

FILE NO. 041351

ORDINANCE NO.

1 [Contract for Electric Services]

2

3 **Ordinance approving two contracts between the City and County of San Francisco and**
4 **the United States, through the Department of Energy Western Area Power**
5 **Administration, for electric services required to ensure reliable delivery of low cost**
6 **electric power for use at Treasure Island on file with the Clerk of the Board of**
7 **Supervisors in File No. 041351; and approving indemnifying and holding harmless the**
8 **United States against claims arising from the activities of the City under the contract;**
9 **and waiving requirement of Section 21.35 of the San Francisco Administrative Code**
10 **that every contract contain a statement regarding liability of claimants for submitting**
11 **false claims; and waiving requirement of Section 21.19 of the San Francisco**
12 **administrative code that every contract contain a statement regarding guaranteed**
13 **maximum costs.**

14

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

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

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

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

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

24 (4) The Board of Supervisors has previously approved a contract ("Power Purchase
25 Agreement" or "PPA") between the City and County of San Francisco and the Western Area

1 Power Administration for the delivery of low cost electric power for use at TI/YBI pursuant to
2 Ordinance No. 001795 on file with the Clerk of the Board of Supervisors.

3 (5) The PPA between the City and WAPA contemplated additional electricity services
4 that would be needed by the City to effectuate service at TI/YBI.

5 (6) The Western Area Power Administration (WAPA), makes available other services
6 including Scheduling Coordinator Services and Supplemental Power Purchases to ensure that
7 loads at TI/YBI would be served reliably.

8 (7) These services will allow the City to provide reliable low cost federal power for all
9 anticipated electric power needs of TI/YBI.

10 (8) Funds for the purchase of these services are available in the TI/YBI project budget.

11 (9) The San Francisco Public Utilities Commission approved the contracts for
12 Scheduling Coordinator Services and for Full Load Service on September 14, 2004. The
13 contracts are a standard form used by the United States for purchase of WAPA power and
14 services. Indemnification of the United States is a required element of the contracts. WAPA
15 would not agree to modify the contracts to include the statements required by San Francisco
16 Administrative Code Sections 21.35 and 21.19.

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

19 (11) The term of the contracts is from September 1, 2004, and will remain in effect until
20 September 1, 2010.

21 Section 2. The General Manager of the Public Utilities Commission is hereby
22 authorized to execute the Contracts for Scheduling Coordinator Services Contract and Full
23 Load Service with WAPA. Copies of the contracts are on file with the Clerk of the Board of
24 Supervisors in File No.041351.

25 Section 3. WAIVERS. For the purpose of these contracts:

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

4 (2) The Board of Supervisors hereby waives the requirement of San Francisco
5 Administrative Code Section 21.19 that every contract include a statement regarding
6 guaranteed maximum costs.

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8 Section 4. The value of the scheduling coordinator services and California
9 Independent System Operator charges should not exceed \$1,200,000 and the value of the
10 supplemental power should not exceed \$2,120,000.

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

13 By: _____
14 Joseph P. Como
15 Deputy City Attorney