

## **PUBLIC UTILITIES COMMISSION**

City and County of San Francisco

RESOLUTION NO. 21-0078

WHEREAS, The SFPUC advertised Hetch Hetchy Water and Power's Hetch Hetchy 10-Year Capital Improvement Program-funded, Contract No. DB-121R2 Moccasin Powerhouse Generator Rehabilitation, DB-121R2 on October 30, 2020; and

WHEREAS, The Engineer's Estimate is \$32,300,000 for this construction contract work to rehabilitate two vertical shaft synchronous hydro generators at the Moccasin Powerhouse; and

WHEREAS, The contract duration is 1,093 consecutive calendar days; and

WHEREAS, SFPUC received only one (1) bid, submitted by General Electric Renewable US LLC ("GE"), which staff opened publicly on February 4, 2021, and rejected as non-responsive because it did not offer to accept the SFPUC's standard contract terms and conditions; and

WHEREAS, On February 23, 2021, by Commission Resolution 21-0029, this Commission authorized the General Manager to negotiate a contract with any contractor qualified to perform the work; and

WHEREAS, SFPUC staff and the City Attorney's Office sought to negotiate with four qualified firms, but two of the firms declined to negotiate; and

WHEREAS, Staff and the City Attorney's Office, with counsel from the City Risk Manager's Office, entered into negotiations with two firms -- (1) GE, and (2) Andritz Hydra Corp. ("Andritz") -- obtaining from each firm the best proposal that could be obtained through the negotiations; and

WHEREAS, Both GE and Andritz require modification to the City's standard indemnification requirements in the form of a comparative fault indemnification obligation; and

WHEREAS, Administrative Code Section 6.22.(c) requires any change in the indemnification requirement receive the recommendation of the Risk Manager and the express permission and approval of the Board of Supervisors; and

WHEREAS, The Office of the City Attorney has concluded that it is not possible to negotiate a stronger contractual indemnification provision with a qualified contractor than the comparative fault indemnification provisions obtained through negotiations with GE and Andritz; and

WHEREAS, Staff with support from the City Attorney's Office and the Office of the Risk Manager ("City's Negotiations Team") compared the negotiated bids submitted by GE and Andritz based on negotiated contract terms and conditions, prices, technical proposals, and proposed schedules and informed the General Manager of the differences between the two proposals; and

WHEREAS, The General Manger concluded that GE submitted the bid most favorable to the City's interests and therefore recommends that the Commission award the contract for the Project to GE, conditioned on Board of Supervisors' approval of the negotiated comparative fault contractual indemnification provision; and

WHEREAS, The Risk Manager has submitted a memorandum recommending approval of the negotiated comparative fault contractual indemnification provision that staff and the City Attorney's office has negotiated with GE, a copy of which is on file with the Commission Secretary; and

WHEREAS, CMD has waived Administrative Code Section 14B Local Business Enterprise requirements for this contract; and

WHEREAS, GE requires a waiver from the Equal Benefits Provisions of Chapter 12B of the City's Administrative Code because it does not provide benefits to unmarried couples; and

WHEREAS, Funds are available from Project No. 10014086, Moccasin Powerhouse and Generator Step Up Transformer Rehabilitation; and

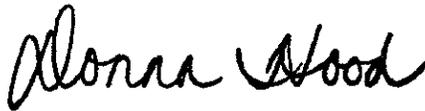
WHEREAS, On August 4, 2014, under Case Number 2014.1184E, the Planning Department determined that the Moccasin Powerhouse Generators Rewind Project is categorically exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301, also known as a Class 1 exemption. Subsection (b) of Section 15301 provides an exemption for, among other things, certain repair, maintenance, and minor alteration of "Existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage, or other public utility services;" and

WHEREAS, Staff proposed modifications to the Project as described in the Minor Project Modification memorandum dated May 28, 2020, and the Project now includes three construction components as follows: (1) installation of two new transformers under Contract No. HH-1003R, Moccasin Powerhouse Generator Step Up Transformer Installation, (2) replace two hydroelectric generators under this proposed Contract No. DB-121R2, Moccasin Powerhouse Generator Refurbishment, and (3) rehabilitate other powerhouse systems within the Moccasin Powerhouse; and

WHEREAS, On June 4, 2020, under Case Number 2014.1184E and pursuant to San Francisco Administrative Code subsection 31.08(i), the Planning Department determined that modifications to the Project proposed under this action are not substantial, and the modified project remains categorically exempt under CEQA and does not require further environmental review; now, therefore, be it

RESOLVED, That this Commission hereby approves the plans and specifications, and awards Hetch Hetchy Water and Power's Hetch Hetchy 10-Year Capital Improvement Program-funded Contract No.DB-121R2 Moccasin Powerhouse Generator Rehabilitation, in the amount of \$26,271,805, and with a duration of 1,093 consecutive calendar days, to GE Renewable US LLC, to rehabilitate two vertical shaft synchronous hydro-generators at the Moccasin Powerhouse, subject to approval by the Board of Supervisors of the modified contractual indemnification provision under Section 6.22(c) of the Administrative Code.

*I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of May 11, 2021.*

A handwritten signature in black ink that reads "Alonna Wood". The signature is written in a cursive, flowing style.

---

*Secretary, Public Utilities Commission*