

1 [Amendment to Contract for Electric Services]

2 **Ordinance approving the amendment between the City and County of San Francisco**
3 **and the United States, through the Department of Energy Western Area Power**
4 **Administration, for the performance of duties and obligations of a Scheduling**
5 **Coordinator pursuant to the California Independent System Operator Tariff and for the**
6 **delivery of low cost electric power to Treasure Island and Yerba Buena Island on file**
7 **with the Clerk of the Board of Supervisors in File No. 041351; and approving the City**
8 **indemnifying and holding the United States harmless against claims arising from the**
9 **activities of the City under the contract, and waiving the requirement of Section 21.19**
10 **of the San Francisco Administrative Code which requires that a City contract contain a**
11 **statement of guaranteed maximum costs, and waiving the requirement of Section 21.35**
12 **of the San Francisco Administrative Code which requires that every contract contain a**
13 **statement regarding liability of claimants for submitting false claims.**

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

17 Section 1. FINDINGS. The Board of Supervisors hereby finds and declares that:

18 (1) The City is currently providing operations and maintenance services at Treasure
19 Island and Yerba Buena Island (TI/YBI) under a multi-year Cooperative Agreement with the
20 Navy.

21 (2) The City is the local reuse authority for Naval Station Treasure Island under the
22 Federal Base Closure and Realignment Act (BRAC).

23 (3) The San Francisco Public Utilities Commission is providing the utilities portion of
24 these operations and maintenance services to TI/YBI on behalf of the City.

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1 (4) The Board of Supervisors has previously approved executing a Contract with the
2 Western Area Power Administration (“WAPA”) for electric service to Treasure Island and
3 Yerba Buena Island (“TI/YBI”). This contract was effective on September 1, 2005, for a period
4 of five years or until September 30, 2010 pursuant to Ordinance No. 041351 on file with the
5 Clerk of the Board of Supervisors

6 (5) The contracts between the City and WAPA contemplated additional electricity
7 services, such as supplemental power services and scheduling coordinator services, which
8 would be needed by the City to effectuate service at TI/YBI.

9 (6) These services, which are currently provided by WAPA, allow the City to provide
10 reliable low cost federal power for all anticipated electric power needs of TI/YBI.

11 (7) On August 17, 2007, WAPA asked all existing customers to extend the FLS
12 contract to September 30, 2015 in order to begin purchasing power for periods beyond the
13 current contract expiration date.

14 (8) WAPA also requested the amendment so that the contract would reflect the
15 updated procedures imposed by the California Independent System Operator’s Market
16 Redesign and Technology Upgrade that changes the mechanisms for power transactions on
17 the ISO grid.

18 (9) The five-year extension of the FLS contract would increase the total estimated
19 costs of the contract from two million, one hundred and twenty thousand dollars (\$2,120,000)
20 to four million, two hundred and forty thousand dollars (\$4,240,000).

21 (10) Without these contracts, the City would be required to obtain these services
22 from a third party, such as PG&E, at a higher cost.

23 (11) Funds for the purchase of these services are available in the TI/YBI Project
24 budget now.

1 (12) The Contract is a standard form used by the United States for power services.
2 Indemnification of the United States is a required element of the contract. In addition, WAPA
3 would not agree to modify the contracts to include the statements required by San Francisco
4 Administrative Code Sections 21.19 and 21.35.

5 Section 2. The General Manager of the Public Utilities Commission is hereby
6 authorized to execute the amendment to the contract for full load service with WAPA. A copy
7 of this contract is on file with the Clerk of the Board of Supervisors in File No. 071458.

8 Section 3. WAIVERS. For the purpose of this contract, the Board of Supervisors
9 finds that it is reasonable and in the public interest to grant the waivers specified below:

10 (1) The Board of Supervisors hereby waives the requirement of San Francisco
11 Administrative Code § 21.19 that every contract include a statement regarding guaranteed
12 maximum costs.

13 (2) The Board of Supervisors hereby waives the requirement of San Francisco
14 Administrative Code Section 21.35 that every contract include a statement regarding liability
15 of claimants for submitting false claims to the City.

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

By: _____
Margarita Gutierrez
Deputy City Attorney