

**ADDENDA NO. 2
TO THE
REQUEST FOR COMPETITIVE SEALED PROPOSALS (“RFP”)
CITY OF KETCHIKAN, ALASKA**

**CONTRACT NO. 19-36
REDEVELOPMENT OF PORT OF KETCHIKAN BERTHS I, II, III AND IV AND OTHER INFRASTRUCTURE WITHIN THE
CITY**

The following Addenda No. 2 is issued to the Request for Proposal Procurement by the City of Ketchikan, Contract 19-36.

The Addenda consists of:

1. A revised Figure 5 – General Limits of Concession Area in Section 2.5 (page 11 of Addenda No. 1 issued December 5, 2019) of the RFP showing the areas of the concession area as well as incorporating Berth IV in operations of the Port. This figure replaces Figure 5 in previous versions and addenda of the RFP.
2. Clarifying the method of Proposal Security submission in Section 6.12 of the RFP.

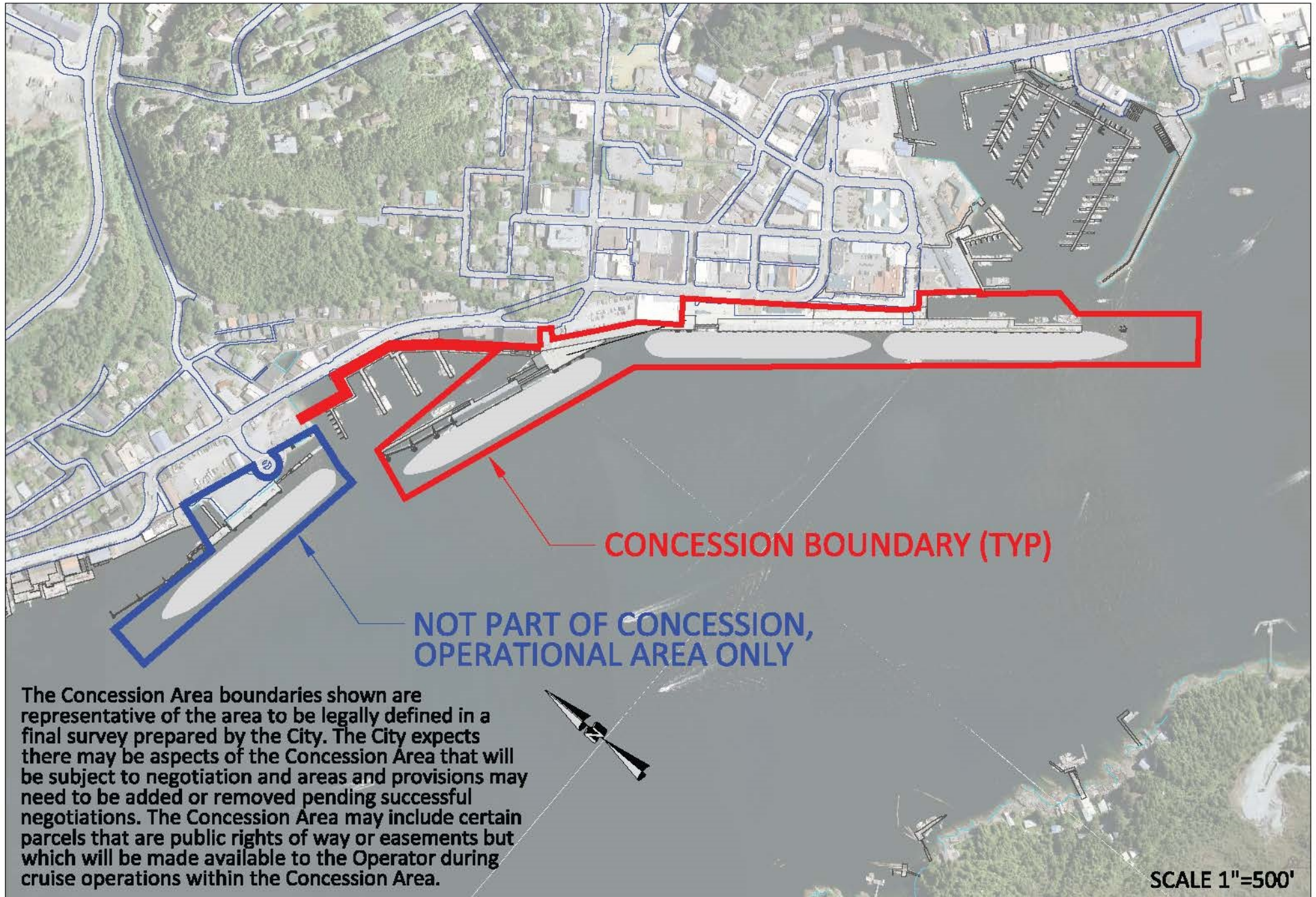
Nothing else has been amended and no changes have been made to the schedule.



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Figure 5 - General Limits of Concession Area



6.12 Security

Each Proponent is required to submit a "Proposal Security" as part of its Proposal to secure the commitment of a Proponent to its Proposal until financial closing.

The Proposal Security must be either a cash deposit ("Cash Deposit") or one or more Letters of Credit with (i) a validity period of at least 180 days from and after the date of Proposal submission and up to Commercial Close in an aggregate amount equal to \$1 million (One Million US Dollars) for the period from the date of Proposal submission to Commercial Close and (ii) \$2 million (Two Million US Dollars) for the period from Commercial Close to Financial Close.

Cash Deposits must be in the form of a certified check or wire transfer directed to the City of Ketchikan at 334 Front Street, Ketchikan, AK 99901 due January 21, 2020 by 2:00 pm Alaska Standard Time (proposal submission deadline). Proponents wishing to submit certified checks or wire transfers should contact the City via the project email address (ktn.port.rfp@ktn-ak.us) to arrange. The deposit will not be placed in an escrow account or subject to an escrow agreement.

Proponents wishing to submit Letters of Credit may do so directed to Bob Newell, City of Ketchikan Finance Director, at the above address. The Letters of Credit must be in form and content acceptable to the City, and issued by an issuer, reasonably acceptable to the City prior to submission of such Letter(s) of Credit, to be held by the City for the sole purpose described below. The Letter of Credit or Cash Deposit shall be submitted with the Proposal.

If at any time an issuer of the Letter of Credit ceases to be an eligible financial institution, the affected Proponent shall promptly notify the City of such cessation. No later than 20 Working Days following the Proponent becoming aware of such cessation, the Proponent is required to submit to the City a Cash Deposit, or a replacement Letter(s) of Credit issued by an eligible and acceptable financial institution that fully satisfies the requirements of this Section. Following the City's receipt of such replacement Proposal Security, the City shall promptly return the replaced portion of the Proposal Security to the Proponent.

In submitting a Proposal, each Proponent understands and agrees that the City will be entitled to draw on such Proponent's Proposal Security in its entirety if and only if, the Proponent does any one or more of the following:

- 6.12.1 Withdraws, or attempts to withdraw, any part or all of its Proposal Security during the Proposal Validity Period without the prior written consent of the City, other than pursuant to replacement where provider ceases to be an Eligible Financial Institution as per above.
- 6.12.2 Fails to comply with requirement to replace where provider ceases to be an Eligible Financial Institution as per above.
- 6.12.3 Refuses or fails to enter into the Contract in its form as of the Proposal submission deadline (subject to any changes agreed by the City and Proponent after such date).

6.12.4 Prior to execution of the Contract, withdraws or attempts to withdraw its Proposal, or refuses or fails to meet any commitments made therein that were to be fulfilled prior to execution of the Contract.

The City will not be entitled to draw on a Proponent's Proposal Security if:

6.12.5 Proponent is unable to comply with any modifications made to the RFP after the submission of such Proposal Security to the extent that such Proponent does not agree to such modifications and, as a result, withdraws its Proposal.

6.12.6 If the City deems a Proposal non-responsive.

6.12.7 The City exercises its right to not proceed with the Proposal.

Without limiting the Reserved Rights, following a draw on the Proponent's Proposal Security, the City may identify the next Proponent that provides the Best Value to the City, select it as the Preferred Proponent and proceed to execute a Contract with that Proponent.

If any of the conditions which entitle the City to draw on the Proponent's Proposal Security in its entirety set forth above are met, then the City shall be entitled to draw immediately, without notice to the Proponent, the full amount of the Letter of Credit upon presentation of a sight draft and a certificate confirming that the City has the right to draw under the Letter of Credit in the amount of such sight draft, and the City shall be entitled to retain all of the proceeds as the sole remedy or right of the City against the Proponent.

The right of the City to draw the Proposal Security is intended to be, and shall constitute, liquidated damages to compensate the City for the cost of foregoing alternative opportunities and for other costs incurred by the City in reliance on the Proponent's Proposal to enter into the transaction contemplated hereunder.

The Parties acknowledge that the damages suffered by the City as a result of such termination would be impossible to ascertain and that the Proponent Security is a reasonable estimate thereof and is not intended as a penalty.

Upon receipt by the City of the Agreement duly executed by the Proponent and the Closing Letter of Credit and/or Cash Deposit contemplated by the Agreement, the City will promptly return the Proponent Security to the Proponent.