

1 [Approving an agreement with Cochran, Inc. to install shoreside power equipment at Pier 27
2 and 29 of the Port of San Francisco and waiving the contracting requirements of the
3 Administrative Code and Environment Code.]

4 **Ordinance authorizing the Executive Director of the Port to execute an agreement with**
5 **Cochran, Inc. to install shoreside power equipment at Piers 27 and 29 of the Port of San**
6 **Francisco for an amount not to exceed \$1,700,000 from the City and an additional**
7 **\$1,900,000 to be separately provided by Princess Cruise Lines from the Bay Area Air**
8 **Management District Carl Moyer Program grant and exempting the agreement from the**
9 **contracting requirements of the Administrative Code and Environment Code.**

10 Note: Additions are *single-underline italics Times New Roman*;
11 deletions are *strikethrough italics Times New Roman*.
12 Board amendment additions are double underlined.
13 Board amendment deletions are ~~strikethrough normal~~.

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

15 Section 1. Findings.

16 (a) On September 27, 2005, the Port of San Francisco's Cruise Terminal
17 Environmental Advisory Committee recommended the adoption of shoreside power for cruise
18 ships at any future cruise terminal development at the Port.

19 (b) On September 27, 2005, the San Francisco Port Commission endorsed the Cruise
20 Terminal Environmental Advisory Committee recommendation regarding shoreside power for
21 cruise ships.

22 (c) On December 22, 2006, the Port and Princess Cruise Lines, as co-applicants,
23 submitted an application to the Bay Area Air Quality Management District ("BAAQMD") for
24 Carl Moyer Program funding for shoreside power at the Port.

25 (d) On April 4, 2007, the BAAQMD approved a Carl Moyer Program grant of \$1.9
million to the Port of San Francisco and Princess Cruise Lines, jointly as grantee, to fund a

1 shoreside power project (“Project”) and in December 2007, this Board by Resolution No. 671-
2 07 approved the acceptance and expenditure of those grant funds. The Carl Moyer grant
3 specifies that the Project must be completed by June 2009; otherwise, the grant funds must
4 be repaid to BAAQMD.

5 (e) In December 2007, the California Air Resources Board (“CARB”) voted to approve a
6 proposed regulation, which when effective, will require five ports in California, including the
7 Port of San Francisco, to phase in shoreside power for certain vessels including cruise ships
8 beginning in the year 2014.

9 (f) Carl Moyer Program grant funds cannot be used to fund projects that are required
10 by law. Since CARB adopted a regulation requiring shoreside power to be phased in
11 beginning 2014, the Port must install its grant-funded Project by mid-2009, thereby providing
12 for an operational shoreside power facility at least four years in advance of state
13 requirements, in order to achieve Carl Moyer Program emission reduction requirements.

14 (g) The Project will reduce the emission of air pollutants by each typical cruise ship that
15 connects by approximately:

16 140 lbs diesel particulate matter (“PM”),

17 0.87 tons nitrogen oxides (“NOx”), and

18 1.3 tons sulfur oxides (“SOx”);

19 thereby improving San Francisco’s air quality and enhancing the public health and welfare of
20 all San Franciscans and creating other significant public benefits.

21 Additionally, each ship that connects will reduce the consumption of fossil fuels by
22 approximately 16 tons, resulting in a reduction of carbon dioxide emissions of approximately
23 19.7 tons, thereby reducing the amount of the City’s greenhouse gas emissions.

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1 (h) Princess Cruise Lines, as the only cruise ship company that has designed and
2 constructed shoreside power facilities for cruise ships, has unique experience in the
3 development of shoreside power equipment and is uniquely qualified as a Carl Moyer
4 Program grantee to participate in this Project. Princess Cruise Lines utilizes Cochran, Inc., a
5 Seattle-based electrical engineering contractor, to design and install shoreside power
6 installations.

7 (i) All other major cruise lines, through the International Council of Cruise Lines
8 ("ICCL"), in order to maximize compatibility among the various ships and cruise companies,
9 have agreed to adopt the Princess design for shoreside power as the industry standard.

10 (j) Any delay in installing the shoreside power equipment increases the risk of losing
11 the Carl Moyer Program grant funds.

12 (k) The Port proposes to enter into an agreement with Princess Cruise Lines, under
13 which Princess Cruise Lines shall seek reimbursement not to exceed \$1.9 million from
14 BAAQMD through the Carl Moyer Program to fund the Project. The estimated cost of the
15 project, including contingencies is \$3.6 million, thereby exceeding the Carl Moyer Program
16 grant amount by \$1.7 million. The Port proposes to enter into a Memorandum of
17 Understanding ("MOU") with the San Francisco Public Utilities Commission ("SFPUC") for
18 SFPUC funding of the remainder of Project costs of \$1.7 million.

19 (l) The Port and SFPUC staff are examining methods of engineering and dividing the
20 shoreside power project into two distinct phases: one that involves the specialized shoreside
21 power equipment that could be executed by Princess Cruise Lines with BAAQMD funds (the
22 "BAAQMD-funded phase"), and another that involves electrical power supply to the shoreside
23 power system and could be executed by the SFPUC and its current, as-needed construction
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1 contractors, utilizing SFPUC funds (the "SFPUC-funded phase"). City staff have not yet
2 concluded whether this approach will deliver an operational project by mid-2009.

3 (m) Subject to the Port Director's determination that it is economically or technically
4 infeasible to complete the SFPUC-funded phase of the Project utilizing a current City-certified
5 contractor, the Port of San Francisco wishes to enter into an agreement with Cochran, Inc. for
6 the purchase and installation of shoreside power equipment at Piers 27 and 29 of the Port of
7 San Francisco, for an amount not to exceed \$1,700,000 dollars from the City and an
8 additional amount of \$1,900,000 to be separately provided by Princess Cruise Lines from the
9 BAAQMD Carl Moyer Program grant, such agreement to be substantially in the form of
10 agreement on file with the Clerk of the Board of Supervisors in File No. _____
11 (the "Agreement") which is incorporated herein by reference.

12 (n) The Agreement shall waive either party's right to seek incidental, consequential,
13 special, punitive, or exemplary damages from the other.

14 (o) The City's Planning Department has issued a Categorical Exemption dated March
15 13, 2008 for this project in accordance with the California Environmental Quality Act
16 (California Public Resources Code sections 21000 et seq.). Said determination is on file with
17 the Clerk of the Board of Supervisors in File No. 2008.030E and is incorporated herein by
18 reference.

19 Section 2. Subject to the Port Director's determination that it is economically or
20 technically infeasible to complete the SFPUC-funded phase of the Project utilizing a current
21 City-certified contractor, the Board of Supervisors hereby exempts the Agreement from the
22 contracting requirements of the Administrative Code and Environment Code, including,
23 without limitation, Chapters 6, 12C, 12P, 12Q, and 14A, 14B, and 21 of the Administrative
24 Code and Chapters, 2, 5, and 8 of the Environment Code except to the extent the Agreement
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1 obligates Cochran, Inc. as contractor, to satisfy such requirements, and hereby authorizes the
2 Executive Director of the Port, or her designee, to execute the Agreement, on behalf of the
3 City, substantially in form of the agreement on file with the Clerk of the Board, in File No.
4 _____.

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6 Section 3. The Board of Supervisors hereby authorizes the Executive Director or her
7 designee to enter into any additions, amendments or other modifications to the Agreement
8 that the Executive Director, in consultation with the City Attorney, determines are in the best
9 interests of the City, do not increase the amount of the Agreement or otherwise do not
10 materially increase the obligations or liabilities of the City and are necessary or advisable to
11 complete the Project contemplated by the Agreement and effectuate the purpose and intent of
12 this Ordinance.

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

16 By: _____
17 ATTORNEY'S NAME
18 Deputy City Attorney

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