



M/V Finest

Condition and Repair Update

Board of Commissioners
May 15, 2018

The *Finest* – A Quick Overview



- Work began on the *Finest* at Nichols Brothers shipyard on March 19
- The contract was awarded for approximately \$3.4M
- In addition to the planned work, a number of unknown conditions have been identified that must be addressed before the *Finest* is ready for service

Work required to make her ready for service

- To date, approximately \$2,200,000 of additional work has been identified
- Offsetting the new work is removal of the fuel tax bid item and a credit for the lower bond requirement, resulting in a total contract reduction of \$200,000
- Resolution 18-33 requests authorization for \$1.8 million in additional work

80% of the new work is attributable to six items

HVAC & Bilge System Piping	140,000
Window Replacement	104,000
Aluminum Repairs	340,000
Rebuild Water Jets	360,000
Unforeseen Engine Damage	782,000
New Switchboard & PA/CCTV Rack	110,000
Total	\$ 1,836,000

HVAC & Bilge System = \$ 140,000

Severe corrosion was discovered in most piping systems



The most extensive was in the HVAC and bilge systems

Window Replacement = \$104,000



During the presale survey, the need to replace some windows was identified.

When water tested, the extent of window damage was greater than anticipated.

All cabin windows must be replaced.

Aluminum Replacement = \$340,000

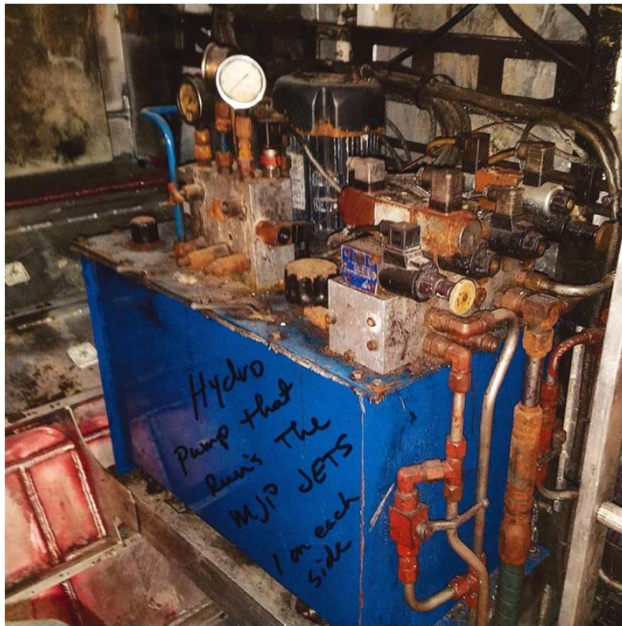
The previous owner was required to replace a significant amount of aluminum to receive a COI



In the course of their work, Nichols uncovered much more extensive aluminum deterioration and will be replacing significantly more aluminum

Rebuild Waterjets= \$360,000

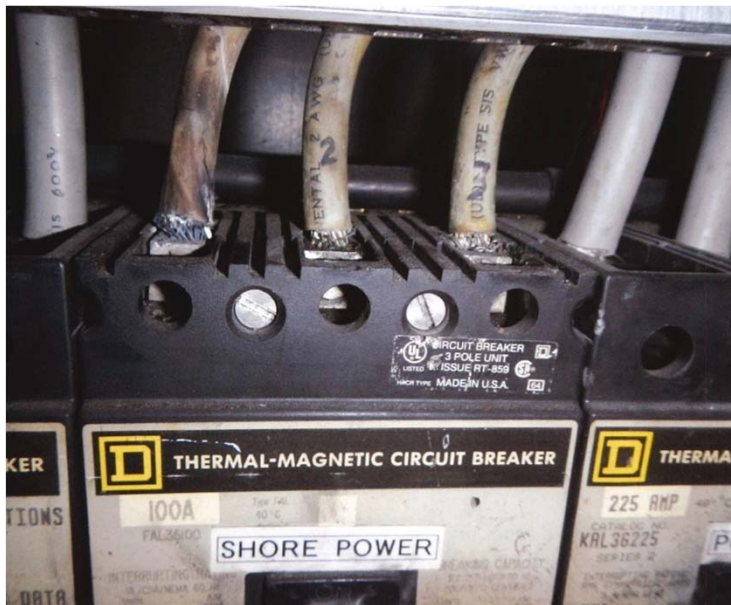
Once torn down, it was apparent the water jets must be completely rebuilt



Bushings, seals and hydro hoses and hydro pump are in extremely poor condition

New Switchboard and PA/CCTV Rack= \$110,000

Additional electrical and electronic system repairs are necessary



Unforeseen Engine Damage =\$782,000

Once the engines were torn down, additional damage was discovered



Improper weatherization of the engine caused extensive corrosion



Other unanticipated repairs = \$470,000

The remaining \$470,000 or 20 % of the new work is spread out over a number of smaller items. Some examples are:

Engine Room Fans, Dampers and Water Separator	\$	69,000
Reduction Gears	\$	69,000
Cleat Installation for landings *	\$	40,000
Handrailings *	\$	40,000
Main Engine Wiring	\$	31,000
ADA Tonnage Doors	\$	19,000

* Estimated

This work has added about 8 weeks to the schedule

- The *Finest* was scheduled to leave the yard the first week of August
- The additional required work will push that date out to September 24

In summary.....

This \$5.4M refurbishment will extend the service life of the *Finest* for years

Original Refurb Contract		3,400,000
Additional Work *	2,200,000	
Less Credits	<u>- 200,000</u>	
Net Additional Work		<u>2,000,000</u>
Projected Total Refurb Contract		\$ 5,400,000

* Includes previous change orders



Questions?

Darrell Bryan
Marine Services Director





The Finest Cost Summary

Purchase Price	1,500,000
Shipping	352,000
Shipyard Refurb	5,400,000
Owner's Rep	<u>98,000</u>
Total Finest Investment	\$7,350,000