

HMS Ferries, Inc.

Request for Information

HMC Management
Herron Island Homeowners Association

Passenger Ferry Service
Herron Island, WA





HERRON ISLAND FERRY
HMC Management
Request for Information

Mr. Mike Graham
HMC Board President
P.O. Box 119
Lakeybay, WA 98349

Dear Mr. Graham:

HMS Ferries, Inc. is a world class vessel management company, that is interested in competing for a contract to operate the Herron Island Ferry.

In response to your request for information, the following is provided:

1. Company Background

HMS Ferries, Inc. (HMS) is a world leader in passenger vessel operations and has a rich history as a high-quality vessel operator in locations throughout the United States and North America. Our reputation as a collaborator and our success in providing transportation equity and access to waterfront communities is unmatched. HMS provides an exceptional customer service experience and achieves the objectives of a safe and reliable system that you are seeking for the Herron Island ferry service. Last year HMS provided over 2 million guests a memorable experience aboard the many ferry vessels it operates.

HMS's goal is to support the mission and goals of HMC. We consider ourselves full partners, sharing the same vision as HMC in the development of this exciting opportunity. Our experience in maritime hospitality, high quality vessel operations, and our strong safety record will best serve the Herron Island community.

Our corporate strengths lie in our Core Values, which includes a commitment to Innovation. We have introduced leading-edge technologies and concepts to the ferry industry throughout our history, including extensive crew training programs, maximizing operational efficiencies and effective marketing. Our successful technological advances include extensive electronic Management systems, electronic Operational Situation and Incident reporting, on-line training modules, a Customer Service Program, and HMS is the only domestic passenger vessel company to have received an American Bureau of Shipping certification for its Safety Management System. These strengths combine to create an organization that is responsive to our partners, financially stable and constantly seeking improvement.

Adhering to these standards requires daily, weekly and monthly inspections, as well as annual auditing, which provides the company with a support tool for checking operating standards and looking for opportunities for improvement.



HERRON ISLAND FERRY
HMC Management
Request for Information

The HMS Training and Qualification program begins on the employee's first day, and includes a specific focus on maintaining a safe environment for our employees and our guests, while providing first-class customer service.

A key advantage to partnering with HMS is our expert skills to assist our partners and help them achieve their goals. Our programs will be structured around supporting the community and our guests. We place special focus upon environmental and marine transportation matters, including working with our partners to adopt green technology and harbor ecology. For example, in Alabama we are working with the Department of Alabama Transportation to convert a conventional powered car and passenger ferry to an all-battery powered ferry, which will make it the first all battery powered ferry of this magnitude in the United States.

2. Technical Expertise

The key to providing safe, reliable and efficient passenger vessel service begins with strong training and maintenance system. HMS employs HELM Connect Maintenance Software to manage vessel maintenance and related inventories for its entire fleet. The HELM Connect Maintenance system is a web based solution that helps our engineering team manage the maintenance, inspection and repair of systems and equipment to enhance the reliability, safety, and performance of individual vessels and fleets. It provides both the framework and the data content to ensure all of the maintenance and inspection recommendations of the vessel builder, equipment manufacturers, and regulatory agencies are cataloged and performed at pre-established intervals. Vessel systems and equipment that are maintained in accordance with manufacturer's recommendations are less likely to have major equipment failure or vessel damage/loss caused by insufficient/incorrect maintenance, corrosion, chafe, unusual wear, vibration, and other anomalies.

In addition, our Fleet Technical Division, which is comprised of highly experienced and licensed Naval Engineers with over 100 years of combined Naval Engineering expertise, provides technical oversight and expertise of the entire maintenance system. The Fleet Technical Division also supports all major maintenance and repair work.

3. Regulatory

HMS Ferries plays a leadership role in several maritime industry organizations, such as the Passenger Vessel Association, the Ship Operations Cooperative Program, U.S. Coast Guard Area Maritime Security Committees, Harbor Safety Committees, and State Maritime Federations. In addition, HMS Ferries employs several retired senior Coast Guard officers who are recognized Maritime Safety and Security experts.



HERRON ISLAND FERRY
HMC Management
Request for Information

4. Experience

No other passenger ferry operator in the U.S. comes near HMS' level and range of operational experience, technical knowledge, regulatory compliance, can-do spirit and commitment to excellence. HMS has been responsible for twenty-three (23) ferry project start-ups and ferry service operations - both domestically and internationally. Project sites have ranged throughout the U.S., as well as Japan, Trinidad, the Bahamas, and Canada. ***In 2016 HMS Ferries safely carried over two-million guests.***

HMS currently provides a wide range of vessel management services as follows:

Active Clients	Ferries	Type	Capacity	Client Since
City of Jacksonville	1	Pax and Vehicle	204 Pax / 38 Vehicles	1997
Pierce County Ferry	2	Pax and Vehicle	288 Pax / 56 Vehicles 215 Pax / 56 Vehicles	2002
Alabama DOT	2	Pax and Vehicle	149 Pax / 28 Vehicles 149 Pax / 18 Vehicles	2005
Alabama DOT	1	Pax and Vehicle	149 Pax / 15 Vehicles	2007
Central Oklahoma Transportation and Parking Authority (OK)	3	Pax-Only	49 Pax 49 Pax 49 Pax	2009
Military Sealift Command	2	High-Speed Pax/Vehicle	900 Pax / 260 Vehicles 900 Pax / 260 Vehicles	2010
Trust for Governors Island, NY	2	Pax and Vehicle Pax-Only	1,242 Pax / 38 Vehicles 73 Pax	2012
Rock Island Metropolitan Mass Transit District	3	Pax-Only	49 Pax 49 Pax 49 Pax	2015
Delaware River Development Corporation	4	Pax-Only	517 Pax 22 Pax 22 Pax 22 Pax	2015
City of St. Petersburg	1	Pax Only	149 Pax	2016



HERRON ISLAND FERRY
HMC Management
Request for Information

5. Approach to Partnering with Clients

HMS provides each client with the world-class vessel management service they deserve. As a part of our client's team, HMS provides turn-key vessel management through a vast array of Operations and Management Systems that include time-tested processes, procedures, systems, and operating manuals. Our Operations and Management System includes:

- A Safety Management System
- A Safety Cadre
- Vessel Emergency Procedures
- An Operations Plan
- An Electronic Incident Reporting System
- An Electronic Situation Reporting System
- A Service Excellence Cadre
- A Training and Qualification System
- A standardized training portfolio
- A Training Database
- An Employee Human Resources Handbook
- A Drug and Alcohol Program
- A New Hire Orientation Program
- A Client Monthly Operations Report
- A monthly Financial Report
- An electronic Engineering Maintenance and Reporting System
- Risk Management Review of accidents to identify trends and root cause analysis
- Weekly General Manager Meetings with HMS Ferries
- Bi-Weekly General Manager Meetings with Fleet Technical Services

6. How we Handle 24/7 Vessel Operations

HMS provides 24/7 operational support from a team of operational experts that combine for over 200- years of maritime experience

HMS has a long history of providing a mix of commuter and tourist passenger vessel service, to a wide array of clients and partners. We have a proven ability to meet surge in passenger demand during peak seasons. For example, the car/passenger ferry service that we operate for Pierce County, WA experiences a nearly 100% increase in ridership during the peak summer months. In response, HMS prepares all year for the known increase in ridership, to include planning and conducting major vessel maintenance during the non-peak season, hiring and training additional crew and guest service personnel, and bringing into service a second vessel. This formula has proven successful for our Pierce County operation for over 10 years.



HERRON ISLAND FERRY

HMC Management

Request for Information

In addition to preparing for historically high demand periods, HMS also plans for known special events, such as the Fourth of July, holiday weekends, concerts, etc. that bring additional guests to the area. By working in conjunction with local community organizers and event coordinators, HMS will be able to promote and package special event operations, to include flexible scheduling around these events. Being able to accommodate the schedule to account for the timing of the known special event has historically proven to fill our vessels to capacity.

7. Ticketing:

The entire HMS team is uniquely qualified in matters related to safety, security and efficiency. Specifically, our training and experience in ticketing, reservations, access controls, PCI compliance and security processing is unmatched. HMS is capable of providing a full-function Reservation and Ticketing systems that allows for reservation of seats on specific sailings through one of the following:

- Online Ticket Portal
- Mobile Application Ticket
- Point of sale (terminal) transactions
- Stand-alone Kiosk sales

RESERVE

ROUTE: St. Petersburg - Tampa

DATE: 11/21/2016

Selected Trip: To St. Pete - 9:30 AM
125 seats available

Single

Test \$10.00
125 seats left

BUY TICKETS

Not only does the system allow to reserve and purchase on-line and Mobile Application, but it also allows the guest to purchase Group Reservations directly on-line. In addition, we will have a Customer Service Representative Phone line for helping all guests, including those interested in Group Sales, to reserve their onboard experience. This system will be similar to the Reservation and Ticketing System currently in use at Pierce County Ferry, Cross-Bay Ferry, and Channel Cat service in Moline, IL and has a proven track record of being extremely effective.

HMS will manage and maintain the system to include server hosting, routine back-ups, maintenance and software updates. The system produces all routine reports and accommodates numerous fare classes and dynamic fares, and is fully integrated with web site.

8. Initial Thoughts

HMS is happy to enter discussions with HMC on how we can provide vessel management service for the Herron Island ferry and improve the overall experience for your customers. For example, the Herron Island ferry may be a prime candidate for conversion from conventional power to all-battery power, which would save the service long-term operating and maintenance costs. We are in the process of working with the State of Alabama Department of Transportation in converting one of their ferries to all-battery through a mix of federal and state grant funds.



HERRON ISLAND FERRY
HMC Management
Request for Information

In addition to providing an outstanding service, HMS brings an insurance capability of over one billion dollars in coverage for liability and pollution. It is unlikely that HMC is providing the proper level of coverage for the service it provides and may be putting the island community at risk. Given the ability to tap into its fleet insurance, HMS typically provides the proper level of coverage at nearly the same rate our clients historically were paying for inadequate coverage.

9. Why HMS

HMS is simply the best vessel management company in the world, and is recognized as such throughout the maritime industry. We provide each of our clients with the same high standard of service and ensure we exceed their expectations.

We look forward to hearing from you. If you have any questions please do not hesitate to contact me.

Regards

Matthew Miller

Matthew Miller
Vice President, HMS Ferries, Inc.
385 Ericksen Ave, NE Suite 123
Bainbridge Island, WA 98110
206.455.0046
mmiller@hmsgm.com