

1 [Agreement - BAE Systems - Shoreside Power at Drydock #2 - Pier 70 - Not to Exceed  
2 \$5,700,000]

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4 **Ordinance authorizing the Director of the Port to execute an agreement with BAE**  
5 **Systems San Francisco Ship Repair to install shoreside power equipment at Drydock**  
6 **#2 at Pier 70 for an amount not to exceed \$5,700,000 and exempting the agreement**  
7 **from the contracting requirements of the Administrative Code and Environment Code.**

8 NOTE: Additions are *single-underline italics Times New Roman*;  
9 deletions are ~~*strike-through italics Times New Roman*~~.  
10 Board amendment additions are double-underlined;  
11 Board amendment deletions are ~~strike-through normal~~.

12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. Findings.

14 (a) On December 15, 2011, the Planning Commission reviewed and considered the  
15 Final Environmental Impact Report for the 34<sup>th</sup> America's Cup Regatta (the "Final EIR") in  
16 Planning Department File No. 2010.0493E, consisting of the Draft EIR and the Comments and  
17 Responses document, and found that the report and the procedures through which the Final  
18 EIR was prepared, publicized and reviewed complied with the provisions of the California  
19 Environmental Quality Act (CEQA), the CEQA Guidelines and Chapter 31 of the San  
20 Francisco Administrative Code, and found that the Final EIR reflects the independent  
21 judgment and analysis of the City and County of San Francisco, is adequate and accurate and  
22 objective, and that the Comments and Responses document contained no significant  
23 revisions to the Draft EIR, and certified the completion of the Final EIR in compliance with  
24 CEQA and the CEQA Guidelines.

25 (b) On December 16, 2011, the Port Commission, by Port Commission Resolution No.  
11-79, adopted the CEQA Findings and Mitigation Measure and Reporting Program (MMRP)

1 as the required mitigation measures to be implemented as part of the 34<sup>th</sup> America's Cup  
2 Regatta (the "America's Cup Project").

3 (c) The America's Cup Project requires the temporary removal of shoreside power  
4 equipment at Pier 27, and the MMRP requires, as a mitigation measure, that the Port  
5 construct a 12MW shoreside power system at the Port's shipyard at Drydock #2 at Pier 70 to  
6 serve large cruise, military and other vessels while they are in the drydock.

7 (d) The Port has negotiated with BAE Systems San Francisco Ship Repair ("BAE"),  
8 operator of Drydock #2 and tenant of the Port, an agreement to purchase, construct and  
9 install a 12MW shoreside power system at Drydock #2 at Pier 70 (the "Shoreside Power  
10 Project") to comply with the mitigation measure.

11 (e) Under the agreement, the Port will pay a maximum of \$5,100,000 to BAE for the  
12 Shoreside Power Project, and the Port will provide an additional \$600,000 to BAE for disposal  
13 of PCB transformers removed as part of this project.

14 (f) BAE will pay any costs for the project in excess of \$5,100,000.

15 (g) BAE will select a contractor or contractors to design, purchase, construct and install  
16 the Shoreside Power Project.

17 (h) BAE will design, supervise, and be responsible for the satisfactory completion of  
18 the Shoreside Power Project.

19 (i) The Port will own the Shoreside Power Project on completion of the project.

20 (j) Once the Shoreside Power Project is complete, BAE will continue to pay energy and  
21 demand charges as presently billed by SFPUC for electrical services at Pier 70, but will pay  
22 an additional equipment usage fee to the Port in the amount of \$0.04 per kilowatt hour of  
23 electricity used by the Shoreside Power Project until the cost of the project is repaid. SFPUC  
24 will continue to provide electricity to the project.

25 (k) The Shoreside Power Project must be operable by September 2012.

1 (l) The Port believes it is not feasible to meet this schedule using the City's standard  
2 contracting procedures, and, therefore, seeks to exempt the project from the City's standard  
3 contracting requirements.

4 (m) The terms of the agreement with BAE for the construction of the Shoreside Power  
5 Project are contained in the letter of intent on file with the Clerk of the Board of Supervisors in  
6 File No. 120124 (the "Agreement") which is incorporated herein by reference.

7 (n) The Planning Department has determined that the actions contemplated in this  
8 ordinance have been adequately reviewed and analyzed in the Final EIR. Said determination  
9 is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and is  
10 incorporated herein by reference. The Board adopted CEQA findings and the MMRP when it  
11 approved the America's Cup Project in Board of Supervisors Resolution No.

12 \_\_\_\_\_, which findings are applicable to this approval and are incorporated herein  
13 by this reference thereto.

14 Section 2. Subject to the Port Director's determination that it is economically or  
15 technically infeasible to complete the Shoreside Project utilizing a current City-certified  
16 contractor, the Board of Supervisors hereby authorizes the Director of the Port or her  
17 designee to execute an agreement with BAE to design, purchase, and install the Shoreside  
18 Power Project at Pier 70, provided the Port of San Francisco is not required to pay BAE an  
19 amount in excess of \$5,700,000, and, such agreement to be substantially in the form of the  
20 Agreement on file with the Clerk of the Board of Supervisors in File No. 120124.

21 Section 3. Subject to the Port Director's determination that it is economically or  
22 technically infeasible to complete the Project utilizing a current City-certified contractor, the  
23 Board of Supervisors hereby exempts the agreement for the Shoreside Power Project from  
24 the contracting requirements of the Administrative Code and Environment Code, including,  
25 without limitation, Chapters 6, 12C, 12P, 12Q, and 14A, 14B, and 21 of the Administrative

1 Code and Chapters, 2, 5, and 8 of the Environment Code except to the extent the agreement  
2 obligates BAE as contractor, to satisfy such requirements.

3 Section 4. Effective Date. This ordinance shall become effective 30 days from the  
4 date of passage.

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6 APPROVED AS TO FORM:  
7 DENNIS J. HERRERA, City Attorney

8 By: \_\_\_\_\_  
9 Robert A. Bryan  
10 Deputy City Attorney

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