



Alaska Department of Transportation & Public Facilities Alaska Marine Highway System

 search

DOT&PF State of Alaska

DOT&PF > FerryAlaska.com

- Home
- Plan a Trip
- Schedules
- Reservations
- Travel Details
- Explore Alaska
- About Us
- News & Updates
- Gift Store

Our Mission



The mission of the Alaska Marine Highway System is to provide safe, reliable, and efficient transportation of people, goods, and vehicles among Alaska communities, Canada, and the "Lower 48," while providing opportunities to develop and maintain a reasonable standard of living and high quality of life, including social, education, and health needs.

The Alaska Marine Highway System has been operating year-round since 1963, with regularly scheduled passenger and vehicle service to 33 communities in Alaska, plus Bellingham, Washington, and Prince Rupert, British Columbia. There are currently eleven vessels in the AMHS fleet, additional ferries have been planned.

During the past ten years the Alaska Marine Highway System has carried an average of 312,000 passengers and 98,000 vehicles per year.

View Our Welcome Aboard Video



Watch our welcome aboard video to learn more about travel aboard Alaska Marine Highway ferries.

Plan a Trip

- Vessel Tracking
- Fare Tables
- Running Times
- Special Fares
- About Schedules

Schedules

- About Schedules
- Sailing Calendar
- Colored Grids
- PDF Grids
- Schedule Search

Reservations

- Start a Reservation
- View an Itinerary
- Make a Payment
- About Reservations

Travel Details

- About Reservations
- Customs
- Connections
- Safety Onboard
- Vehicles
- Travel with Pets
- Vessel Amenities

Explore Alaska

- Activities
- Route Guide
- Communities
- Sample Itineraries
- Photo Gallery

About Us

- Our Mission
- Environmental
- Commitment
- History
- Vessel Profiles
- Employment
- Partners
- Policies
- Forms
- Contact Us

News & Updates

- MTAB
- Alaska Class Ferry
- Tustumena
- Press Kit
- Reports
- Schedule Changes
- Community Events
- Gift Store

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Alaska Marine Highway System
7559 North Tongass Highway
Ketchikan, Alaska 99901-9101
Tel: 907-465-3941 || Fax: 907-465-8824
Toll-Free: 1-800-642-0066





ALASKA

CLASS FERRY

Monthly Construction Report – Report No. 2

Project Name: Day Boat ACF
Project Number: 73073

Week Ending 04/03/2015
File: 0130-03

PROJECT STATUS

The project is under contract with Vigor Alaska LLC under the Construction Manager/ General Contractor (CM/CG) contract. Contract was signed on October 16, 2014 and the full contract amount has been encumbered.

AMHS Items

- AMHS Project Manager has tasked the Consultant Elliott Bay Design Group (EB) to assist in the following items under the Construction Support NTP:
- Answer Request for Information (RFI) from Vigor and their detail engineers Glostén and Associates. There have been 43 RFI's to date; there are 5 open items that EB is working on answers for.
- EB completed the task to review the routes, terminals, manning, car doors, crew accommodations and cost impacts of converting the vessel to be able to operate with a two crew – 16 hour a day operation on March 10th. No other action has been taken on this item since then.
- Rolls Royce has suggested that the bow thruster tunnel is too short and may not be as effective as if it were longer. EB developed a 3-D model showing the new location aft in the bow thruster room. A RFP has been submitted to Vigor for this change, the proposal has not been received as of yet.
- The Submittal Exchange program is on line for this project. This web base program allows all parties involved such as Subcontractors, Vigor, Elliott Bay and the AMHS team access to the project information and to share submittals, RFI's, CFR's, drawings, photos and test reports. The program also maintains a log for each category.

Vigor Alaska Items

- With the new module starting there has been an average of 16 people working on modules for both vessels.
- The Project Manager has been working with the vendors of long lead materials to establish a PTS, Terms and Condition in preparation for a Purchase Order.
- The Vigor Engineering Manager is working with Glostén on the detail design.
- The Scheduling Team is still working on the detailed schedule with resource loading of manpower for the full project. Currently only 6 month in advance working schedules have been shared. The 3/20

schedule update shows them being approximately a month behind, due to complexity of the keel and other work in the shipyard this winter.

- Glosten is continuing to model the hull and the piping below the car deck.
- Steel has arrived in the shipyard for building jigs and fixtures for the hull modules with shape.
- The Keel sections are nearly complete. Pick up and the final welds need to be tested.
- The next modules which are the stacks and Rescue Boat garages are being fabricated for both ships. This is being done since the engineering firm could quickly develop these drawings and the steel could be procured in order to keep the production line moving forward.

Submittals

- 3/20/2015 CPM Schedule
- 3/20/2015 Schedule of Deliverables
- 3/20/2015 Material Control Schedule

Outstanding & Upcoming items

- 7 out of 9 RFP's for Owner requested changes in the design due to regulatory requirements by USCG or ABS, or errors in the Contract Drawings are outstanding. Only one change is substantial which is relocating the bow thruster, and I have asked Vigor to prioritize that item.
- Purchase Technical Specs (PTS) & Purchase Orders (PO) are being written for long lead time items. PTS have been completed for the car doors and HVAC systems which would require changes if staterooms or a forward side car door were added. Vigor has written a PO for these items for the engineering efforts needed for the detail design.

Potential Problem Areas

- The heavy plate and compound curvature of the bulbous bow took much longer than the shipyard estimated. These two units are finishing behind schedule for two reasons, the formed plates for the bow did not fit the curvature of the frames and the manpower has been reduced to a minimal crew on this project due to other work in the shipyard currently.

Budget

- Please see the attached budget breakdown based off of amounts spent to date and amounts budgeted for each item.
- Vigor has submitted two Progress Payment to date, but one has not cleared the system as of yet.
- During negotiation for the Day Boat it was agreed that the State of Alaska would provide the Builder's Risk Insurance since the State could obtain it at a better price. This amounts for 87% of the CE budget spent to date.

Doug Miller
4/01/2015
AMHS Project Manager

Purpose / Description of Project:

Design and construct an ocean going vessel to replace M/V Tustumena.

- The M/V Tustumena entered service in 1964 and is near the end of its design service life. Together with the M/V Kennicott, these two ferries are the only ferries capable of serving the Alaska Marine Highway routes between Homer, Kodiak, and the Aleutian Chain.
- Why replace the M/V Tustumena
 - Age: 50 years old
 - Lack of Capacity: 36 Vehicle (720 Lane Feet) and 174 Passengers. There is increasing demand for car deck capacity between Homer and Kodiak. Also this is an increasing demand for car deck capacity for the Aleutian Chain route.
 - Increase in the discovery of wasted steel and cracking during Annual Availabilities indicates that vessel is near end of fatigue life

Tustumena Replacement Vessel Characteristics

- Length Over All (LOA) 330 Feet
- Depth 24.5 Feet
- Breadth Over All (BOA) 71 Feet
- Design Draft 15’ – 10” to 16 – 6” (End of Service Life)
- Air Draft 77 Feet
- Cruise / Service Speed 15 Knots
- Vans & Cars 12 Vans & 33 Cars
- Cars Only 60
- Vehicle Loading Ability Stern & Side (Port & Starboard)
Vehicle Elevator
- Vehicle Lane Length 1,335 Feet (Including Vehicles On Mezzanine Deck)
- Passengers 250 (Berths for 106)
- Officer & Crew Minimum Manning IAW Regulatory Requirement
Manned Engine Room

Project Key Dates

- Glosten Selected for Design November 2013
- Reconnaissance Report March 2014
- Environmental Documents June 2014
- Design Study Report November 2014
- Model Testing Completed July 2015
- Final Design (PS&E) December 2015

Professional Service Agreement (PSA) 02543004 – Glosten

NTP 1 – Task 1 (Schedule & Coordination), Task 2 (Public Participation Plan), Task 3 (Reconnaissance Report), and Task 4 (Environmental Service): \$506,872.00

NTP 2 – Task 5 (Design Study Report): \$922,079.00

NTP 3 – Not Used

NTP 4 – Perform Value Engineering Study: \$129,200.00

NTP 5 – Preliminary PS&E Design Services: \$200,000.00

NTP 6 – Plan, Specifications and Estimate (PS&E): \$3,831,407.00

PSA Amendment No. 8 –

- 1) Added Subcontractor Bulgarian Ship Hydrodynamic Center to perform Ship Design Model Testing
- 2) Galley Design & Sales, LLC assist in development in preparation of construction documents and detailed equipment specifications.

Project Funding Status – 28JAN15

<u>Programed Phase 2</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Balance</u>
\$6,000,000.00	\$1,767,147.00	\$3,933,067.00	\$313,939.00

ICAP: 4.79% Encumbered 3,933,067.00 x 4.79% (ICAP) = \$188,394.00

ICAP: 4.79% Balance 313,939.00 x 4.79% = \$15,038.00
\$203,432.00

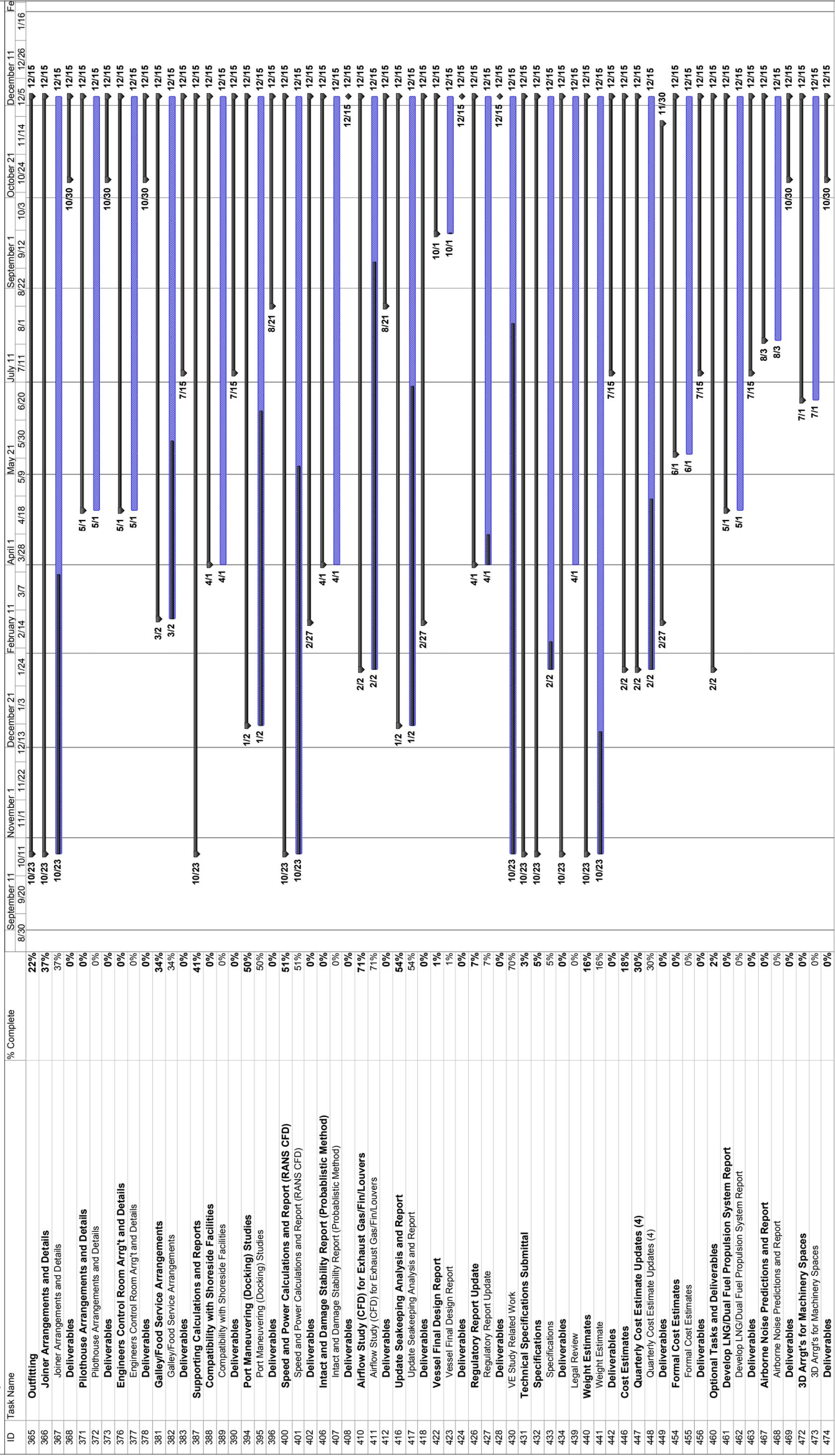
Actual Funding Available: Balance \$313,939.00 - ICAP \$203,432.00 = \$110,507.00

ID	Task Name	% Complete	September 11	November 1	December 1	December 21	February 11	April 1	May 21	July 11	September 1	October 21	December 11	December 11														
			8/30	9/20	10/11	11/1	11/22	12/13	1/3	1/24	2/14	3/7	3/28	4/18	5/9	5/30	6/20	7/11	8/1	8/22	9/12	10/3	10/24	11/14	12/6	12/26	1/16	
1	Tustumena Replacement Vessel PS&E Phase	23%																										
2	Fixed Price Tasks	29%																										
3	Lines and General Arrangements	58%																										
4	General Arrangements	55%																										
5	General Arrangements	55%																										
6	Deliverables	0%																										
11	Inboard/Outboard Profiles	50%																										
12	Inboard/Outboard Profiles	50%																										
13	Deliverables	0%																										
16	Lines and Appendages	70%																										
17	Lines and Appendages	70%																										
18	Deliverables	0%																										
26	Fire Zone Diagram	58%																										
27	Fire Zone Diagram	58%																										
28	Deliverables	0%																										
32	Egress/Escape Plan	54%																										
33	Egress/Escape Plan	54%																										
34	Deliverables	0%																										
37	Structure	23%																										
38	Mooring and Anchoring	34%																										
39	Mooring and Anchoring	34%																										
40	Deliverables	0%																										
48	Hull Structural Arrangement/Details	48%																										
49	Hull Structural Arrangement/Details	48%																										
50	Deliverables	0%																										
58	Superstructure - Plans, Elevations and Sections	29%																										
59	Superstructure - Plans, Elevations and Sections	29%																										
60	Deliverables	0%																										
64	Major Equipment Foundations	0%																										
65	Major Equipment Foundations	0%																										
66	Deliverables	0%																										
69	Vehicle Handling System Arrg'ts/Details	27%																										
70	Vehicle Handling System Arrg'ts/Details	27%																										
71	Deliverables	0%																										
92	Hinged Mast - Arrg't	0%																										
93	Hinged Mast - Arrg't	0%																										
94	Deliverables	0%																										
97	Passenger Boarding Ladder - Arrg't	0%																										
98	Passenger Boarding Ladder - Arrg't	0%																										
99	Deliverables	0%																										
103	Rudders and Steering Gear - Arrg't	1%																										
104	Rudders and Steering Gear - Arrg't	1%																										
105	Deliverables	0%																										
109	Structural Scantling Calculations and Report	52%																										
110	Structural Scantling Calculations and Report	52%																										
111	Deliverables	0%																										
113	Global FEA Model and Regulatory Report	32%																										
114	Global FEA Model and Regulatory Report	32%																										
115	Deliverables	0%																										
117	Structural Vibration Analysis	0%																										
118	Structural Vibration Analysis	0%																										
119	Deliverables	0%																										
122	Propulsion and Machinery Arrangements	27%																										
123	Propulsion and Machinery Arrangements	27%																										
124	Bow Thruster Room	0%																										
125	Bow Thruster Room	0%																										
125	Deliverables	0%																										
129	Auxiliary Machinery and Stabilizer Rooms	33%																										
130	Auxiliary Machinery and Stabilizer Rooms	33%																										
131	Deliverables	0%																										
135	Main Machinery Room	33%																										
136	Main Machinery Room	33%																										
137	Deliverables	0%																										
141	Emergency Generator Room	33%																										
142	Emergency Generator Room	33%																										

Project: 13105_07 Tustumena Replace Task: Split Milestone Summary Project Summary Progress

ID	Task Name	% Complete	8/30	9/20	10/11	11/1	November 1	December 1	December 21	1/3	1/24	February 11	April 1	May 21	July 11	September 1	October 21	December 11	Fe	
143	Deliverables	0%																		
147	Vehicle Elevator Machinery Room	50%																		
148	Vehicle Elevator Machinery Room	50%																		
149	Deliverables	0%																		
153	Stern and Side Door Machinery Arrg'ts	25%																		
154	Stern and Side Door Machinery Arrg'ts	25%																		
155	Deliverables	0%																		
159	Propulsion Shafting Arrangement	25%																		
160	Propulsion Shafting Arrangement	25%																		
161	Deliverables	0%																		
164	Steering Gear Room	0%																		
165	Steering Gear Room	0%																		
166	Deliverables	0%																		
170	Electrical Power and Lighting	30%																		
171	Electrical Power and Lighting	30%																		
172	Electrical General/Calculations	28%																		
173	Electrical General/Calculations	28%																		
173	Deliverables	0%																		
178	One Line and Power Systems	29%																		
179	One Line and Power Systems	29%																		
180	Deliverables	0%																		
189	Lighting Systems	32%																		
190	Lighting Systems	32%																		
191	Deliverables	0%																		
195	Interior Communications	15%																		
196	Interior Communications	15%																		
197	IC General & Calculations	29%																		
197	IC General & Calculations	29%																		
198	Deliverables	0%																		
203	Antennas	3%																		
204	Antennas	3%																		
205	Deliverables	0%																		
209	Alarm and Monitoring	0%																		
210	Alarm and Monitoring	0%																		
211	Deliverables	0%																		
216	Computer Networking	28%																		
217	Computer Networking	28%																		
218	Deliverables	0%																		
223	Auxiliary Machinery and Systems	40%																		
224	Auxiliary Machinery and Systems	40%																		
224	Mechanical General/Calculations	50%																		
225	Mechanical General/Calculations	50%																		
225	Deliverables	0%																		
228	HVAC Systems	11%																		
228	HVAC Systems	11%																		
229	Deliverables	0%																		
230	HVAC Systems	11%																		
230	Deliverables	0%																		
254	Seawater Systems	51%																		
254	Seawater Systems	51%																		
256	Deliverables	0%																		
301	Fresh Water Systems	52%																		
301	Fresh Water Systems	52%																		
302	Deliverables	0%																		
303	Fresh Water Systems	52%																		
303	Deliverables	0%																		
316	Fuel & Lube Oil Systems	30%																		
316	Fuel & Lube Oil Systems	30%																		
317	Deliverables	0%																		
318	Fuel & Lube Oil Systems	30%																		
331	Air Systems	67%																		
331	Air Systems	67%																		
332	Deliverables	0%																		
333	Air Systems	67%																		
342	Hydraulic Systems	0%																		
342	Hydraulic Systems	0%																		
343	Deliverables	0%																		
344	Hydraulic Systems	0%																		
353	Lifesaving Equipment Arrangement	25%																		
353	Lifesaving Equipment Arrangement	25%																		
354	Deliverables	0%																		
355	Lifesaving Equipment Arrangement	25%																		
359	Pollution Control Systems	59%																		
359	Pollution Control Systems	59%																		
360	Deliverables	0%																		
361	Pollution Control Systems	59%																		
361	Deliverables	0%																		

Project: 13105_07 Tustumena Replace Task Split Milestone Project Summary Progress Summary



Project: 13106, 07 Tustumena Replace Task: Split Milestone Progress Summary

ID	Task Name	% Complete	September 11	November 1	December 1	February 11	April 1	May 21	July 11	September 1	October 21	December 11	Fe																
			8/30	9/20	10/11	11/1	11/22	12/13	1/3	1/24	2/14	3/7	3/28	4/18	5/9	5/30	6/20	7/11	8/1	8/22	9/12	10/3	10/24	11/14	12/5	12/26	1/16		
487	3D Renderings for Key Spaces	5%																											
488	3D Renderings for Key Spaces	5%																											
489	Deliverables	0%																											
511	Project Management	17%																											
512	Scheduling	25%																											
513	Scheduling	25%																											
514	Deliverables	0%																											
517	AMHS Meetings	12%																											
518	AMHS Meetings	12%																											
519	AMHS Meetings	12%																											
522	Deliverables	0%																											
523	Project Management	26%																											
524	Package Review and Delivery	0%																											
525	Fixed Price Sub-Consultants	5%																											
526	Coastwise - GA Fire Zone Plan & Profile Review	24%																											
527	Coastwise - Quarterly Cost Updates	25%																											
528	Coastwise - Egress/Escapes Plan	0%																											
529	Beacon - Lifesaving	0%																											
530	Coastwise - Mooring Arrangement	0%																											
531	Vibrans - Vehicle Elevator, Vehicle Elevator Alternative, Side/Stern Door	15%																											
532	Coastwise - Hinged Mast Arrangement	0%																											
533	Coastwise - Passenger Boarding Ladder Arrangement	0%																											
534	Beacon - Rudders and Steering Gear	0%																											
535	Diehl - Propulsion Shafting	0%																											
536	Coastwise - Shoreside Compatibility	0%																											
537	Coastwise - Review Intact & Damage Stability Rpt	0%																											
538	Beacon - Regulatory Report	25%																											
539	Beacon - Cost Estimating	0%																											
540	NWE - Cost Estimating	0%																											
541	Beacon - Specifications	5%																											
542	Beacon - PS&E Package	0%																											
543	Lawyer - Specs Legal Review	0%																											
544	NCE - Airborne Noise Predictions	0%																											
545	Coastwise - Final Review	0%																											
546	Coastwise - Anchor Drop and Pockets Arrangement	0%																											
547	Time/Expense Tasks	3%																											
548	Public Participation - Questions, Comments and Responses	1%																											
549	Public Participation - Questions, Comments and Responses	1%																											
554	Deliverables	0%																											
555	Model Basin Test Report	6%																											
556	Model Basin Test Report	6%																											
559	Deliverables	0%																											
560	Regulatory Submittals	0%																											
561	Travel/Expenses	0%																											
562	AMHS Meeting Expenses	7%																											
563	Package Delivery Expenses	0%																											
564	Compatibility with Shoreside Facilities	0%																											
565	Time/Expense Sub-Consultants	20%																											
566	Model Test Basin	40%																											
566	FutureShip - Hull Form	0%																											

Project: 13106_07 Tustumena Replace Date: Tue 3/24/15

Summary Progress Project Summary Milestone Split Task

Tustumena Replacement Vessel, AKSAS Project 70062 PS&E Phase Schedule, Rev. -

Page 4

Glosten 23 March 2015

Vessels

Alaska Class Ferry

In 2006 the Department of Transportation and Public Facilities (the Department) issued a Request for Proposal to construct a new day boat ferry that would allow more “hub and spoke” routes similar to the fast ferry vehicles. Over the next six years the vessel became known as the Alaska Class Ferry and the scope changed from a day boat to a conventional mainline vessel without passenger staterooms. Faced with an estimate that had grown from \$30 million in 2006 to over \$150 million in 2012, the Department revisited how the cost could be brought back to the legislative appropriated amount of \$120 million, why the scope changed, and whether the change was appropriate. The Department determined the best course of action was to return the vessel back to a day boat operation and construct two vessels for the amount appropriated. Planned delivery of the first vessel is in the spring of 2018 and the second in the fall of 2018. The construction timeframe was extended to reduce shipyard labor costs.

In May of 2012, Alaska Ship and Drydock was selected to assist in the design under the Construction Manager/General Contractor (CM/GC) concept. The design of the Day Boat Alaska Class Ferries (ACF) was completed by Elliott Bay Design Group (EBDG) and a RFP went to Vigor Alaska Shipyard on August 1, 2014. Once the proposal was received negotiation meetings were held and the Guaranteed Maximum Price (GMP) was established. The contract was signed on October 16th, 2014 for \$101,513,651.

In order to make both ships compliant with the EPA Tier III requirements the engines had to be purchased and the construction of the keels for both ships commenced by the end of the calendar year of 2014. The State assigned EBDG to develop the construction templates and assembly drawings for the keel sections. Once Vigor had a contract to build the ships, they were able to order steel promptly and start the assembly of the keel sections. A keel laying ceremony for both vessels was held on December 13, 2014 in the Ketchikan Shipyard.

The main engines for the ships have been purchased by AMHS and have been delivered to Ketchikan Warehouse. The 3,000 horsepower EMD diesel engines are Tier III rated and do not require Urea which is an additive that is injected into the exhaust system to reduce NOX in the Tier IV class of engine. The Tier III engines were at least 25% cheaper to purchase than the Tier IV engines and will cost less to operate and maintain.

Vigor Alaska has their detail designers working on the development of the construction templates and assembly drawings for the remainder of the ship. Steel for the next modules was recently ordered and assembly of the next modules will begin in February.

New Tustumena Design

The Reconnaissance Report was delivered in May 2014. Public informational meetings were held this past spring 2014 at Homer, Kodiak and Dutch Harbor. The surrounding communities which the new Tustumena will serve called in to listen to the presentation. The final design study review document was completed October 31, 2014 and the final design process began in January 2015. The expected design completion date is currently set for December 2015. We have \$10 million for design and approximately

\$40 million remains in the vessel replacement fund. We have conducted the environmental process so as to use state or federal funding. Public comment period ended January 16, 2015.

M/V Columbia Engine Repower

The Columbia has received new engines and resumed service May 28, 2014. The new engines are running well.

M/V Fairweather Engine Repower

The Fairweather received new MTU Series 4000 engines at Foss Shipyard in Seattle and resumed service May 15, 2014 and the new engines were running well until March 7, 2015 when the main engine number three experienced a major engine failure due to a broken gear tooth inside the engine. The engine will need to be replaced with one of the spare engines currently in storage in Ketchikan. The Fairweather will continue to operate in Prince William Sound in good weather only on the three remaining engines, and will then proceed to Foss shipyard in Seattle where the number three main engine will be removed and replaced with a spare engine.

The Fairweather is currently operating in Prince William Sound for the winter of 2014/2015 in place of the Chenega.

M/V Chenega Repower - Winter 2014/2015

The Chenega is currently having new engines installed at Foss Shipyard in Seattle during the winter of 2014/2015.

M/V Kennicott Federal Capital Improvement Project Winter 2015

Kennicott Completed a two year Federal Capital Improvement Project and overhaul, which commenced during winter 2014. Vigor Alaska Ketchikan Shipyard completed the Capital Improvement Project and overhaul. This Capital Improvement Project upgraded and refurbished the following systems: vehicle elevator, fin stabilizer control units, motorize seawater cooling reach rods, sea water system piping, marine sanitation unit components, vehicle elevator roller doors, refrigeration, bridge heated windows, HVAC , ventilation (ducting and fire dampers), fuel oil system, electrical distribution systems, passenger and public spaces, ADA upgrades, watertight doors, CAPAC , control and monitoring systems, lifesaving equipment, deck machinery and fittings, IT upgrades, forward sponson modifications, tanks and voids, exterior and interior coatings, car deck doors, security systems, bilge and ballast systems, perform weight reduction investigation and removals, technical manual drawing upgrades to a new AMHS numbering system, perform stability assessment, sea trials, regulatory required inspections, and state funded annual overhaul and dry docking.

M/V LeConte Federal Capital Improvement Project Winter 2014/2015

The LeConte Federal Capital Improvement Project and overhaul is currently taking place during the winter of 2014/2015 at Vigor Alaska in Ketchikan. The nature of the work being performed onboard the LeConte consists of refurbishment and upgrades to existing systems along with mechanical and electrical equipment upgrades, main engine refurbishment, IT upgrades, security and navigation system upgrades, exterior and interior paint, deck equipment upgrades, renovation of crew accommodation spaces, public space upgrades, bow thruster replacement, annual state overhaul and sea trials. The LeConte Capital Improvement Project is taking place inside the Vigor Alaska Ketchikan shipyard's enclosed Production

all building. This will be the first time we have conducted a vessel project inside a climate controlled building.

M/V Columbia Federal Capital Improvement Project – Winter 2015/2016

The Columbia will undergo a Federal Capital Improvement Project and overhaul during the winter of 2015/2016. This Capital Improvement Project will consist of refurbishment and upgrade of the bridge deck crew living quarters and stack repairs. Also, upgrades to ADA accommodations, refurbishment of select machinery, replacement of furniture, fittings, outfitting, light fixtures, electrical switches, windows, interior and exterior doors will be completed. Work will also be done on electrical, HVAC, mechanical equipment, public address system, fire protection systems, signage, cabling, exterior/interior paint, flooring, stability assessment, and drawings. The project will also include a state funded overhaul and drydock. This CIP has been awarded to Puglia Shipyard in Bellingham, Washington.

M/V Matanuska Repower Winter 2016/2017

The Matanuska will receive new engines and a new steering system replacement during the winter of 2016/2017. This project will replace the main engines, reduction gears, control systems, shafting, propellers, rudders, associated auxiliary equipment, exhaust and waste heat boilers, bow thruster, steering gear, electrical generation switch boards, house and stack repairs, painting, security upgrades, miscellaneous system upgrades, rescue boat and davit upgrades, structural repairs, exterior and interior paint, and a state overhaul. Design engineering is currently underway.

AMHS Fleet-wide Electrical Generation Upgrade

The project began by investigating the physical condition of the Columbia, Malaspina, and Matanuska's power generation and distribution systems from the switchboard and generators to the motor controllers. Information from the fleet condition survey reports, and on board inspections are being utilized to identify any abnormal physical or operating conditions or practices that would require alterations or modifications. Following this review, new switchboards will be manufactured and installed in the shipyards as the vessels go into annual overhaul, or undergo capital projects. The goal is to install new power generating equipment, correct any abnormalities, and assure solid electrical systems regulatory compliance.

AMHS Fleet-wide lifesaving Equipment Upgrades

The goal of this project is to identify and upgrade or refurbish AMHS Fleet-wide Lifesaving equipment. We will install new fast rescue boats and davits on the Fairweather, Chenega, and Kennicott, with the remainder of the fleet following as new fast rescue boats and davits are needed.

Fast Ferry System Upgrades 2015/2016

This project will design and install modifications and upgrades to existing ship's systems to address problems that have been identified during vessel operations.. The interior carpeting, flooring, chair cushions, hull paint, exterior paint, interior upgrades and general equipment maintenance and upgrades will be upgraded or replaced. This CIP has been awarded to Foss Shipyard in Seattle, Washington.

Point of Sale System

The Point of Sale computerized cash registers have been installed on all vessels and are operating well.

MinuLink

MenuLink is an inventory management program (software) that interacts with the Point of Sale system. As food items are scanned and sold through the Point of Sale system, they are deducted out of the ship's inventory. The program also creates orders to restock the items that have been sold. This project has commenced and is ongoing. We will implement the new system over the next year, installing on one ship at a time.

New Reservation System

We have signed a contract to purchase a new Reservation and Manifest System. Carus PBS Ab. Ltd, a Finland based company with extensive ferry reservation system experience was awarded the contract on August 22, 2014. The plan is for the system to be operational on July 1, 2015, and run parallel with RMS III with full public implementation to take place on October 1, 2015.

SOLAS Waiver – Columbia and Malaspina

In an effort to receive a SOLAS Waiver which would allow the Columbia and Malaspina to call at Prince Rupert, B.C., Captain Falvey has written a SOLAS Waiver request technical letter which the USCG Sector Juneau has sent to the USCG office of Commercial Vessel Compliance in Washington D.C. This technical letter supports the request for the waiver. Captain Falvey has had recent communications with the USCG in Washington D.C., and remains hopeful that a SOLAS waiver can be secured.

Tariff Analysis

A contract was awarded to Northern Economics to produce a Tariff Analysis. The Tariff Analysis was delivered at the end of December 2014. The goal of the new Tariff Analysis was to analyze our current tariff structure and make recommendations regarding equalizing the tariffs and developing a formula based method to apply the new tariffs.

Environmental Update

A new position was created a year ago for an Environmental Program Specialist. During this past year, one of the projects we have started is working with ADEC to create storm water run-off plans for 18 terminals. We have also registered the vessels Kennicott, Malaspina, Matanuska, and Taku in the ADEC – BMP – Best Management Practices Passenger Vessel Environmental Compliance Program. We continue to work with the ADEC, EPA and Washington State Department of Ecology in order to comply with the vessel general permits, vessel stack emissions, vessel wastewater systems, terminal waste water systems and terminal potable water issues.

We continue to work with the Washington State Maritime Cooperative to assure that we meet the Washington State oil spill contingency plan laws.

We also continue to be very successful with our hazardous materials removal program.

We are now members of the Passenger Vessel Association Green Waters program. This program is voluntary and is aimed at reducing waste and operating in a cleaner, greener, and more sustainable marine environment.

Satellite Communications

The Fairweather was outfitted with a satellite communication system during its September 2014 overhaul at Vigor Shipyard Ketchikan. All fleet vessels now have satellite communications systems installed.

American Bureau of Shipping

In addition to our required routine vessel classification inspections and the International Safety Management System audit process, we were also required by the ABS to undergo additional vessel inspections. These new inspections were a result of the recent RO/RO vessel accident in which a passenger RO/RO vessel capsized in Korea. The ABS did not charge for those extra inspections and the AMHS passed all inspection criteria.

Bellingham Passenger Walkway Ramp

The Bellingham passenger walkway ramp which was damaged during this past year is currently being repaired. The State of Alaska and the Port of Bellingham has shared the cost of the repairs. Captain Falvey has worked with DOT&PF Procurement to amend the line handling contract to add the handling of the pedestrian gangway by the line handling crew to that contract. The passenger ramp should be in operation for the summer 2015 season.

Evacuation Slides

All ships are now installed with state of the art evacuation slide escape systems.

Summer Schedule 2015

Teleconferences for the summer 2015 season for the Southeast and Southwest were held Thursday, September 25, 2014 to take public input on the summer 2015 schedule. The summer 2015 schedule went live for booking in October 2014.

Summer 2015 –South Mitkoff - Coffman Cove

Commencing with the summer 2015 schedule, either the Lituya or the LeConte will run once a month from South Mitkoff to Coffman Cove to South Mitkoff. This is to demonstrate use of the terminals which will avoid pay back of more than 15 million in federal transportation funds that paid for the construction of the Coffman Cove and South Mitkoff terminals.

Stowaways and Vessel Security

As homeland security becomes more of a concern to the USCG, there is an increased awareness of both stowaways, i.e. those gaining access without tickets, and passengers riding beyond their ticketed departure ports. In response, we have adjusted our Security Plans, stepped up vehicle boarding inspections, and have begun prosecuting offenders on a case by case basis. It is hoped that the new reservations and manifest system will assist in our overall security efforts.

Terminal Security Cameras

This project continues with the programmed onsite preventative maintenance of our existing internal and external fixed and pan-tilt-zoom security video cameras and associated equipment, such as video archives, hardware, back-up power, distribution panels, network connections, remote monitoring, computer workstations, monitors, and remote monitoring stations. This project is ongoing. We also have commissioned a new security camera system at the Annette Bay Terminal.

New Employee Hiring

The Passenger Services Department is preparing to hire approximately 45 new employees for the upcoming 2015 summer operating season. This number has been reduced from the prior estimate of 75 new employees; this reduction is due to anticipated operating budget reductions.

Information Technology Merger

DOT&PF has made the decision to merge all of the various DOT&PF IT groups working in the Southeast, Central and Northern regions, along with the AMHS, International Airport System, and Headquarters IT groups into a new division. The Director for the new division has been selected and began work on October 20, 2014. The goal of this merger is to create an Information Technology System within DOT&PF that is consistent and seamless throughout all of DOT&PF.

Stability Software and Spreadsheets

The trim and stability books for the Malaspina and Matanuska have been updated and approved, and we are awaiting USCG approval of a new Taku stability book. We are also considering converting from a spreadsheet format to a computer based stability program for the ships.

Salvage/Marine Firefighting

The salvage and marine firefighting contract with Marine Response Alliance Company has been completed and signed.

Non Tank Vessel Response Plan/SOPEP Consolidation

We have received USCG approval of our new (NTVRP) Non Tank Vessel Response Plan. This new plan replaces the old SOPEP Plan. We now have a single plan to maintain, as opposed to two separate plans. This new single plan will be much easier to maintain, track and update.

New Five Year Vessel Security Plan

Our new consolidated Vessel Security Plan has been approved by the USCG. This is a major improvement to our old Vessel Security Plans. We will also begin working with a subcontractor to develop a new five year Facility Security Plan, which is due during 2015.

Passengers with marijuana aboard AMHS ships

Recently, voters in Alaska approved a referendum making possession of one ounce or less of marijuana legal under state law. Per federal law the possession of any quantity of marijuana is illegal. In short, state and federal law are in direct conflict insofar as they concern possession and transportation of less than one ounce of marijuana by an AMHS customer.

Given this conflict, AMHS management has worked on formulating a policy that conforms to state law, yet does not undermine the core concerns of federal law and policy. This effort included conferences between AMHS management and Alaska Attorney General's Office, with U.S. Coast Guard and DEA personnel.

As a result of those discussions, AMHS has adopted the following policy regarding marijuana aboard AMHS vessels:

- Possession and Transportation:

- If AMHS determines a passenger possesses or is transporting marijuana:
 - < 1 ounce of marijuana, AMHS will take no action;
 - >1 ounce of marijuana, AMHS will report the matter to U.S. Coast Guard and local law enforcement.

- Public Consumption:
 - Passenger:
 - AMHS will inform passenger that any consumption aboard an AMHS vessel is illegal and the passenger must immediately cease;
 - If the passenger refuses to obey, AMHS will report the matter to U.S. Coast Guard and local law enforcement.

- Crewmembers:
 - All vessel personnel remain subject to AMHS' Drug & Alcohol Policy regardless of the state's legalization of marijuana, and therefore marijuana remains illegal for a vessel crew member to possess or consume.

Terminals

Annette Bay Ferry Terminal Improvements

This project will consist of a new 4-pile mooring dolphin to the east of the existing marine structures, and will install a new secondary egress stairway on the existing marine structure, along with improvements to the storage room space in the existing storage room/waiting shelter building. This additional dolphin will allow the IFA vessels safe docking during times when they are relieving the Lituya. This project is planned to be completed in August 2015. Note: At this time the larger IFA vessel cannot safely dock at the Annette Bay Terminal until this additional dolphin is added. Until the new dolphin is installed, the IFA vessel will operate out of the old Port Chester dock when relieving the Lituya.

Haines Ferry Terminal Improvements

This project will remove the existing deteriorated cellular sheet pile bulkhead structures and replace them with a riprap slope and a pile supported mooring dolphin and fender system and associated access structures. The work includes offshore dredging to provide sufficient water depths along the face of the berth for safe vessel use. Additional upland areas will also be developed to offset land area losses as a result of the removed sheet pile dock structures and to allow reconfiguration and expansion of the uplands for the provision of two separate vehicle staging areas. Upland work further includes the provision of retaining wall structures, relocation of the generator and storage building structures and utility work. The project will not close the ferry terminal, however in order to complete the work, starboard side berthing will be unavailable the entire summer of 2015. While starboard side berthing is unavailable, the FVF vessels will be unable to berth in Haines. The expected completion of the phase one project is December 2016.

Haines End Berth

This project will consist of design and construction of two bow/stern loading docks for berthing existing AMHS vessels as well as the Alaska Class Ferries. Shore side and uplands improvements will also take place. This project is expected to be completed in June of 2017.

Homer Ferry Terminal Improvements

This project will refurbish the existing fender structures along the face of the dock to minimize abrasion and damage that is occurring from ferry vessel contact and place five new fender structures along the face of the dock to decrease the spacing between fenders. The current fender structures are too far apart to accommodate the vessels. The plan is to replace and/or modify an existing mooring dolphin to allow safer turning movements by the ships. The project will also make minor improvements to existing mooring bollards that are mounted to the dock surface in order to better accommodate attachment of vessel mooring lines. The project is expected to be complete December 2015.

Auke Bay Ferry Terminal Improvements

This project will replace the existing pile supported mooring dolphin structures that have deteriorated from age and vessel impact. This project will also place new cathodic protection anodes on all remaining offshore mooring structures to insure the integrity of the existing vessel mooring structures from ongoing structural deterioration due to corrosion. Other improvements include modification, refurbishment, and restoration of access catwalks and associated electrical utilities as may be necessary. This project is expected to be completed in December 2015.

Kake Ferry Terminal Improvements

This project will replace the existing transfer bridge and associated bridge support float and related infrastructure. The project will also refurbish an existing rock slope that abuts the terminal uplands and bridge abutment and install new cathodic protection anodes on all offshore pile supported mooring structures. This project is expected to be complete in December 2015.

Kake Ferry Terminal Passenger Facility

This project is currently planned to construct a new passenger terminal building and restrooms, improve upland parking and staging areas along with placement of new sewer and water utilities.

Kodiak Ferry Terminal Improvements

This project will consist of the reconstruction of the existing Pier 1 multi-use dock facility. It includes the replacement of the aging timber dock with a new, modern dock structure and associated mooring and fender system. We had initially shifted the Tustumena operation to Pier 2, although the demolition of the existing Pier 1 dock facility was suspended in order to research how to mitigate Steller sea lion impacts to the project schedule. Currently, dock demolition and pile installation cannot proceed if marine mammals are present within a 350 meter exclusion area around the project site. Since the project began, Steller sea lions have had a nearly continuous presence within the exclusion area. Their presence has the potential to delay construction of the new dock and further disrupt Alaska Marine Highway System's use of the Pier 1 facility. As such, the Department is researching periods in which the sea lions are present and is currently looking into permits from the National Marine Fisheries Service. The Department suspended demolition work on the Pier 1 dock facility in order to preserve its ability to use the facility for Alaska Marine Highway System ferries should a protracted delay occur. The project is expected to be complete in June 2016.

Angoon Ferry Terminal Passenger Facility

This project will construct a new passenger terminal building and restroom structure, and will expand the upland vehicle and pedestrian staging and access areas.

Prince Rupert Ferry Terminal Replacement

This project will remove and replace the existing deteriorated ferry terminal marine structures at the existing site. Items include the transfer bridge, abutment, float/lift system, mooring structures and access catwalk. The project was advertised in November 2014 and withdrawn due to Buy America Steel associated issues.

Skagway Ferry Terminal Modifications

After the April 24, 2014 sinking of the float, the float was raised. DOT&PF had the opportunity to conduct a complete survey of the float and it was determined that renovation would be favorable over replacement. The Municipality of Skagway has a 5/12 ownership of the float and will be billed for their portion of the salvage and the repairs needed after the sinking. Skagway will also fund a 5/12 share of the upcoming renovation project. The repairs cost 1.0 million and 2.0 million of federal funding is available for the renovation. The project will move forward with making improvements and restoration to the existing float structure so that the float is suitable for pedestrian, vehicle and vessel use. This project will conduct a detailed inspection and analyze the existing float structure and associated mooring, utility and other components. It will then proceed with the restoration of the anchor chains, anchors and hawser penetrations. Also to be restored are the fuel, water, electrical lines, side berth fender systems, vehicle

ramp and lift system and float deck restoration along with other concrete repairs. The work will also seal off all penetrations below the main deck level, improve the bridge bearing system by replacing rollers which will help mitigate steep bridge and transition plate grades and conduct transfer bridge corrosion proofing, and repainting. Construction should be complete in December 2016.

Ketchikan Terminal

This project consists of the replacement of existing vessel berthing and mooring structures, placement of a new turning dolphin between berths 1 and 3, refurbishment of fendering and platform components at the berth #3 float, construction of a new pedestrian covered walkway structure over the existing sidewalk from the terminal building to the berth #3 approach, and the placement of cathodic protection anodes on existing pile supported structures at berths #1 and #3. This project is expected to be complete in November 2016.

Ward Cove Layup and Working Berth Facility for AMHS and NOAA

The final geo technical and soils characterization reports have been filed. Environmental permitting is underway and should be in place during spring 2015. Bolles Ledge will be removed during summer of 2015. Various wasted steel structures will also be removed via a coastal clean-up grant. It is assumed there will be enough funds remaining to design the facility after the Bolles Ledge is removed, although additional funding totaling approximately \$19 million will be needed before the facility can be constructed.

AMHS Gustavus Terminal Improvements

In December 2013, a storm damaged the facility. The design and environmental document work is underway and the project should be complete in September 2016.

Tenakee Springs Dock Replacement

This project will replace or relocate the Tenakee Springs dock. The environmental documents completion date is expected to be March 2015, with a construction completion date of December 2016. Various options for the repair and upgrading of the existing structure or other possible locations for a new structure are being reviewed by AMHS management.



Alaska Department of Transportation & Public Facilities

MTAB Presentation – Reservations & Manifest System

Captain Mike Neussl, Deputy Commissioner
Captain John Falvey, AMHS General Manager
Matt McLaren, Business Development Manager

April 8, 2015

THE CARUS SOLUTION



- Carus works with 28 ferry operators spread over 13 countries
 - Operators in the Baltic, UK, mainland Europe, Africa, Australia, and the US
 - Clients cover every aspect of the ferry industry and operate virtually every type of vessel

THE CARRES SYSTEM



- The CarRes system will allow AMHS to:
 - Automate check-in and boarding as needed
 - Create routines for Customer Relationship Management
 - Apply industry standards for business processes and streamlined operations in:
 - Ticketing, e-tickets, and ticketless travel
 - Check-in & boarding via the use of handheld wireless scanners to check in vehicles and passengers
 - Automation of processes
 - Integration with other AMHS/SOA systems



PROJECT STATUS

- Project is on schedule and progressing as planned
- Training on the system has been ongoing since November 2014. Train the trainer sessions will begin early June 2015.
- Development of the system to meet AMHS' needs is 50% complete and will continue through early summer 2015
- Hardware is being received and tested. Hardware will begin being installed on-site in late Spring 2015
- Phased Implementation Plan – “Go-Live” as follows:
 - July 13th, 2015: Opening of Winter 2015 schedule with select call center agents
 - October 1st, 2015: Full implementation with all shore-side personnel
 - Vessel implementation will be coordinated with winter layout

Questions?

Captain John Falvey - General Manager
Alaska DOT&PF, AMHS
(907) 228-7250
John.Falvey@Alaska.gov

Matt McLaren – Business Operations Mgr
Alaska DOT&PF, AMHS
(907) 228-7274
Matt.McLaren@Alaska.Gov