

1 [Amending Ordinance 125-08, which approved an agreement with Cochran, Inc. to install
2 shoreside power equipment at Piers 27 and 29 of the Port of San Francisco and waived
3 requirements of the Administrative Code and Environment Code.]

4 **Ordinance amending Ordinance 125-08, which authorized the Executive Director of the**
5 **Port to execute an agreement with Cochran, Inc., to install shoreside power equipment**
6 **at Piers 27 and 29 of the Port of San Francisco and exempted the agreement from the**
7 **contracting requirements of the Administrative Code and Environment Code, to**
8 **increase the amount of the contract to design, purchase, and install the shoreside**
9 **power equipment, and to allow the Port to contract with Cochran, Inc. to operate and**
10 **maintain said equipment for a period of three (3) years, for a total amount not to exceed**
11 **\$5,198,000.**

12 NOTE: Additions are *single-underline italics Times New Roman*;
13 deletions are ~~*strike-through italics Times New Roman*~~.
14 Board amendment additions are double-underlined;
Board amendment deletions are ~~strike-through normal~~.

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

16 Section 1. Findings.

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

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

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

1 (d) On April 4, 2007, the BAAQMD approved a Carl Moyer Program grant of \$1.9
2 million to the Port of San Francisco and Princess Cruise Lines, jointly as grantee, to fund a
3 shoreside power project (“Project”) and in December 2007, this Board by Resolution No. 671-
4 07 approved the acceptance and expenditure of those grant funds. The Carl Moyer grant
5 originally specified ~~specifies~~ that the Project must be completed by June 2009; otherwise, the
6 grant funds must be repaid to BAAQMD. BAAQMD has extended the deadline for project
7 completion to December 31, 2010.

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

12 (f) Carl Moyer Program grant funds cannot be used to fund projects that are required
13 by law. Since CARB adopted a regulation requiring shoreside power to be phased in
14 beginning 2014, the Port must install its grant-funded Project by ~~mid-2009~~ December 31, 2010,
15 thereby providing for an operational shoreside power facility at least ~~four~~ three years in
16 advance of state requirements, in order to achieve Carl Moyer Program emission reduction
17 requirements.

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

- 20 140 lbs diesel particulate matter (“PM”),
- 21 0.87 tons nitrogen oxides (“NOx”), and
- 22 1.3 tons sulfur oxides (“SOx”);

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

1 Additionally, each ship that connects will reduce the consumption of fossil fuels by
2 approximately 16 tons, resulting in a reduction of carbon dioxide emissions of approximately
3 19.7 tons, thereby reducing the amount of the City's greenhouse gas emissions.

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

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

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

15 (k) The ~~Port proposes to enter into an agreement with Princess Cruise Lines, under which the~~
16 Port shall seek reimbursement of funds not to exceed \$1.9 million from BAAQMD through the
17 Carl Moyer Program for Project costs, and Princess Cruise Lines will assist the Port by
18 working with Cochran to test and certify that the shoreside power equipment functions
19 properly with Princess' cruise vessels. The estimated cost of ~~the project~~ construction,
20 including contingencies is ~~\$3.6 million~~ \$4,848,000, thereby exceeding the Carl Moyer Program
21 grant amount by ~~\$1.7 million~~ \$2,948,000. The additional \$350,000 in operation and maintenance
22 costs is not reimbursable through grant funding. The Port proposes to enter into a Memorandum
23 of Understanding ("MOU") with the San Francisco Public Utilities Commission ("SFPUC") for
24 SFPUC funding of ~~the remainder of Project costs of~~ \$1.7 million, leaving potentially \$1,248,000 in
25 construction costs to be funded using Port capital funds.

1 (l) In anticipation of a potential shortfall in non-Port capital funds for the project, the Port
2 submitted a grant application for \$1.65 million to the US Environmental Protection Agency's Diesel
3 Emissions Reduction Act ("DERA") grant program in April 2009. Additionally, in a joint application
4 with six other West Coast ports, the Port also applied for similar funding through the US Department
5 of Energy's Transportation Electrification Program in May 2009. The Port anticipates receiving
6 notification in late summer or early fall 2009 regarding these grant applications. The Port and SFPUC
7 staff are pursuing engineering and construction of the shoreside power project in two distinct phases:
8 one that involves the specialized shoreside power equipment that will be executed by the Port of San
9 Francisco with BAAQMD funds and SFPUC funds through a contract with Cochran, Inc., and another
10 that involves upgrading SFPUC-owned electrical power supply to the shoreside power system which
11 will be executed by the SFPUC and its current, as needed construction contractors, utilizing SFPUC
12 funds. This approach will deliver an operational project by mid-2009.

13 (m) ~~Subject to the Port Director's determination that it is economically or technically infeasible~~
14 ~~to complete the Project utilizing a current City-certified contractor, the Board of Supervisors hereby~~
15 ~~authorizes the Executive Director of the Port to execute an agreement with Cochran, Inc. to install~~
16 ~~shoreside power equipment at Piers 27 and 29 of the Port of San Francisco for an amount not to~~
17 ~~exceed \$3,200,000 such agreement to be substantially in the form of the agreement on file with the~~
18 ~~Clerk of the Board of Supervisors in File No. _____ (the "Agreement") which is~~
19 ~~incorporated herein by reference.~~

20 (n) At the discretion of the Executive Director of the Port, the Agreement may waive
21 either party's right to seek incidental, consequential, special, punitive, or exemplary damages
22 from the other.

23 (o) The City's Planning Department has issued a Categorical Exemption dated March
24 13, 2008, for this project in accordance with the California Environmental Quality Act
25 (California Public Resources Code sections 21000 et seq.). Said determination is on file with

1 the Clerk of the Board of Supervisors in File No. 2008.030E and is incorporated herein by
2 reference.

3 (~~no~~) At the discretion of the Executive Director of the Port, the Agreement may waive
4 either party's right to seek incidental, consequential, special, punitive, or exemplary damages
5 from the other.

6 Section 2. Subject to the Port Director's determination that it is economically or technically
7 infeasible to complete the Project utilizing a current City-certified contractor, the Board of Supervisors
8 hereby authorizes the Executive Director of the Port or her designee to execute an agreement with
9 Cochran, Inc. to design, purchase, and install shoreside power equipment at Piers 27 and 29 of the
10 Port of San Francisco for an amount not to exceed \$4,848,000, including contingencies, and, by same
11 or separate agreement, to operate and maintain said shoreside power equipment for three years beyond
12 completion of construction for an additional amount not to exceed \$350,000, including contingencies,
13 such agreement or agreements to be substantially in the form of the agreement or agreements on file
14 with the Clerk of the Board of Supervisors in File No. _____ (collectively, the
15 "Agreement") which are incorporated herein by reference.

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

1 Section 34. The Board of Supervisors hereby authorizes the Executive Director of the
2 Port or her designee to enter into any additions, amendments or other modifications to ~~the~~such
3 Agreement that the Executive Director, in consultation with the City Attorney, determines are
4 in the best interests of the City, do not increase the amount of the Agreement or otherwise do
5 not materially increase the obligations or liabilities of the City and are necessary or advisable
6 to complete the Project contemplated by the Agreement and effectuate the purpose and intent
7 of this Ordinance.

8
9 APPROVED AS TO FORM:
10 DENNIS J. HERRERA, City Attorney

11 By: _____
12 Robert A. Bryan
13 Deputy City Attorney