent understands that MPA is not bound to accept any Respondent for further communications and may reject any SOQ received.

Respondent further understands that all costs and expenses incurred by it in preparing this SOQ and participating in the process will be borne solely by the Respondent.

Respondent agrees that MPA will not be responsible for any errors, omissions, inaccuracies or incomplete statements in its SOQ.

This SOQ shall be governed by and construed in all respects according to the laws of the State of Maryland and the terms of the RFQ.

Respondent’s Name:

Respondent’s Business Address:

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(No.)                      (Street)                      (Floor or Suite)

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(City)                      (State or Territory)                      (ZIP or Postal Code) (Country)

Inset appropriate signature block for signature by a person duly authorized to bind the Respondent.