

Captain Red, Inc.
Request for Proposals:
Supply of
Marine Main Engines & Gear Boxes
and
Auxiliary Generators



Released November 2, 2009

Response Due Date: November 17, 2009

Remit Response To:

M.J. Bradley & Associates, LLC
1000 Elm Street, Suite 202
Manchester, NH, 03101
Attention: **Mr. Dana Lowell**

1 INFORMATION FOR PROPOSERS

1.1 Minimum Requirements

Further detail regarding proposal content is provided in Section 3. However, proposals in response to this RFP must include, at a minimum, the following:

- (1) A Cover Letter containing:
 - a. Name and address of the Proposer, and an original signature on the Cover Letter by an authorized representative on behalf of the Respondent;
 - b. Name(s), title(s) and telephone number(s) of the individual(s) who are authorized to negotiate and execute the Contract;
 - c. Name, title and telephone number of a contact person to which **Captain Red, Inc.** can address questions or issues related to this RFP.
 - d. Brief description of the equipment and services offered by the Bidder.
 - e. Location of nearest service outlet (address, point of contact name and phone number) for the equipment proposed to be supplied
- (2) At least one completed and signed Pricing Form (Attachment A).
- (3) A manufacturer's brochure and/or data sheet for all equipment (main engine, gear box, auxiliary generator) proposed to be supplied
- (4) Manufacturer's standard warranty language for all equipment proposed to be supplied
- (5) Proposed delivery schedule for all equipment offered, and proposed schedule and duration for equipment installation, if installation services are offered.

Responses must be received no later than 3:00 PM EST on November 10, 2009 and must be transmitted in a sealed envelope addressed as follows:

M.J. Bradley & Associates, LLC
1000 Elm Street, Suite 202
Manchester, NH, 03101
Attention: Mr. Dana Lowell

1.2 Organization of this RFP

This document solicits bids for supply of **marine propulsion engines, gearboxes, and auxiliary generator sets.**

Respondents may submit bids to include any combination of equipment and services, however, bid costs for each must be itemized and severable. Supply of main propulsion engines must include labor support by proposer for vessel start-up, commissioning and sea trial.

Proposers may also bid on complete installation services as a separate line item. **Captain Red, Inc.** reserves the right to perform hardware installations using in-house resources, or separately contracted shipyard services.

This section, *Information for Proposers*, contains general background information regarding the scope of the project and details concerning the target vessel. Sections 2 and 3 provide specific requirements of the requested bids, including technical specifications on the individual hardware systems, vendor responsibilities, and submission requirements. Section 4 contains administrative provisions for this RFP.

1.3 Summary of Project Scope

Captain Red, Inc. is undertaking an emission reduction program that includes outfitting the *Captain Red* with new main propulsion engines, gearboxes and auxiliary generator sets.

The *Captain Red* is not an ABS classed vessel.

The *Captain Red* is a U.S. Coast Guard (USCG) inspected vessel and is regulated as a small passenger vessel following the guidelines of the Code of Federal Regulations (CFR) to meet Subchapter K requirements. All equipment quoted must meet the regulation dictated in 46 CFR for Subchapter K small passenger vessel construction requirements for main propulsion and generator prime movers.

1.4 Background & Context

On March 19, 2009, the U.S. Environmental Protection Agency (EPA) published a request for applications (EPA-ARRA-OAR-OTAQ-09-06) as part of the National Clean Diesel Funding Assistance Program, authorized under the Energy Policy Act of 2005 (Public Law 109-58) and the American Reinvestment and Recovery Act (Public Law 111-05), to offer funding assistance for projects designed to reduce diesel emissions and at the same time, promote the preservation and/or creation of jobs and economic recovery.

Partnering with Captain Red, Inc. and eight other marine vessel owners, the Northeast States for Coordinated Air Use Management (NESCAUM) submitted three applications to EPA for funding to replace main and auxiliary engines on 13 vessels. Additional detail on all of the vessels included in the NESCAUM project is provided in Appendix B. In general, the projects will replace existing pre-regulation “Tier 0” auxiliary and/or main propulsion marine engines with new, comparably sized EPA Tier 2 or Tier 3 certified engines¹.

As part of the overall project, M.J. Bradley & Associates, LLC (MJB&A) will be issuing RFPs for each of the 13 vessels. This RFP is one of multiple RFPs that will be issued under the wider scope of the NESCAUM marine vessel engine repowering projects.

¹ The term *Tier 2* as it is used here is the same term as it is used in 40 CFR 94. One project will involve replacement with *Tier 3* certified engines, also defined in 40 CFR 94.

1.5 Vessel Profile

The *Captain Red* operates out of Rockaway, Queens and is used for weekday commuter ferry service between the Rockaways and Wall Street in Manhattan.

The *Captain Red* is not an ABS classed vessel.

The *Captain Red* is a U.S. Coast Guard (USCG) inspected vessel and is regulated as a small passenger vessel.

This project will repower the *main propulsion engines and auxiliary generators* on the *Captain Red*, with new, EPA Tier-2 certified engines; the existing engines to be replaced are all pre-regulation Tier 0 engines.

The vessel and existing equipment is described below in Table 1. See Appendix C for a drawing of the existing engine room equipment layout.

| A. Vessel Information | | | | | |
|---|---------------------|-------------------|----------------------|------------------------|-------------|
| name | CAPTAIN RED | displacement (lb) | 128,000 | water line length (ft) | 88.8 |
| hull form | V-type Displacement | | | | |
| B. Existing Main Propulsion Engines (to be replaced) | | | | | |
| number | 3 | model year/make | 1995 Detroit Diesel | Model | 12V92 TAD/D |
| rated HP | 1100 | maximum RPM | 2150 | cruising RPM | 1750 |
| B. Existing Gear Boxes (to be replaced) | | | | | |
| make | NICO-NIIGATA | model | MGN272X-1 | reduction ratio | 2.04:1 |
| C. Existing Propellers (to be retained) | | | | | |
| Number of blades | 4 | Size | 34' x 34' | Cupped blades | NO |
| D. Existing Auxiliary generators (to be replaced) | | | | | |
| number | 2 | make | Isuzu | Model | 4BDI |
| rated power | 30 kw | output voltage | 240/120 VAC, 3 phase | | |

1.6 Bid Options

This RFP is a request for equipment and services necessary for the repowering of main propulsion engines, gearboxes and auxiliary gensets. Respondents are encouraged to offer bid pricing for any of the following options, and are not limited to a single equipment offering (e.g., if more than one engine model is suitable for the vessel, multiple Pricing Forms for Option 1 can be provided):

- **Option 1** – Supply three (3) new main propulsion engine(s) delivered FOB to the shipyard/marina where the equipment is to be installed. This option requires bidder involvement with vessel commissioning and sea trials.

Bidder will also be responsible to remove from the shipyard and dispose of the old engines removed from the vessel. These engines must be destroyed, made permanently inoperable, or returned to the factory to be remanufactured to a Tier 2 or higher emission standard (see Section 3). Any salvage value or core credit should be credited against the price of the new engines.

- **Option 2** – Supply three (3) new gearboxes for the vessel, delivered FOB shipyard/marina.

Bidder will also be responsible to remove from the shipyard and dispose of the old gear boxes removed from the vessel. Any salvage value or core credit should be credited against the price of the new gear boxes.

- **Option 3** – Supply two new (2) auxiliary generator set(s) delivered FOB to the shipyard/marina where the equipment is to be installed. This option requires bidder involvement with vessel commissioning and sea trials.

Bidder will also be responsible to remove from the shipyard and dispose of the old generator sets removed from the vessel. The engines in these generator sets must be destroyed, made permanently inoperable, or returned to the factory to be remanufactured to a Tier 3 or higher emission standard (see Section 3). Any salvage value or core credit should be credited against the price of the new engines.

- **Option 4** – Complete installation services for installation of the new main engines and gearboxes at the shipyard/marina
- **Option 5** – Complete installation services for installation of the new auxiliary generator sets at the shipyard/marina

Respondents may team to offer any combination of equipment and installation services as identified above.

1.7 Fuel

The vessel(s) currently operate on low sulfur marine diesel fuel with nominal 500-ppm sulfur content.

2 BID REQUIREMENTS

The *Captain Red* is a U.S. Coast Guard (USCG) inspected vessel and is regulated as a small passenger vessel following the guidelines of the Code of Federal Regulations (CFR) to meet Subchapter K requirements. All equipment quoted must meet the regulation dictated in 46 CFR for Subchapter K small passenger vessel construction requirements for main propulsion and generator prime movers.

2.1 Bid Technical Specifications

Option 1: Main Propulsion Engine(s)

- The main engines to be provided must be an equivalent replacement to the existing engines (nominal rating of 1100 HP each). Rated horsepower for the new engines can not be more than 1300 HP.
- The main engines must be new, and must be certified to EPA Tier 2 levels or cleaner. Tier 2 certified engines that can demonstrate that emission performance exceeds Tier 2 standards (e.g., approaches or meets Tier 3) will be given preferential consideration.
- Each engine must be able to produce a minimum of 1100 hp at 2150 rpm, and rated as appropriate to accommodate operation in excess of 2,000 hours per year.
- The engines must be delivered complete FOB to *Hilton's Marina, 54 Merrimac Street, Newburyport, MA 01950*.
- The engines must include exhaust silencers that are, at a minimum, functionally equivalent to the silencers on the existing engines.
- The engines may include a separate heat exchanger for a separate circuit after cooler, if required. All modifications to the vessel's existing sea chest or cooling piping will be performed as part of the separate installation services.
- The engine should utilize the existing engine foundation with minimal modification.
- A recommended lifetime maintenance schedule must be included, including pricing of replacement parts at each service interval.
- At a minimum, equipment vendors must provide the following services in support of the installation:
 - Equipment delivery to the owner's preferred location
 - Torsional Vibration Analysis
 - Oversee installation and alignment

- Start-up and Commissioning
- Sea Trials
- Warranty terms must be clearly defined.
 - Warranty period shall commence upon a demonstrated successful sea trial.
 - Pricing for an extended warranty may be included.

Option 2: Gearboxes

- The gearboxes to be provided must be functionally equivalent to the existing gear boxes in the vessel.
- The gearboxes must be compatible with the engines proposed in Option 1.
- Each gearbox must provide an appropriate turndown ratio to maintain existing performance, at a minimum. Current gearboxes have a turndown ratio of 2.04:1 and current main engines have a cruising speed of 1750 rpm.
- The gearboxes must be delivered complete FOB *Hilton's Marina, 54 Merrimac Street, Newburyport, MA 01950*.
- A recommended lifetime maintenance schedule must be included, including pricing of replacement parts at each service interval.
- Warranty terms must be clearly defined.
 - Warranty period shall commence upon a demonstrated successful sea trial.
 - Pricing for an extended warranty may be included.

Option 3: Auxiliary Gensets

- Each genset must be capable of providing at least 30 kW of power.
- The engine portion of each genset must be able to achieve this power rating in continuous duty.
- Electrical output of each genset must be 240/120 VAC, 3-phase.
- The engine portion of each genset must be certified to meet EPA's current emission standards (Tier 2 or Tier 3, as applicable).
- A recommended lifetime maintenance schedule must be included, including pricing of replacement parts at each service interval.
- Warranty terms must be clearly defined.

- Warranty period shall commence upon a demonstrated successful sea trial.
- Pricing for an extended warranty may be included.

Option 4: Installation Services – Engines and Gear Boxes

- **Captain Red, Inc.** may contract for physical installation of supplied equipment separately under a separate procurement.
- As an option, the equipment vendor may also offer additional services for installation of new engines and gear boxes.
- If offered, ENGINE AND GEAR BOX installation services shall include:
 - Drain all engine fluids and disconnect old engines and gear boxes from all electrical, fluid, and exhaust connections.
 - Disconnect old engines and gear boxes from engine foundations and prop shafts. Remove old exhaust silencers.
 - Supervise hoisting of old engines and gear boxes out of vessel and hoisting of new engines and gear boxes into vessel.
 - Align and connect new engines and gear boxes to engine foundations and prop shafts, including any modifications to the engine foundations that are required.
 - Connect new engines to all electrical, fluid, and exhaust connections, including installation of new heat exchanger for a separate circuit after-cooler, if required. Install new exhaust silencers.
 - Engine testing, start-up, commissioning, and sea-trials.

Vendor shall supply all labor, tools, parts, fluids and supplies required to accomplish removal of old engines and installation of new engines as described above, including any welding or cutting required on engine foundations.

The following services will be supplied by others (ship yard) to accomplish engine installation; engine vendor will not be required to perform these services as part of the engine installations:

- Opening all deck hatches and/or creating new deck openings by cutting to allow access to engine compartment
- Hoisting old engines from vessel and hoisting new engines into vessel
- Closing all deck hatches and repairing deck openings to restore original deck configuration.

Option 5: Installation Services – Auxiliary Generators

- **Captain Red, Inc.** may contract for physical installation of supplied equipment separately under a separate procurement.

- As an option, the equipment vendor may also offer additional services for installation of new auxiliary generators.
- If offered, AUXILIARY GENERATOR installation services shall include:
 - Drain all engine fluids and disconnect old auxiliary generators from all electrical, fluid, and exhaust connections.
 - Disconnect old auxiliary generators from vessel
 - Supervise hoisting of old auxiliary generators from out of vessel and hoisting of new auxiliary generators from into vessel.
 - Connect new auxiliary generators to all electrical, fluid, and exhaust connections.
 - Auxiliary generator testing, start-up, commissioning, and sea-trials.

Vendor shall supply all labor, tools, parts, fluids and supplies required to accomplish removal of old auxiliary generators and installation of new auxiliary generators as described above, including any welding or cutting required.

The following services will be supplied by others (ship yard) to accomplish engine installation; engine vendor will not be required to perform these services as part of the engine installations:

- Opening all deck hatches and/or creating new deck openings by cutting to allow access to engine compartment
- Hoisting old auxiliary generators from vessel and hoisting new auxiliary generators into vessel
- Closing all deck hatches and repairing deck openings to restore original deck configuration.

3 **VENDOR RESPONSIBILITIES**

1. Vendor will provide a clearly defined delivery schedule for Free on Board (FOB) delivery at the preferred location.
2. Purchased material will be shipped to **Captain Red, Inc.**'s preferred installation location at the following physical address:

Hilton's Marina
Attention: Mr. George Hilton
54 Merrimac Street
Newburyport, MA 01950

3. As a condition of the federal funding for this project, main and auxiliary engines that are replaced must be rendered permanently inoperable, or returned to the factory for remanufacture to compliance with Tier 2 or higher EPA emission standards. MJB&A will coordinate with the equipment vendor to document and certify that the existing engines are disabled.

If engines will be remanufactured, the engine manufacturer shall provide a signed, notarized letter indicating the emission standard to which the engine will be remanufactured and how the emissions upgrade will be achieved, and referencing the specific engine to be remanufactured by engine manufacturer name, model number, model year, and serial number.

4. Title to all material and equipment provided in accordance with the contract shall transfer to **Captain Red, Inc.** upon receipt of such material and equipment by **Captain Red, Inc.** at the facility designated herein for delivery contingent on payment.
5. At a minimum, all components provided must have a 90-day no fault warranty and a 1-year defect warranty. The warranty period will begin on the day that the vessel completes a successful sea trial.
6. The equipment vendor shall provide appropriate EPA certification materials to document the claimed emission performance.
7. The equipment vendor shall provide written manuals and full documentation (up to 3 copies) for the new engine(s), gearbox(es), and genset(s), including but not limited to the following:
 - a. maintenance manual including requirements/procedures,
 - b. any special tools required in performance of maintenance duties, and
 - c. recommended spare parts list including manufacturer part numbers.

3.1 Submission of Proposal

NESCAUM has engaged M.J. Bradley & Associates, LLC to assist in the RFP process and has authorized them to receive questions and bid packages. Please submit 3 printed copies of your proposal (one reproducible original containing original signatures and clearly designated as such, and two (2) copies) in a sealed envelope in accordance with the information on the cover page of this RFP. Proposals must be received no later than **3:00 PM EDST, November 17, 2009.**

The proposal shall be clear and concise.

NESCAUM, **Captain Red, Inc.**, MJB&A and their representative(s) assume no responsibility for delays caused by any delivery service.

Late responses will not be accepted unless proposer can show that the response was put in transit no later than 5:00 PM on the day prior to the due date and that late receipt was due to failure of the delivery company to meet its contractual obligation for timely delivery.

Responses must be in a sealed envelope addressed as follows:

M.J. Bradley & Associates, LLC
1000 Elm Street, Suite 202
Manchester, NH, 03101
Attention: Mr. Dana Lowell

3.2 Communications Regarding this RFP

All questions regarding this RFP must be submitted in writing to Mr. Dana Lowell via email (dlowell@mjbradley.com), mailed to the address above, or sent by facsimile (603-647-0929) no later than 3:00 p.m. EDST on November 10, 2009.

If interpretation or other information is required, it will be communicated to proposers by written addenda and such writing shall form a part of this RFP.

3.3 Proposal Rejection or Acceptance

Acceptance shall be only by mail to, or delivery at, the office designated by the Proposer in its proposal, a notice in writing signed by an authorized representative on behalf of **Captain Red, Inc.** specifically stating that the proposal is accepted, or by execution of an agreement covering the subject matter of this solicitation signed by authorized representatives of **Captain Red, Inc.** and the Proposer. No other act of **Captain Red, Inc.**, its officers, agents, representatives, or employees shall constitute acceptance of a proposal. Rejection of a proposal shall be only by either (a) a notice in writing specifically stating that the proposal is not accepted, signed by an authorized representative of **Captain Red, Inc.** and mailed to or delivered to the Respondent at the office designated in the Proposal, or (b) omission of **Captain Red, Inc.** to accept the proposal within 180 days after the Proposal Due Date. No other act of **Captain Red,**

Inc., its officers, agents, representatives or employees shall constitute rejection of a proposal.

3.4 Proposal Submission Requirements

In order to expedite the evaluation of proposals the Proposer's response to this solicitation must comply with the format and content identified as follows. This includes order of items and paragraph identifiers, as set forth below.

3.4.1 Cover Letter

The Proposer shall submit a letter on its letterhead, signed by an authorized representative, stating its experience and qualifications in meeting the requirements of this RFP.

The Cover Letter shall contain:

- (1) Name and address of the Proposer and an original signature on the Letter of Application by an authorized representative on behalf of the Respondent;
- (2) Name(s), title(s) and telephone number(s) of the individual(s) who are authorized to negotiate and execute the Contract;
- (3) Name, title and telephone number of a contact person to which **Captain Red, Inc.** can address questions or issues related to this RFP.

3.4.2 Agreement on Terms of Discussion

By submitting a proposal, bidder hereby agrees to the Terms of Discussion.

3.4.3 Project Timeline

The proposer must submit a timeline showing project milestones, as applicable, including, but not limited to: date of equipment manufacture, date of delivery, and start and end dates of installation. The timeline does not need to show specific calendar dates, and can be referenced as days/weeks from time of award.

Captain Red, Inc. has scheduled a tentative dry dock time of **February 1 – March 1, 2010** for the *Captain Red*, and would prefer to be able to meet this schedule for engine installation. If proposers can not meet this schedule due to manufacturing lead time for main engines and/or gear boxes, proposers should provide a firm delivery schedule and installation as close as possible to this preferred time window. Consideration may be given during proposal evaluation for proposals with an advantageous delivery and installation schedule.

3.4.4 Acknowledgment of Addenda

If any Addenda are issued with respect to this solicitation, the Proposer shall initial and include with its Proposal the addenda form(s). In the event any Proposer fails to conform to these instructions, its proposal will nevertheless be construed as though the Addenda had been acknowledged.

3.4.5 Pricing Form(s)

The Proposer shall use the form(s) in Attachment A, as appropriate, to submit a summary of the proposed pricing for their offering. Pricing shall be FOB shipyard/marina at the address identified in Section 3.

Unit pricing for installation services is identified as a line item on the cost form and should be completed if the proposer is offering this service.

3.4.6 Small Contractor and Minority Business Enterprise Goals

Small/Minority/Women/Disabled Business Enterprises (SBE/MBE/WBE/DBE) are encouraged to submit responses directly or be utilized as subcontractors. Proposals with greater than 5 percent SBE, MBE, WBE, and/or DBE content will be rated more favorably. If the SBE, MBE, WBE and/or DBE will be used as a subcontractor, the proposal must clearly identify the firm and anticipated financial participation.

4 TERMS AND CONDITIONS FOR THE SUBMISSION OF A PROPOSAL

In addition to all other requirements of this solicitation, the Proposer agrees to the following conditions for the submission of its proposal.

Changes to the solicitation

At any time, in its sole discretion, Captain Red, Inc. may by written addenda, modify, correct, amend, cancel and/or reissue this solicitation. If an addendum is issued prior to the date proposals are due, it will be provided to all parties to whom solicitations were mailed. If an addendum is issued after proposals have been received, the addendum will be provided only to those whose proposals remain under consideration at such time.

Proposal Preparation Costs

Captain Red, Inc. shall not be liable for any costs incurred by the Proposer in the preparation, submittal, presentation, or revision of its proposal, or in any other aspect of the Proposer's pre-contract activity. No Proposer is entitled to any compensation except under an agreement for performance of services signed by an authorized representative of Captain Red, Inc. and the Proposer.

Disclosure of Proposal Contents / Use of Ideas and Materials

Proposal information is not generally considered confidential or proprietary. All information contained in the proposal is subject to the "Agreement on Terms of Discussion". Captain Red, Inc., however, does not intend to publish cost data received.

Ownership of Submitted Materials

All materials submitted in response to or in connection with this solicitation shall become the property of Captain Red, Inc.. Selection or rejection of a Proposal shall not affect this right.

Prices to Include

By submission of a Pricing Form in response to this RFP, proposers commit to providing complete engine, gearbox or genset packages, including installation kit, in compliance with all technical specifications and Terms and Conditions herein, for the prices noted. Such prices shall remain in effect for any devices ordered by Captain Red, Inc. between November 1, 2009 and December 31, 2009.

Warranty

The vendor (and as appropriate, the manufacturer) shall warrant all equipment, including the elements of the installation kit, to be free of defects and shall warrant the device to continue to operate as designed for a minimum period of one (1) year from the date the vessel successfully completes a sea trial.

For all warrantable failures, the manufacturer shall be liable to provide a replacement part or device, or shall reimburse the Captain Red, Inc. the cost of repair or the replacement purchase price.

Conflict of Interest

If the Proposer may have a possible conflict of interest, or may give the appearance of a possible conflict of interest, the Proposer shall include in its proposal a statement indicating the nature of the conflict. Captain Red, Inc. reserves the right to disqualify the Proposer if, in its sole discretion, any interest disclosed from any source could create a conflict of interest or give the appearance of a conflict of interest. Captain Red, Inc.'s determination regarding any questions of conflict of interest shall be final.

Authorized Signature

Proposals must be signed by an authorized corporate officer (e.g., President or Vice President), General Partner, or such other individual authorized to bind the Proposer to the provisions of its proposal and this solicitation.

References

Captain Red, Inc. may consult any reference familiar with the Proposer regarding its current or prior operations and projects, financial resources, reputation, performance, or other matters. Submission of a proposal shall constitute permission by the Proposer for Captain Red, Inc. to make such inquiries and authorization to third parties to respond thereto.

Evaluation Procedures and Negotiation

Only Proposers that meet the prerequisites may have their proposals evaluated, based on the evaluation criteria set forth in this solicitation. Captain Red, Inc. may use such procedures that it deems appropriate to evaluate such proposals. During the period of proposal evaluation, additional information may be requested from one or more Proposers.

Captain Red, Inc. may elect to initiate contract negotiations with one or more Proposers including negotiation of costs/price(s) and any other term or condition, including modifying any requirement of this solicitation. The option of whether or not to initiate contract negotiations rests solely with Captain Red, Inc..

Most Advantageous Proposal/No Obligation to Award

Captain Red, Inc. reserves the right to award a Contract to other than the Proposer proposing the lowest price. Contracts will be awarded to Proposers whose proposals Captain Red, Inc. believes, in its sole discretion, will be the most advantageous to Captain Red, Inc.. Neither the release of this solicitation nor the acceptance of any response thereto shall compel Captain Red, Inc. to accept any proposal. Captain Red, Inc. shall not be obligated in any manner whatsoever to any Proposer until a proposal is accepted by Captain Red, Inc. in the manner provided in the Section of this solicitation entitled "Proposal Acceptance or Rejection."

Multiple Contract Awards

Captain Red, Inc. reserves the right to award multiple Contracts for program participation and Proposers are hereby given notice that they may not be Captain Red, Inc.'s only Awarded Firm.

Payment Terms

Captain Red, Inc. will make payments for all shipped hardware net 45 days of receipt of a proper invoice from the vendor, and proof of delivery to the designated location. For installation services, payment will be made 45 days from successful installation and demonstration of a successful sea trial.

Rights of Captain Red, Inc.

Captain Red, Inc. reserves all its rights at law and equity with respect to this solicitation including, but not limited to, the unqualified right, at any time and in its sole discretion, to change or modify this solicitation, to reject any and all proposals, to waive defects or irregularities in proposals received, to seek clarification of proposals, to request additional information, to request any or all Proposers to make a presentation, to undertake discussions and modifications with one or more Proposers, or to negotiate an agreement with any Proposer or third person who, at any time, subsequent to the deadline for submissions to this solicitation, may express an interest in the subject matter hereof, to terminate further participation in the proposal process by a Proposer or to proceed with any proposal or modified proposal, which in its judgment will, under all circumstances, best serve Captain Red, Inc.'s interest. Captain Red, Inc. may, but shall not be obliged to, consider incomplete proposals or to request or accept additional material or information. The holding of any discussions with any Proposer shall not constitute acceptance of a proposal, and a proposal may be accepted or rejected with or without discussions.

No Proposer shall have any rights against Captain Red, Inc. arising from the contents of this solicitation, the receipt of proposals, or the incorporation in or rejection of information contained in any proposal or in any other document. Captain Red, Inc. makes no representations, warranties, or guarantees that the information contained herein, or in any addenda hereto, is accurate, complete, or timely or that such information accurately represents the conditions that would be encountered during the performance of the contract. The furnishing of such information by Captain Red, Inc. shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Proposer, by submitting its proposal, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold Captain Red, Inc. liable or responsible therefore in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of Captain Red, Inc., its officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Proposer required by this solicitation or Contract and the Proposer agrees that it shall not hold Captain Red, Inc. liable or responsible therefore in any manner whatsoever.

At any time and from time to time after the opening of the proposals, Captain Red, Inc. may give oral or written notice to one or more Proposers to furnish additional information relating to its proposal and/or qualifications to participate in the program described by this solicitation, or to meet with designated representatives of Captain Red, Inc.. The giving of such notice shall not be construed as an acceptance of a proposal. Information shall be submitted within three (3) calendar days after Captain Red, Inc.'s request unless a shorter or longer time is specified therein.

No Personal Liability

Neither the officers of Captain Red, Inc., nor any agent or employee thereof shall be charged personally with any liability by a Proposer or another or held liable to a Proposer or another under any term or provision of this solicitation or any statements made herein or because of the submission or attempted submission of a proposal or other response hereto or otherwise.

ATTACHMENT A
Pricing Forms

Pricing Form

Option 1 – Main Propulsion Engines

| | |
|---|--|
| <p>Captain Red, Inc. <i>Captain Red</i></p> | |
| Proposer’s Company Name: | |
| <i>Engine Information</i> | |
| Manufacturer: | |
| Model: | |
| HP Rating: | |
| Speed (rpm): | |
| <i>Warranty Period / Description</i> | |
| No Fault: | |
| Defect: | |
| <p style="text-align: center;">Unit Price, FOB Newburyport, MA * \$</p> <p style="text-align: center;">Number of Engines x 3</p> <p style="text-align: center;">Total Price \$</p> | |
| <p>SBE, WBE, MBE, DBE Content (%)</p> <p><i>(provide separate sheet that identifies each firm and anticipated financial participation)</i></p> | |

*** – Includes, at a minimum, vendor participation during installation to include: installation oversight, start-up/commissioning, sea trial.**

Please fill out 1 form for each unique engine package offered. If additional forms are required to accurately describe different engine packages, please provide separate pricing forms.

Signed:

Name and Title

Date

Pricing Form

Option 2 – Gearboxes

| | |
|---|------------|
| <p>Captain Red, Inc. <i>Captain Red</i></p> | |
| <p>Proposer’s Company Name:</p> | |
| <p><i>Gear Box Information</i></p> | |
| <p>Manufacturer:</p> | |
| <p>Model:</p> | |
| <p>Turn down ratio :</p> | |
| <p><i>Warranty Period / Description</i></p> | |
| <p>No Fault:</p> | |
| <p>Defect:</p> | |
| <p>Unit Price, FOB Newburyport, MA \$</p> | |
| <p>Number of Gear Boxes</p> | <p>x 3</p> |
| <p>Total Price \$</p> | |
| <p>SBE, WBE, MBE, DBE Content (%) <i>(provide separate sheet that identifies each firm and anticipated financial participation)</i></p> | |

Please fill out 1 form for each unique gearbox package offered. If additional forms are required to accurately describe different gearbox packages, please provide separate pricing forms.

Signed:

Name and Title

Date

Pricing Form

Option 3 – Auxiliary Gensets

| | |
|---|-----------|
| <p>Captain Red, Inc. <i>Captain Red</i></p> | |
| Proposer’s Company Name: | |
| <i>Auxiliary Genset Information</i> | |
| Manufacturer: | |
| Model: | |
| Power rating (kW): | |
| Voltage Output (VAC, phase): | |
| Speed (RPM): | |
| <i>Warranty Period / Description</i> | |
| No Fault: | |
| Defect: | |
| Unit Price, FOB Newburyport, MA | \$ |
| Number of Auxiliary Generators | x 2 |
| Total Price | |
| \$ | |
| SBE, WBE, MBE, DBE Content (%) | |
| <i>(provide separate sheet that identifies each firm and anticipated financial participation)</i> | |

Please fill out 1 form for each unique genset package offered. If additional forms are required to accurately describe different genset packages, please provide separate pricing forms.

Signed:

Name and Title

Date

Pricing Form

Option 4 – ENGINE/GEARBOX Installation Services *

| | |
|---|-----------|
| <p>Captain Red, Inc. <i>Captain Red</i></p> | |
| Proposer’s Company Name: | |
| <p><i>Install 3 Engines and 3 Gear Boxes</i></p> | |
| <ul style="list-style-type: none"> ▪ Drain all engine fluids and disconnect old engines and gear boxes from all electrical, fluid, and exhaust connections. ▪ Disconnect old engines and gear boxes from engine foundations and prop shafts. Remove old exhaust silencers. ▪ Supervise hoisting of old engines and gear boxes out of vessel and hoisting of new engines and gear boxes into vessel. ▪ Align and connect new engines and gear boxes to engine foundations and prop shafts, including any modifications to the engine foundations that are required. ▪ Connect new engines to all electrical, fluid, and exhaust connections, including installation of new heat exchanger for a separate circuit after-cooler, if required. Install new exhaust silencers. ▪ Vendor shall supply all labor, tools, parts, fluids and supplies required to accomplish removal of old engines and installation of new engines as described above, including any welding or cutting required on engine foundations. ▪ The following services will be supplied by others (ship yard) to accomplish engine installation; the following services are not included in this quote: <ul style="list-style-type: none"> ○ Opening all deck hatches and/or creating new deck openings by cutting to allow access to engine compartment ○ Hoisting old engines from vessel and hoisting new engines into vessel ○ Closing all deck hatches and repairing deck openings to restore original deck configuration. | |
| Total Price | \$ |
| SBE, WBE, MBE, DBE Content (%) <i>(provide separate sheet that identifies each firm and anticipated financial participation)</i> | |

* – These are supplemental to the minimum installation services required under Option 1 (installation oversight, start-up/commissioning, sea trial).

Signed:

Name and Title

Date

Pricing Form

Option 5 – AUXILIARY GENERATOR Installation Services

| | |
|---|-----------|
| <p>Captain Red, Inc. <i>Captain Red</i></p> | |
| Proposer’s Company Name: | |
| <p><i>Install 2 Auxiliary Generators</i></p> <ul style="list-style-type: none"> ▪ Drain all engine fluids and disconnect old auxiliary generators from all electrical, fluid, and exhaust connections. ▪ Disconnect old auxiliary generators from vessel ▪ Supervise hoisting of old auxiliary generators from out of vessel and hoisting of new auxiliary generators from into vessel. ▪ Connect new auxiliary generators to all electrical, fluid, and exhaust connections. ▪ Auxiliary generator testing, start-up, commissioning, and sea-trials. ▪ Vendor shall supply all labor, tools, parts, fluids and supplies required to accomplish removal of old auxiliary generators and installation of new auxiliary generators as described above, including any welding or cutting required. ▪ The following services will be supplied by others (ship yard) to accomplish auxiliary generator installation; the following services are not included in this quote: <ul style="list-style-type: none"> ○ Opening all deck hatches and/or creating new deck openings by cutting to allow access to engine compartment ○ Hoisting old auxiliary generators from vessel and hoisting new auxiliary generators into vessel ○ Closing all deck hatches and repairing deck openings to restore original deck configuration. | |
| Total Price | \$ |
| SBE, WBE, MBE, DBE Content (%) <i>(provide separate sheet that identifies each firm and anticipated financial participation)</i> | |

Signed:

Name and Title

Date

Attachment B

NESCAUM Marine Engine Repowering Projects Summary

NESCAUM is a 501(c)(3) nonprofit association of air quality agencies in the Northeast with a mission to provide scientific, technical, analytical, and policy support to the air quality and climate programs of the eight Northeast states. NESCAUM's Board of Directors consists of the air directors of the six New England states (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont), New Jersey, and New York.

Background

On March 19, 2009, the U.S. Environmental Protection Agency (EPA) published a request for applications (EPA-ARRA-OAR-OTAQ-09-06) as part of the National Clean Diesel Funding Assistance Program, authorized under the Energy Policy Act of 2005 (Public Law 109-58) and the American Reinvestment and Recovery Act (Public Law 111-05), to offer funding assistance for projects designed to reduce diesel emissions and at the same time, promote the preservation and/or creation of jobs and economic recovery.

Partnering with nine owners, involving a total of 13 marine vessels, NESCAUM submitted grant applications to EPA, proposing to replace 35 existing pre-regulation "Tier 0" auxiliary and main propulsion engines with new, comparably sized EPA Tier 2 and Tier 3 certified engines.² Three grant applications were submitted to EPA and consolidated and approved by EPA as two grant awards: (1) "Northern New England Marine Engine Repower Project" and (2) "NESCAUM – Marine Ferry and Tug Repower Project". The following summary presents information for eight project partners and 12 marine vessels included in the program.

Northern New England Marine Engine Repower Project

This following information is provided for the majority of vessels included in the project and encompasses the ones included in the initial engine procurement process. This project will repower seven marine vessels operating in the EPA Region 1 air shed in Maine, Vermont, and New Hampshire with new, EPA Tier-2 certified engines; the existing engines to be replaced are all pre-regulation, (i.e. Tier 0) marine engines.

The four private project partners include the vessel owners, Lake Champlain Transportation (two vessels), Winnepesaukee Flagship Corporation (one vessel), Lionel Plante Associates (one vessel) and Interport Towing (three vessels).

² The term Tier 2 as it is used here is the same term as it is used in 40 CFR 94. One project will involve replacement with Tier 3 certified engines, also defined in 40 CFR 94.

Three of the vessels to be repowered under this project are ferry vessels, three are tug boats, and one is a Landmark sight-seeing excursion vessel. A total of nine (9) main engines and seven (7) auxiliary generators will be repowered or replaced. The main engines range in size from 280 hp to 1,230 hp while the auxiliary engines range in size from 54 hp to 120 hp. See the table at the end of Appendix A for a description of the current engines in each vessel.

Lake Champlain Transportation (LCT): Two vessels operating in Vermont, The Champlain (Fairbanks Morse 4-stroke main engines) and the Governor Aiken (12V71 2-stroke main engines), will be repowered.

Lake Champlain Transportation Company is the oldest continuously operating ferry company in the country. It has provided reliable, safe and friendly transportation to the surrounding lake community and to area visitors since 1826. With LCT you can count on crossing the lake all 365 days of the year. Currently there are three crossing locations and 8 ferries. LCT ferries have a combination of stainless steel propellers, reinforced hulls and heavy gears that enable them to navigate winter ice on the Lake.



Champlain



Governor Aiken

The Governor Aiken is a 132-foot double-ended ferry, equipped with a heated bathroom, passenger lounge, and outdoor seating on the lounge deck. This vessel can carry up to 26 cars and is built to carry large trucks weighing up to 40 tons. In the engine room are two Detroit Diesel 12v71 diesel engines coupled to a twin disc MG-514 marine transmission.

Winnepesaukee Flagship Corporation (WFC): One Vessel operating in New Hampshire, The M/S Mount Washington (1946 vintage Enterprise 4-stroke main engines), will be repowered.

Each year, from late May through late October, Mount Washington Cruises offers Scenic Daytime, Sunday Champagne Brunch, Evening Dinner Dance, private Charter and Island Cruises on New Hampshire's Lake



Mount Washington

Winnepesaukee, the largest and most beautiful lake in the state. This crystal clear lake is located at the foothills of the White Mountains in New Hampshire's beautiful Lakes Region. The Mount Washington Cruises fleet consists of the first-class, 230-ft. M/S Mount Washington and two smaller vessels, the M/V Sophie C. and M/V Doris E.

The Mount Washington has undergone many physical changes over the past 57 years. The two most significant were the addition of twin diesel Enterprise engines in 1946, and the addition of 25 feet to her length in 1982.

Lionel Plante Associates (LPA): One Vessel operating in Maine, The Ft. Gaines (three 6v71, 2-stroke main engines, two 3v53 aux generators), will be repowered. The project will repower all five 2-stroke engines in the vessel. The Ft. Gains is a vessel for hire that has operated at one time or another to numerous islands off the Maine coast.



Ft. Gaines

Interport Towing: Three tug vessels operating in Maine, the Lucinda Smith (two 4v71), Eddie R (one 3v71, one 2v71), and Camerons Point (one 2v71), will have 2-stroke auxiliary engines replaced under this project.



McAllister Towing: This project will repower the marine tug McAllister Sisters with new, EPA Tier-2 certified engines. The existing two main propulsion engines and two auxiliary generator engines to be replaced are 1975 model year pre-regulation Tier 0 engines.

Captain Red Inc.: The Captain Red operates as a ferry in the Hudson River and New York Harbor in and around New York City and will have the main engines and auxiliary generators replaced under this project. The Captain Red operates out of Rockaway, Queens and is used for weekday commuter ferry service between the Rockaways and Wall Street in Manhattan.



Spirit Cruises Inc.: The Spirit of New York operates as an excursion vessel in the Hudson River and New York Harbor in and around New York City and will have the main engines and auxiliary generators replaced under this project. The Spirit of New York operates out of the Chelsea Piers on the west side of Manhattan and Lincoln Harbor Marina in Weehawken, New Jersey and is used for sight-seeing and dinner cruises along the Hudson River.

Great Lakes Towing, Inc.: The other two vessels, the Triton and the Punta Borinquen, are tug boats operating from the port of San Juan, Puerto Rico – these vessels will have only their auxiliary generator engines repowered under this project.



Vessels Included in the NESCAUM Engine Repowering Projects.

| State | Sec'dr | Vessel Name | Company Name | Main Engine Info | Auxiliary Engine Info | Objective |
|-------|--------------------|----------------------|------------------------------|---|---|--|
| ME | Ferry | Ft. Gaines | Lionel Plante Associates | Three (3) 6v71 | Two (2) 3V53 | Replace main and auxiliary engines with Tier 2 certified engines |
| ME | Ferry | Margaret Chase Smith | Maine State Ferry Service | Two (2) Caterpillar 3508, 600 hp each | N/A | Replace main engines with Tier 2 certified engines |
| ME | Tug | Lucinda Smith | Interport Towing | N/A | Two (2) Detroit Diesel 471 | Replace auxiliary engines with Tier 2 certified engines |
| ME | Tug | Eddie R. | Interport Towing | N/A | Two (2) Detroit Diesel 371 & 271 | Replace auxiliary engines with Tier 3 certified engines |
| ME | Tug | Cameron's Point | Interport Towing | N/A | One (1) Detroit Diesel 271 | Replace auxiliary engines with Tier 3 certified engines |
| NH | Excursion | Mount Washington | Winnepesaukee Flagship Corp. | Two (2) Enterprise 815, 450 rpm direct, DMG8 | N/A | Replace main engines with Tier 2 certified engines |
| VT | Ferry | Champlain | Lake Champlain Towing | One (1) Fairbanks Morse, 900 hp | N/A | Replace main engines with Tier 2 certified engines |
| VT | Ferry | Gov. George D. Aiken | Lake Champlain Towing | Two (2) Detroit Diesel 12V71 | N/A | Replace main engines with Tier 2 certified engines |
| NY | Tug | McAllister Sisters | McAllister Towing | Two (2) EMD 16-645E6, 1,950 hp each | Two (2) GM 6-71, 200 hp each | Replace main and auxiliary engines with Tier 2 certified engines |
| NY | Captain Red | Ferry | Captain Red Inc. | Three (3) Detroit Diesel 12v92, 1,100 hp each | Two (2) Isuzu 4BDI, 40 hp each | Replace main and auxiliary engines with Tier 2 certified engines |
| NY | Spirit of New York | Excursion | Spirit Cruises Inc. | Two (2) Detroit Diesel 12v71, 539 hp each | Two (2) Detroit Diesel 8v71, 273 hp each | Replace main and auxiliary engines with Tier 2 certified engines |
| PR | Triton | Tug | Great Lakes Towing Inc. | N/A | Two (2) GM 671 | Replace auxiliary engines with Tier 3 certified engines |
| PR | Punta Borrigen | Tug | Great Lakes Towing Inc. | N/A | One (1) Caterpillar D320 One (1) Caterpillar 3304 80 hp each | Replace auxiliary engines with Tier 3 certified engines |

ATTACHEMNT C

Vessel Drawings/Plans – Existing Configuration

