



CITY OF KINGSTON
INFORMATION REPORT TO COUNCIL

Report No.: 08-330

TO: Mayor and Council

FROM: Gerard Hunt, Chief Administrative Officer

RESOURCE STAFF: Desirée Kennedy, Director of Financial Services
 Janis Morrison, Purchasing Coordinator

DATE OF MEETING: 2008-11-04

SUBJECT: Tender and Contract Awards Subject to the Established Criteria for
 Delegation of Authority for the Month of September 2008

EXECUTIVE SUMMARY:

This information report is to:

1. Advise council of tenders/RFPs approved and contracts awarded greater than \$50,000 that meet the established criteria of delegated authority for the month of September 2008.
2. Report additional information on contracts awarded by senior staff between the \$20,000 and \$50,000 level for the month of September 2008.

RECOMMENDATION:

This report is for information purposes only.

AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Commissioner Beach, <i>Sustainability & Growth</i>	N/R
Commissioner Thurston, <i>Community Development Services</i>	N/R
Commissioner Leger, <i>Corporate Services</i>	✓
Jim Keech, President, <i>Utilities Kingston</i>	✓

(N/R indicates consultation not required)

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OPTIONS/DISCUSSION:

Council has approved the delegation of authority to approve tenders and award contracts to the city commissioners, when all of the following conditions have been satisfied:

- there is sufficient approved budget;
- all procedures for the establishment of prices in by-law 2000-134 as amended, have been followed;
- the lowest tender is accepted;
- at least three tenders have been received

In accordance with the reporting requirements of the purchasing by-law, Schedule A to this report provides information on tenders/RFPs approved and contracts awarded greater than \$50,000 that meet the established criteria of delegated authority for the month of September 2008. The purchasing by-law requires that all awards and contracts in excess of \$50,000 not meeting these provisions are the subject of separate reports to council for award purposes. As directed by council motion, Schedule B provides additional information on contracts awarded by senior staff between the \$20,000 and \$50,000 level for the same period. Section 3.1 (iv) of the purchasing by-law identifies the annual budget as financial approval to proceed with a purchase. There is no authority to make purchases that are not within budget parameters. In addition, council receives budget variance reports on a quarterly basis including quarterly budget works-in-progress reports that provide an update on the status of capital works.

September 2008 procurement activities that are not included in this report are as follows:

- value of the purchase, if less than \$20,000;
- tenders closing in this time frame that were approved separately by council at previous council meetings.

EXISTING POLICY/BY LAW:

By-law 2000-134 - "A By-law to Establish Purchasing Policies and Procedures for the City of Kingston", as amended.

NOTICE PROVISIONS:

Not applicable

ACCESSIBILITY CONSIDERATIONS:

The Ontario Disabilities Act is a consideration and forms part of the evaluation criteria of all Requests for Proposals administered by the City of Kingston.

FINANCIAL CONSIDERATIONS:

Not applicable

CONTACTS:

Not applicable

OTHER CITY OF KINGSTON STAFF CONSULTED:

Not applicable

EXHIBITS ATTACHED:

Schedule A – Tender/RFP/Contract Summary, September 2008

Schedule B – Signed Contract Summary (\$20,000 - \$50,000), September 2008

TENDER/RFP/CONTRACT SUMMARY - SEPTEMBER 2008

Site Servicing, Sanitary Sewers, Water Services at 1225 Gardiners Road	
Closing Date: September 10, 2008	Contract ENG-2008-12
Supplier/Service Provider	Bids Received (Excluding Taxes)
Len Corcoran Excavating	\$ 314,280.00
Dig'n Dirt Limited	\$ 319,493.74
O Bettschen Construction Limited	\$ 334,362.82
Morven Construction Limited	\$ 373,728.00

Asbestos Materials Abatement and Removal Program 2008	
Closing Date: September 24, 2008	F31-CS-FM-2008-3
Supplier/Service Provider	Bids Received (Excluding Taxes)
JCH Environmental	\$124,331
United Wrecking Inc.	\$132,000
RBG Inc.	\$134,722
Tri-Phase Environmental	\$167,950
John Westendorp	\$183,173
Restoration Environmental Contractors	\$278,153

SIGNED CONTRACT SUMMARY (\$20,000-\$50,000) September 2008

Purchase Order Date	Project	Successful Vendor	Value (No Taxes)	Group/Department
September 11, 2008	Brand Position, Strategy and Brand Graphics for the Kingston Airport	BMDODO Strategic Design	\$40,800.00	Corporate Services
September 30, 2008	Non-Union Compensation Review	Hay Group Limited	\$ 42,000.00	Organizational Effectiveness



CITY OF KINGSTON
INFORMATION REPORT TO COUNCIL

Report No.: 08-324

TO: Mayor and Council

FROM: Cynthia Beach, Commissioner, Sustainability & Growth Group

RESOURCE STAFF: Speros Kanellos, Director, Growth & Initiatives

DATE OF MEETING: 2008-11-04

SUBJECT: CITY OF KINGSTON BECOMING A CRUISE SHIP PORT OF CALL

EXECUTIVE SUMMARY:

The Great Lakes Cruising Coalition (GLCC) (a bi-national US-Canadian organization based in Kingston) has approached City staff seeking support for Kingston to become a cruise ship port of call. The target market for Great Lakes cruising is the smaller, more intimate cruise ship with between 100 and 300 berths. Due to the small scale of the St Lawrence Seaway lock system, the larger (blue-water-fleet) such as Holland America and Princess Cruises are simply too large to transit the St Lawrence Seaway locks. The Great Lakes is therefore recognized by the industry as a "small-ship" intimate cruise destination. The requirements to become a Great Lakes cruise port are quite basic and undemanding.

The GLCC has been approached by *Pearl Seas Cruises* to include Kingston in their itinerary for 2009 and 2010. If appropriate docking arrangements are feasible, the *Pearl Seas Mist* would visit Kingston in 2009 in June, July, and twice in October, and the same in 2010. Their fleet is composed of brand new, state of the art ships each with a passenger capacity of 210.

Working with the GLCC and City staff, as an interim accommodation, the Crawford Wharf has been identified as the preferred location, with Richardson Dock or the inner harbor docking site as the alternatives.

RECOMMENDATION:

There is no recommendation as this report is provided for information only.

AUTHORIZING SIGNATURES:

<p>ORIGINAL SIGNED BY COMMISSIONER</p> <p>_____ Cynthia Beach, Commissioner, Sustainability & Growth Group</p>
<p>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</p> <p>_____ Gerard Hunt, Chief Administrative Officer</p>

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Commissioner Beach, <i>Sustainability & Growth</i>	✓
Commissioner Hunt, <i>Finance & Corporate Performance</i>	✓
Commissioner Thurston, <i>Community Development Services</i>	✓
Commissioner Leger, <i>Corporate Services</i>	✓
Jim Keech, President, <i>Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

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OPTIONS/DISCUSSION:

Currently the re-establishment of the Great Lakes cruise trade is benefitting from a strategic initiative led by the Great Lakes Cruising Coalition (GLCC), a bi-national US-Canadian organization based in Kingston. The main focus of the GLCC is to return overnight passenger cruising to the Great Lakes of North America as an economic development initiative and to establish cruising as another segment of the Great Lakes tourism industry.

The GLCC has approached City staff seeking support for Kingston to become a cruise ship port of call. Although the larger and better known ocean-going cruise ships cannot enter the Great Lakes, the success of Great Lakes cruising will partly come from the extraordinary growth which they have driven. The huge number of repeat cruisers generated by this mainstream sophisticated business is causing the out-growth of an entire niche cruise industry and as a result of this diversification, "small-ship", more intimate cruising is emerging. Mature cruisers are now looking for a more intimate cruise experience, where the scale of their cruise ship matters greatly to them and smaller ships are becoming more desirable.

The target market for Great Lakes cruising is the smaller, more intimate cruise ship with between 100 and 300 berths. Due to the small scale of the St Lawrence Seaway lock system, the larger (blue-water-fleet) such as Holland America and Princess Cruises are simply too large to transit the St Lawrence Seaway locks. The Great Lakes is therefore recognized by the industry as a "small-ship", intimate cruise destination.

The requirements to become a Great Lakes cruise port are quite basic and undemanding:

- A location to moor a small cruise ship
- A safe water-approach to the mooring
- Secure bollards to tie up to
- A safe walkway for cruisers to step down onto
- Access for motor-coaches for shore excursions
- An acceptable port security plan which Kingston currently has

The GLCC has been approached by Pearl Seas Cruises to include Kingston in their itinerary for 2009 and 2010. If appropriate docking arrangements are feasible, the *Pearl Seas Mist* would visit Kingston in 2009 in June, July, and twice in October, and the same in 2010. Their fleet is composed of brand new, state of the art ships each with a passenger capacity of 210. This seven night cruise includes Quebec City, Trois Rivières, Montreal, Clayton NY, Kingston and Toronto.

Stephen Burnett, Executive Director of the GLCC, had entered into discussions with the Ministry of Transportation (MTO) to dock the *Pearl Seas Mist* at the Wolfe Island Ferry Terminal location, but MTO was unable to accommodate their request. Mr. Burnett also approached the City to consider the Crawford Wharf as the preferred possible location. Should the Crawford Wharf become the preferred docking site, we understand that the docking facilities would be inspected by the individual cruise ship lines and that they would be responsible for conducting all necessary due diligence to ensure that the docking facilities are acceptable for their ships. The City would of course work with the cruise ship lines to assist in their due diligence investigations. Should any of the City owned locations be selected, the cruise ship lines will be required to pay applicable berthing fees to the City and enter into appropriate agreements with the City for the use of the facility; such agreements would contain clauses including insurance requirements and indemnities.

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The Crawford Wharf is currently leased to tour boat operators and arrangements would be required to share the facilities.

The Economics of the Cruise Industry

The GLCC conducted a study to identify the economic opportunities for port cities and their vendors. This identified the many revenue streams from Great Lakes cruising, which accounts for 36 individual spending categories. These include the obvious shore excursions, purchases in local stores, visits to local attractions and costs directly associated with handling the ship. Berthing fees for ships are often based on a formula, which generally recognizes the length of the vessel and the number of guests onboard.

The City already has a transient rate for transient visits to Crawford Wharf and our marinas which, if applied, would realize approximately \$600/night from the *Pearl Seas Mist* vessel. This rate is applied to the small passenger cruisers that already frequent Crawford Dock during the summer months. Any international security standard costs incurred to host these vessels would be charged to the visiting vessel.

City staff and the ship's crew will attempt to host these visits on the Crawford Wharf, but we realize that Lake Ontario water levels may prohibit the vessel's approach to the wharf at certain times of the year (Fall), thus the alternative locations of Richardson Dock, located in Cataraqui Bay or the option to anchor out in the harbour will have to be considered.

In real terms most cruise ships would start off by including Kingston as a port-of-call with a brief stay of several hours in port. This would offer the downtown merchants an opportunity to sell their wares and nearby and mid-distance attractions to be included in shore excursions. It should be pointed out that research indicates that cruisers will purchase well priced excellent quality, locally made handicraft and art work, if it is available, fairly priced and reputable. The image of hordes descending into tourist-traps to buy T shirts and bracelets is not typical of high quality small-ship cruising.

There are other quite powerful benefits which accrue from being a port-of-call. Visitors and citizens generally regard cruise ships as interesting attractions in their own right. There is a wealth of romanticism attached to the notion of cruising, which is validated when families make a point of being in the port when a ship arrives and departs. Thus a cruise ship can be a net contributor to the economy while costing very little to acquire. By making good use of advanced scheduling the town can publicize the arrivals and departures in their local media, thereby boosting local trade.

In order to assure sustainability as a cruise ship port of call, private sector organizations would be approached to partner with the City in coordinating appropriate welcoming festivities. City staff has met with the Kingston Economic Development Corporation (KEDCO) and the Downtown Business Improvement Area (BIA) and have gained their support. Other organizations including, but not limited to, the Kingston Accommodation Partners would also be approached for their support.

It is also worth considering the pivotal role which cruising can play in waterfront revitalization and in some cases, its significant role in driving the local economy. There are several examples of waterfront developments (Little Current on Manitoulin Island, Toronto, Thunder Bay, to name a few) either caused or assisted by the presence of cruise and

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ferry services. The inventory of ships is expected to grow over the next ten years and it is worth noting that each ship we attract has to sail past Kingston when arriving and departing the St Lawrence and the Great Lakes.

Given the Ontario Ministry of Tourism's interest in building this trade, the City of Kingston along with the GLCC could hold a series of briefings for municipal, provincial, private sector and federal stakeholders. Each of these stakeholder groups can participate in a discussion about funding a future cruise port facility along the downtown waterfront.

Cruise Ontario - Economic Activity Study For The 2004 Great Lakes Cruise Season, Monday, March 08, 2004
Amended April 19 2004 is available to Members of Council.

The GLCC is also working with the owners of *Latitude 45 Nord*, a Quebec based firm which has brought "cycling from a cruise boat" to Canada. This is a Dutch concept which works really well, but in the absence of suitable Dutch style barges in North America, *Latitude 45 Nord* have elected to use a small cruise boat to get started. These small cruise boats have a very small capacity, generally only 16 passengers and 5 crew members. This specialized niche may well become part of the cruise interest in Kingston.

EXISTING POLICY/BY LAW:

There is no existing policy/by-law.

NOTICE PROVISIONS:

There are no notice provisions with this report.

ACCESSIBILITY CONSIDERATIONS:

There are no accessibility considerations at this time.

FINANCIAL CONSIDERATIONS:

The City would become a member of the Great Lakes Cruising Coalition at a cost of \$5,000 per year. City staff will investigate the possibility of partnering with other organizations to share this membership fee.

The Cruise Ship Lines would pay a berthing fee and all security costs. This berthing fee would cover City expenses. If Richardson Dock becomes a required docking site, \$5,000 - \$10,000 might be required for passenger infrastructure improvements.

CONTACTS:

Speros Kanellos, Director, Growth & Initiatives 613-546-4291, ext. 3133

Ed Leeman, Supervisor, Facilities Operations, Corporate Services 613-546-4291, ext. 1805

OTHER CITY OF KINGSTON STAFF CONSULTED:

Alan McLeod, Senior Legal Counsel

Denis Leger, Commissioner, Corporate Services

Lorraine Thibadeau, Leasing Consultant, Corporate Assets

Rob Carnegie, Director of Tourism, KEDCO

Doug Ritchie, General Manager, DBIA

EXHIBITS ATTACHED:

Exhibit 'A' – Letter from Great Lakes Cruising Coaling, Inc dated September 04, 2008

Exhibit 'B' – Pearl Seas Mist

GREAT LAKES CRUISING COALITION, INC

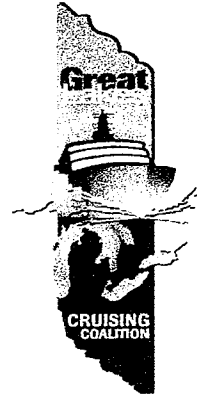
420 Regent Street, Barriefield Village, Kingston, Ontario, Canada, K7K 5R3

Phone 613-544-7857

Fax 613-546-1576

stephenburnett@sympatico.ca

www.greatlakescruisingcoalition.com



Thursday, September 04, 2008

Speros Kanellos. M.Sc,P,Eng
Director
Growth & Initiatives
City of Kingston
216 Ontario Street
Kingston
Ontario K7L 2Z3

Dear Speros

Re: Great Lakes Cruising – 2009 Pearl Seas Mist arrivals in Kingston

I am writing concerning our plan to grow the Great Lakes cruise industry and the potential for Kingston to play a significant role in welcoming visiting cruise ships.

Our business coalition is comprised of 25 Canadian and American ports around the Great Lakes. Our membership includes large cities such as Toronto, Detroit and Duluth, all of whom are working cooperatively with intimate communities, such as Little Current, Parry Sound and Mackinac Island, to grow this business.

Our coalition is focused on bringing Kingston into the coalition of port cities. Our perspective is that Kingston is a very attractive “port-in-waiting” and once the cruise industry is aware that Kingston is open for business, they will consider stopping their ships at your designated mooring location. Until Kingston actually joins the coalition, we are promoting the city in an informal but effective way. Our view is that promoting Kingston to the cruise community is good for the entire Great Lakes and for several years we have taken Kingston’s tourism material on sales calls in Europe and the United States.

While they were planning and then building the brand new Pearl Seas Mist, we have continually encouraged the owners to include Kingston on their itineraries. Having just (last month) launched the ship, their first Kingston visit is planned for June 2009, as the vessel makes her maiden voyage into the upper lakes and again in July 2009 when Pearl Seas Mist makes her way out of the system heading for Quebec City.

Until the city has nominated a permanent location for the Kingston cruise-port, I would request that you provide a temporary mooring facility for Pearl Seas Mist and work closely with me to secure cooperation from the public and private sectors to make this work. It would be very disappointing if Kingston were unable to accommodate Pearl Seas Mist on her maiden voyage and miss the opportunity to impress their owners that Kingston can provide their customers with a world-class experience.

From an informal review of the Kingston waterfront it appears that the slip alongside the Ontario Provincial Wolfe Island Ferry dock, which is currently being used by the Wind-farm supply barge, might be appropriate

Requirements:

Mooring wall:

To host the Pearl Seas Mist Kingston will have to provide a mooring wall with sufficient space to accommodate her 335 feet length and 56 feet beam

Depth of water:

Pearl Seas Mist has a published 12 feet draft which means that she will need 14 feet for comfort

Bollards:

Conventional strength for small ships of this size is considered to be 50 metric tons capacity. Reviewing the provincial land where the supply barge is tying up, there are commercial grade bollards spaced approximately 70 feet apart. It would be prudent to check the condition of these bollards with the provincial authorities.

Hydro:

Generally these vessels can either generate their own power or they will use shore power if it is available.

Access and security:

As this will be a temporary mooring location, as long as passengers can disembark and stroll to their bus for local transport, a modest facility is acceptable. Transport Canada will require that the ship be separated from the general public with temporary barriers and a security guard controlling access. You will need to check with Transport Canada once you determine which location will be used.

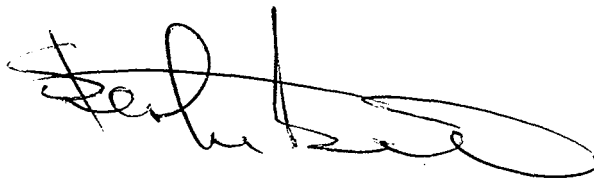
Turning to more strategic matters, the Great Lakes Cruising Coalition extends an open invitation for Kingston to become an active member and participate more formally in building the Great Lakes cruise trade. Rochester, our newest member across the lake has made a significant effort to work with the coalition and with Kingston as a member we could then grow a focus along the St Lawrence and build a case for more regional cruising.

Please let me have your thoughts on this

We will need to talk to Pearl Seas Cruises by September 30

Warm regards

Stephen Burnett



FOR IMMEDIATE RELEASE

August 15, 2008

PEARL SEAS CRUISES NAMES SHIP

Guilford, CT USA – Pearl Seas Cruises announced last night that the name of its new cruise ship is *Pearl Mist*, which was launched in March. The 210-passenger cruise ship is undergoing outfitting and is expected to be completed in the first quarter of 2009. It's seven, ten, eleven and fourteen night itineraries will include travel to the Caribbean, Canadian Maritimes, Eastern Canada, Newfoundland, The Great Lakes and New England.

The oversized suites are all outside with private balconies. It will have all the amenities and services offered by modern cruise ships; including spa and fitness facilities, several lounges, and Internet service throughout the ship. The ship is currently is being built by Irving Shipbuilding in Halifax, Nova Scotia, Canada.

For more information, visit <http://www.pearlseascruises.com>

