APPENDIX A: Scope of Work for the 2016 Master Plan

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Background
The Port of New Orleans created the 2020 Master Plan: Charting the Future of the Port of New Orleans in 2008. This master plan directs continued expansion efforts at the Port of New Orleans (Port) through 2020 with an immediate focus on opportunities associated with the expansion of the Board’s container business and continuation of break-bulk activities. The Port is seven years into its’ current twelve year master plan, and has accomplished or begun many of the development projects that were identified – the current fiscal year budget includes $60 million for capital projects, most of which were identified in the 2008 Master Plan.

Globally and locally much has changed economically since 2008, requiring a comprehensive revision to the 2008 plan. The Port’s container business hit record high volumes of 529,263 twenty-foot-equivalent (TEU) units in FY’15 and is projected to substantially top 560,000 TEUs for FY’16, cruise passengers have surpassed one million per year, cold storage business has grown, breakbulk business continues to be a major component of the Port business profile, along with increasing demand for leasing of Industrial Canal properties. However, as the global, national, regional, state, local, and industry needs have changed, other opportunities and challenges have presented themselves.

As a highly diversified and intermodal seaport, the Port needs to assess opportunities and challenges for the short and long term, to identify critical path investments, and to evaluate the tradeoffs between various strategies and scenarios for growth and expansion. The 2016 Master Plan for the Port of New Orleans will serve to synthesize the needs and opportunities across multiple market sectors to create a roadmap for continuous progress towards the Port’s mission:

To be a proactive, customer-oriented, financially healthy service organization whose primary purpose is to maximize the flow of foreign and domestic waterborne trade and commerce with relevant markets by providing, directly or through third parties, highly productive facilities, equipment and support services to meet the specialized needs of shippers and ship operators.

Drivers for the 2016 Master Plan
Despite recent years of record financial performance and cargo growth, the Port of New Orleans faces unprecedented opportunities and challenges for operational efficiency, facilities expansion, and infrastructure connectivity. Nationwide, port congestion is an increasing economic concern, and the impacts felt locally are not unique. The pursuit of congestion mitigation strategies involves all market sectors, including the rail, highway, and inland waterways, and will require significant infrastructure investments from both the public and private sectors.

The co-existence of container and break-bulk operations at the Port of New Orleans along land-constrained riverfront terminals is driving the search for development
alternatives that will result in greater efficiency, reduced congestion and cost-effective infrastructure investments.

The closure of the Mississippi River Gulf Outlet (MRGO) has necessitated development of facilities on the Mississippi River (River) to handle cargo that can no longer access properties on the Inner Harbor Navigation Canal (IHNC). This led to the building of a new cold storage facility at the Henry Clay Avenue Wharf, and reconfiguring current River properties to better handle containers and intermodal operations. As the Port has limited room for expansion due to near full build out of Port owned River properties, it must look for new expansion opportunities to meet the growing cargo market.

The Port needs to develop strategies to identify and lease industrial properties for optimal use in support of long-term development goals, and in line with the Port’s mission. The heightened appeal of waterfront, surge-protected industrial property along the IHNC and the Gulf Intracoastal Waterway (GIWW) demands further evaluation and strategic planning. With the U.S. Army Corps of Engineers construction of surge barrier gates at entrances to the IHNC at the MRGO and Lake Pontchartrain, the Port has seen an increase in interest for various uses of its industrial properties. A deeper understanding of potential markets for shallow draft, supportive industries, and possible lease portfolio diversification of the industrial properties is needed.

Rapidly changing trends require economic and market forecasting, on both a local and global scale - for example, the increase in natural gas production in the U.S. and in particular LNG development in Louisiana has the potential to change cargo dynamics, and in conjunction with maritime emissions regulations, continues to heighten interest in alternative fuel usage. Further, changing trade dynamics with Cuba and state budget constraints have the potential to shift market forecasts as well.

The Port of New Orleans cruise and tourism business has been growing at a remarkable pace, necessitating expansion and development of a third cruise terminal. Capacity for further demand will tax the available parking, city infrastructure including traffic in historic neighborhoods, convention center property development and transit from downtown hotels. The 2016 Master Plan should examine and project cruise facility growth over the term of the plan and strategies to maximize growth with limited suitable real estate.

Finally, like most large institutions, the Port is divided operationally into business units with diverse needs, and goals and objectives for future growth. While this organizational structure is effective for management purposes, it poses challenges for strategic planning, especially land use and development planning. The 2016 Master Plan must not only coordinate the short and long-term needs for multiple market sectors, but also must synthesize and effectively facilitate discussion of tradeoffs, challenges and opportunities across the Port’s operational divisions.
2016 Master Plan Approach

In light of these facts, the Port needs to develop an adaptive master plan that will position the Port to optimize growth and development for the next 5, 10, and 20 years.

Plan Objectives

1. Promote the development and growth of the Port by establishing a long-term vision, creating land use principles, and prioritizing capital investments for Port facilities and operations.

2. Adapt Port policies, operations, facilities and infrastructure to changing technology, cargo trends, regulations, natural and man-made disasters, and competition from other U.S. and foreign seaports.

3. Integrate economic, engineering, environmental and community considerations into the Port process for evaluating the impact of development projects and growth scenarios.

4. Create a roadmap for future port development that is consistent with federal, state, and city laws, with the primary mission of increasing waterborne trade and commerce.

Project Description

The process of formulating the plan will be based on an interactive working relationship between the Port’s senior management (Management Team) and the master planning consultant team (Consultant Team), and will necessitate rigorous involvement and input from key stakeholders, tenants, prospective customers and the public. The Management Team and Consultant Team will analyze and identify best and highest-uses for current Port facilities including terminals, industrial properties, and prioritize development and expansion for 5, 10 and 20 year planning horizons. To the extent possible, the Port will utilize components from the 2008 master plan document.

The 2016 Master Plan will be designed to be an adaptable plan that will be reviewed and updated on a regular basis, incorporating new information and developments, refining market projections and opportunities, and evaluating and updating development and investment priorities. Benchmarks and criteria for annual and other periodic plan updates shall be included within the 2016 Master Plan.

The 2016 Master Plan will be developed through a two phase process:

- Phase 1 – Perform a strategic, predictive analysis of the market looking at global, national, regional, state, and local conditions for industry needs and projections. This phase should include a thorough review of existing Port assets and capacity, and an analysis of how they may be best utilized. The results of this
first phase should allow the Port to identify specific demand thresholds for cruise, cargo, industrial and commercial development and other infrastructure such that appropriate triggers are defined for planning, programming, and design and construction of required plan elements and respective projects.

- Phase 2 – Utilize the results of Phase 1 to develop a Master Plan that establishes land use and development principles and identifies key strategies and facility expansions that will guide future development at the Port. This will include alternative development scenarios, suitability analysis for new facilities and expansion, capital program development and establishing performance indicators to measure progress towards the Port’s short-term goals and long-term vision.

**Consultant Team Requirements**

The goal of this request for proposals (RFP) is to prepare a new master plan for the Port that will identify, examine, and position the Port for growth and expansion for the next 5 to 20 years. The Consultant Team will review the 2008 master plan, related economic activity, financial and market forecasts and conditions, and other relevant planning documents.

The 2016 Master Plan is intended to develop principles and identify key strategies that will guide future development at the Port. It will not authorize any specific capital expenditures. Rather, each project identified in the Master Plan will be individually reviewed and approved by the Port at the appropriate time. Approval of specific components is contingent on funding and return-on-investment analysis, among other things. That said, the Consultant Team must work with the Port to identify specific demand thresholds for cruise, cargo, industrial development, commercial development and additional resources such that appropriate triggers are defined for planning, programming, design & construction of the plan elements and respective projects.

**Intermodal, Interdisciplinary Team**

The Port intends to enter into an agreement with a single Consultant Team for this project. The Consultant Team will be responsible for producing a plan consistent with all local, state and federal requirements, including the Port’s charter, maritime servitude and other statutes governing Port operations. The 2016 Master Plan must address Port owned or controlled assets including property, facilities, bridges, roadways, utilities and other infrastructure, natural resources, and capital equipment. As such, the Consultant Team will require expertise in a wide range of sectors, fields and professional capacities:

a. Port Strategic Planning, including Cruise, Breakbulk and Container Cargo, Industrial and Commercial facility development planning.

b. Port Economics, including demand forecasting with demand threshold expertise, market analysis and predictive planning.
c. Land Use Planning, including scenario analysis, forecasting and suitability analysis.

d. Transportation Planning including intermodal, rail, highway, marine and inland freight planning.

e. Real Estate Development including land valuation, portfolio life cycle analysis, capacity analysis, and land use law, including the implications of the maritime servitude.

f. Public Involvement and Stakeholder Engagement, specifically with the maritime and transportation industries.

g. Environmental Management, including hazard mitigation and adaptation planning, water quality management, alternative fuels and carbon management for ports.

h. Asset Management including capital program implementation planning, financial planning, and asset-based analysis.

i. Architecture, Engineering and Construction including civil, structural, geotechnical, and transportation/traffic engineering and cost estimating.

j. Spatial Analysis including GIS, two and three dimensional modeling and scenario building.

k. Communications including graphic design, marketing and brand development, including the ability to work with existing communications strategies and an established brand identity.

Beyond these requirements, the Consultant Team should be experienced in complex plan development, and the synthesis and management of a diverse team of experts and interests.

Scope of Work

All project work will be executed under the direction and guidance of the Port’s Chief Operating Officer (COO), and supported by the identified port project managers. The COO will designate a Management Team of senior level Port personnel from all operational divisions. The Management Team will assist the Consultant Team in identifying individuals for the Planning Advisory Committee (tenants, customers and external stakeholders) to provide input and guidance throughout the planning process. The Management Team will conference bi-weekly with the Consultant Team, as well as bring in additional staff or outside stakeholders as needed.

Stakeholder Engagement

Public and industry participation is critical to this process. The 2016 Master Plan will be a reflection of industry and market needs, and will require extensive input and buy-in from industry. The planning process should also include coordination with government agencies, economic development agencies and neighboring communities to the extent feasible, given the goal for 2016 plan completion. The Port welcomes additional ideas and strategies for public and industry involvement. The Consultant Team should discuss additional, cost-effective stakeholder or public involvement strategies as they see fit in their proposed approach.
Phase 1 Tasks
All tasks will utilize the 2008 Master Plan as a baseline to the extent feasible.

TASK 1: Review Available Documents and Data
Major Subtasks/Analysis:

- Develop and submit a document/data/info request to the Port. The Port has various documents including a recent breakbulk and cargo forecast and project-specific studies, in addition to the current Master Plan, which may be of use for this task. An initial listing of Port documents and data are provided in Appendix F. These documents will be made available to the selected Consultant Team after contract award.
- Review and summarize existing documents, as needed.
- Identify information and analysis gaps (ongoing) and reach out to additional organizations as needed for documents and data, such as the Regional Planning Commission, MARAD, LA DOTD, etc.

TASK 2: Strategic Assessment and Visioning
Major Subtasks/Analysis:

- Conduct interviews and focus group sessions with Board of Commissioners, Senior Staff and key stakeholders (TBD) on current and potential strengths, weakness, opportunities and threats related to the Port of New Orleans (SWOT analysis).
- Facilitate development of a concise Vision Statement and strategic goals for the 2016 Master Plan.
- Develop a priority list of challenges and key questions to address over the course of plan development, concentrating on the delta between 2008 and present.

TASK 3: Market Analysis
Major Subtasks/Analysis: Conduct multi-sector analysis for cargo, cruise, and industrial and commercial development.

- Identify market changes, and capacity changes between 2008 and present. Evaluate and chart changes to cargo tonnages. Identify, where applicable, industry drivers, business environment, and other events resulting in significant change in year-to-year volumes.
- Evaluate potential new cargoes.
- Assess industry outlook for major commodities currently or potentially to be handled at the Port.
- Interview current port tenants, staff, carriers and shippers to assess near and long term outlook for current and new cargoes. Tenant interviews may be complemented with interviews with select shipping companies, as needed.
• Prepare a survey to be distributed to a minimum of 100 potential Port customers, shipping lines, freight carriers and other market stakeholders, and conduct in person interviews with key industry leaders.

• Identify potential for support or added-value services for Port industrial properties and current facilities – such as value-added manufacturing, trans-loading operations, warehousing and other commercial development.

• Update cruise market assessment and forecast including demand projections and potential for growth for domestic and international trips. Examine demand from emerging markets including:
  • Alternative style cruises to new market destinations such as Cuba and the Dominican Republic
  • Possible Nicaraguan canal access to South American west coast
  • Inland river cruises.

• Adjust SWOT analysis in Task 2 to reflect new findings and trends.

**TASK 4: Predict Alternative Cargo Demand Scenarios**

**Major Subtasks/Analysis:** Building on the cargo/commodity and cruise outlook market analyses, perform the following scenario projections:

• Prepare a market assessment, with changes from 2008, where applicable. Incorporate input from recent market studies and forecasts completed by the Port and input from current tenants and Port staff.

• Identify a minimum of three most likely cargo demand scenarios for Port cargo/cruise/industrial facilities. Detail any changes to scenarios identified in the 2008 Master Plan and why the differences exist.

• Identify the most likely cargo mix scenarios. For each scenario:
  o Identify opportunity costs.
  o Identify required transportation and value-added services required.
  o Identify cost of implementation.
  o Rank scenarios based on cost, opportunity and implementation.

**TASK 5: Facilities Evaluation & Capacity Assessment**

**Major Subtasks/Analysis:**

• Identify changes to the comprehensive inventory of Port facilities and supporting infrastructure, including off-terminal rail and freeway access infrastructure.

• Review recent capacity model results and estimate capacity of the Napoleon Avenue Container Terminal and other cargo terminals. This assessment will be both quantitative and qualitative and will consider waterside (berth and navigation channel), cargo handling, storage, gate, equipment, landside access (rail and highway) and added value services capacity. Analysis will consider data from all available sources, including but not limited to:
  • Regional Planning Commission.
• Louisiana Department of Transportation and Development.
• Port of New Orleans studies.
• Input from current cargo customers and tenants.
• Review and compare updated capacity and current/projected demand to ascertain current utilization and timing of capacity shortfalls.
• Identify solutions to address capacity shortfalls (e.g., technology, cargo/tenant, as well as non-cargo port assets, relocation, productivity improvement, operational modification, facilities investment, facilities rationalization, etc.). Where appropriate, identify the timing of each solution against each cargo demand scenario detailed in TASK 4 (2021, 2026, 2036). Cargo compatibility with non-maritime commercial uses shall also be considered.
• Quantify changes to investment requirements of terminal capacity solutions and prioritize according to corresponding benefit (e.g., additional capacity) and cost (e.g., capital investment) criteria.
• Analyze existing and planned cruise capacity including, but not limited to, ship berthing, parking, transportation access, traffic impact, supportive services, and projected market expansion.

Phase 2 Tasks
Once the Phase 1 Final Report is accepted by the Port, the Consultant Team may be authorized to commence Phase 2 Tasks as outlined in the following sections. These tasks utilize the results of Phase 1 to identify the investments, policies and other actions needed to meet demand for facilities and infrastructure on the 5, 10 and 20 year planning horizons.

TASK 6: Rail, Highway and Inland Waterway Access Evaluation
Major Subtasks/Analysis:

• **Off-Terminal:** Review, evaluate and update active and non-active rail and highway infrastructure which does or could provide access between the Port facilities and its markets. Also assess opportunities – such as inland port development – to expand and additional support inland waterway and rail cargo movement. Evaluation should consider: infrastructure (dedicated and shared), operating windows and conflicts with other uses, capacity (current and future utilization), operational limitations, costs, utilization, ownership/oversight, capital investment requirements, operating agreements/restrictions, etc.
• **On-Terminal:** Identify changes to inventory and evaluate rail and road infrastructure and operations. Assessment of freight service integration by dedicated public belt rail provider.

TASK 7: Identify Development Alternatives
Major Subtasks/Analysis:
• Determine any supportive businesses, services or additional alternative cargo/maritime businesses beneficial to the Port for attraction or expansion, based upon the analysis detailed above.

• Revise and detail expansion/redevelopment options considering the now constrained land area to accommodate growth in current and new cargoes. Key elements of this analysis include:
  o Establish land use principles for property acquisition and disposal.
  o Examine possibilities for land acquisition for growth or reconfiguration of cargo services, cruise terminals and other commercial endeavors.
  o Consider reconfiguration of non-service assets, cargo/tenant facilities and cruise terminals for consolidation of uses and most efficient land use.
  o Assessing addition or changes to cargo/tenant/adjacent non-Port development (residential, commercial, etc.) compatibility, including regional warehousing;
  o Quantifying rough order magnitude (ROM) changes to capital investment requirements (project identification) for new development, redevelopment, facilities enhancement, etc. for landside access, port facilities, and waterside. Where available, earlier study development costs (e.g., dredging) and Port engineering estimates will be utilized;

• Identify opportunities to incorporate emerging technologies and infrastructure to stay ahead of the market, improve efficiency, and enhance long-term resiliency.

• Building from earlier tasks, identify optimal development alternatives for evaluation. Where applicable, detail any changes to scenarios established in the 2008 Master Plan.

TASK 8: Capital Program Development

Major Subtasks/Analysis: Determine capital project needs and outline capital program critical path projects and key milestones for growth:

• Develop a process for prioritization of all projects, including new facilities and development and capital maintenance and renovation projects for critical infrastructure.

• For the identified development alternatives, prepare high level development costs, with cost benefit analysis for each of the major components and other key decision-making criteria.

• Develop a Capital Program, which outlines the timing of expenditures in conjunction with the timing of implementing the 2016 Master Plan.

• As part of the Capital Program, recommend strategies for funding and asset management.

• Capital Program should also include key performance indicators for measuring success and implementation throughout the planning horizon. Performance indicators should include normalization factors and weigh economic inputs and outcomes, as well as with community and environmental impacts.
TASK 9: 2016 Master Plan Document Development

Major Subtasks/Analysis:

- Submit draft Table of Contents including a list of figures and graphics prior to document draft development.
- Coordinate plan branding and design with Port Communications and External Affairs.
- In addition to bi-weekly status updates submitted with invoices, submit a draft 2016 Master Plan and final 2016 Master Plan with executive summaries (see Deliverables section below).
- Present draft and final plan to the Board of Commissioners.

Schedule

The anticipated start date for the Consultant Team contract is November 2, 2015. The Port intends to complete Phase 1 by March 31, 2016, and to complete Phase 2 and receive final deliverables by November 30, 2016. The Consultant Team should include a reasonable schedule in their proposal to meet these milestones showing start and end dates for each Task and any critical path milestones.

Deliverables

Any and all analyses completed by the Consultant Team for the Phase 1 Report and 2016 Master Plan are required to be transferred to the Port via electronic documentation prior to project closeout. Any software programs used for market analysis, spatial planning or scenario building should be discussed in the Consultant Team proposal and will be negotiated with the Port for accessibility and use in future plan updates.

Specific deliverables required are described below, but not limited to the following:

**Phase 1:** Draft and Final Report, including backup analysis and documentation.

Report Format: Microsoft Word and PDF electronic files, and any backup analytical files in Microsoft Excel or other compatible program. Consultant Team will also provide 20 bound copies of the Phase 1 Final Report.

**Phase 2:** Draft and Final 2016 Master Plan and Executive Summary, including backup analysis and documentation.

Plan Format: Word, PDF and design program electronic files, including GIS shape files and any other backup analysis and documentation. Consultant Team will also provide 50 bound copies of the Final 2016 Master Plan including the Executive Summary.