

MEMORANDUM

September 8, 2017

TO: MEMBERS, PORT COMMISSION
Hon. Willie Adams, President
Hon. Kimberly Brandon, Vice President
Hon. Leslie Katz
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Request for authorization to award a sole source contract to Cochran Marine, LLC, for testing and re-commissioning of the shoreside power system at the James R. Herman Cruise Terminal for the amount of \$280,000 and a four-year term

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution

EXECUTIVE SUMMARY

Port staff is seeking authorization to execute a sole source contract with Cochran Marine, LLC. ("Cochran Marine"), for annual testing and re-commissioning of the shoreside power system at the James R. Herman Cruise Terminal for a not-to-exceed amount of \$280,000 and a four-year term.

On June 21, 2008, the San Francisco Board of Supervisors authorized the Port of San Francisco to execute a sole source agreement with Cochran, LLC., to install a shoreside power system at the James R. Herman Cruise Terminal located at Pier 27. Cochran LLC (now known as Cochran Marine) installed the shoreside power system, which allows compatible passenger cruise vessels to obtain high voltage electricity from the City's electrical power grid rather than using on-board diesel generators while berthed at the Port's Cruise Terminal. Port staff is seeking the approval of this contract for annual testing and recommissioning of the system to ensure all equipment installed and connected is operational within the specified tolerances and in accordance with system specifications.

As the designer and manufacturer of the shoreside power system, Cochran Marine is the sole vendor qualified for testing and recommissioning the existing proprietary system equipment. Pursuant to Administrative Code Section 21.5(b), on

THIS PRINT COVERS CALENDAR ITEM NO. 10B

August 31, 2017, the Office of Contract Administration granted the Port a sole source waiver to procure these services from Cochran Marine, LLC without bidding.

STRATEGIC OBJECTIVE

This contract will support the goals of the Port's Strategic Plan as follows:

Sustainability:

By employing best environmental practices in Port operations, reducing diesel air emissions, and improving local air quality.

BACKGROUND

The James R. Herman Cruise Terminal located at Pier 27 was opened in September 2014. This facility features shoreside power technology where properly equipped cruise ships have the option of shutting down their engines and utilizing clean power from the City's electrical grid. This system helps to minimize local air pollution associated with berthed ocean-going vessels, which are a significant source of air pollution due to a lack of emission controls, and the high quantity of fuel required to maintain system operations during berthing. The shoreside power system components include:

- Transformer
- Main metering equipment
- Secondary metering equipment
- Grounding switch
- Shore power cable winch
- Power cables

Cochran Marine designed and constructed the Pier 27 shoreside power system which consists of transformer and switchgear with proprietary controls and software to allow cruise ships to connect to utility power instead of operating diesel engines while docked at Pier 27. The purpose of the shore power system is to comply with California Environmental Protection Agency's Air Resource Board regulation for ocean-going vessels to connect to utility service while berthed in California ports. The California Environmental Protection Agency has phased in the requirement for shore power connection as follows:

2014: 50%
2015: 50%
2016: 50%
2017: 70%
2018: 70%
2019: 70%
2020: 80%

To conform with the international standards that the International Electrotechnical Commission for electroctechonology developed, the functionality and safety of this system must be tested and certified annually.

PROPOSED SCOPE OF WORK

The proposed sole source contract with Cochran Marine for testing and re-commissioning will involve reprogramming the shore power system to accommodate various ship calls. This will require reprogramming proprietary software to safely coordinate and protect various ships' systems which connect to the shore power system. To ensure the safety of personnel and equipment, cruise ships will not connect to shore power system unless the required annual testing and commissioning is completed, currently due October 31, 2017. If the testing and re-commissioning are not completed, cruise ships will instead operate with on board generators resulting in non-compliance with Air Resource Board regulations, which may lead to penalties.

This proposed contract will provide for annual testing and, if needed, maintenance, of the Pier 27 shore power system and recommissioning services for 2017 through 2021. The proposed services include the following scope of work:

- Annual inspection and cleaning of the Pier 27 Shore Power System equipment.
- Review of annual relay coordination study.
- Comprehensive annual system testing, including required third party testing.
- Testing of medium voltage cabling system.
- Preparation of a complete system testing report.
- System controls and breaker operations test.
- System verification in accordance with International Electrotechnical Commission (IEC).

LOCAL BUSINESS ENTERPRISE PARTICIPATION

Due to the proprietary nature of the shoreside power system designed and installed by Cochran Marine, the Contract Monitoring Division (CMD) approved a sole source waiver on August 31, 2017 waiving Local Business Enterprise requirements for this contract. There are no subcontracting opportunities available through this contract.

PROJECT SCHEDULE

The planned project schedule is:

<u>Activity</u>	<u>Target Date</u>
Port Commission Request to Award Contract	September 12, 2017
Notice to Proceed	September 22, 2017
Contract Completion	September 21, 2021

FUNDING

Port staff proposes a contract award for a four-year term and an amount not to exceed \$280,000. These services will be funded in the Port's operating budget.

RECOMMENDATION

Port staff requests Port Commission authorization to execute a sole source contract with Cochran Marine in an amount not to exceed \$280,000 with a four-year team for testing and re-commissioning of Port's shore side power system at the James R. Herman Cruise Terminal located at Pier 27.

Prepared by: Boris Delepine
Contracts Administrator

Raman Singh
Associate Engineer

Prepared for: Rod Iwashita
Chief Harbor Engineer

Peter Dailey
Deputy Director of Maritime

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 17-38

- WHEREAS, On June 21, 2008, the San Francisco Board of Supervisors authorized the Port of San Francisco to execute a sole source agreement with Cochran, LLC, now known as Cochran Marine, LLC, to install a shoreside power system at Piers 27–29, where cruise ships berthed before construction of the James R. Herman Cruise Terminal at Pier 27 (Board of Supervisors Ordinance No. 0125-08; File No. 080566); and
- WHEREAS, During construction of the James R. Herman Cruise Terminal, the shoreside power system was decommissioned and re-installed with the completion of the new Pier 27 Cruise Terminal facility; and
- WHEREAS, Cochran Marine, LLC, designed and installed the shoreside power system, which allows compatible passenger cruise vessels to obtain high voltage electricity from the City’s electrical power grid rather than using on-board diesel generators while berthed at the Port’s Terminal; and
- WHEREAS, For each typical cruise vessel that connects to the shoreside power system there is an estimated reduction of air pollutants of approximately 140 lbs. diesel particulate matter, 0.87 nitrogen oxides, and 1.3 tons sulfur oxides, thereby improving San Francisco air quality and enhancing the public health and welfare of all San Franciscans and creating other significant public benefits; and
- WHEREAS, The shoreside power system has been operating properly since its commissioning in December 2010; and
- WHEREAS, The cruise vessels that connect to the shorepower system at the James R. Herman Cruise Terminal rely upon an industry certification that the shoreside power system has received annual testing and remains operational under international specifications; and
- WHEREAS, In August 2017, the Office of Contract Administration and Contract Monitoring Division approved sole source waivers to authorize the Port to contract with Cochran Marine, LLC for the testing and recommissioning of the shoreside power system at the James R. Herman Cruise Terminal; and
- WHEREAS, The continued annual testing and recommissioning of the shoreside power system at the James R. Herman Cruise Ship Terminal is necessary for the cruise vessel industry’s continued use of the shore

power system and the Port's interest in reducing diesel emissions from passenger cruise vessels berthed at the Terminal; and

WHEREAS, Port staff recommends that the Port Commission authorize a contract with Cochran Marine, LLC, for the annual testing and recommissioning of the shoreside power system for an amount not to exceed \$280,000 and a four-year term; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to execute a sole source contract with Cochran Marine, LLC, for an amount not to exceed \$280,000 and a four- year term for testing and recommissioning of the Port's shoreside power system at the James R. Herman Cruise Ship Terminal, as described in the staff report accompanying this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 12, 2017.

Secretary