




## MEMORANDUM

January 7, 2022

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Willie Adams, Vice President  
Hon. John Burton  
Hon. Gail Gilman  
Hon. Doreen Woo Ho

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Request for authorization to award a sole source contract to Watts Marine, for testing and re-commissioning of the shore side power system at the James R. Herman Cruise Terminal for a term of 4 years and not to exceed amount of \$400,000.

**DIRECTOR'S RECOMMENDATION:** Approve the Attached Resolution No. 22-03

### **EXECUTIVE SUMMARY**

Port staff is seeking authorization to execute a sole source contract with Watts Marine for annual testing and re-commissioning of the shore side power system at the James R. Herman Cruise Terminal at Pier 27 ("Cruise Terminal") for a term of 4 years and not to exceed amount of \$400,000.

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 shore side power system at the Cruise Terminal located at Pier 27. The system 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 Cruise Terminal. Port staff is seeking 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.

On September 12, 2017, the Port Commission approved Resolution 17-38 to authorize a sole source contract with Cochran Marine, LLC for annual testing and re-commissioning of the shore side power system at the Cruise Terminal.

Watts Marine purchased the shore side power system business from Cochran Marine in 2021, including the rights to US patent 905455. Watts Marine is the sole supplier qualified for testing and recommissioning the existing proprietary system equipment at the Cruise Terminal. Pursuant to Administrative Code Section 21.5(b) the Office of Contract Administration granted the Port a sole source waiver to procure these services from Watts Marine on November 30, 2021.

## **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, improving local air quality, and complying with California Air Resources Board (CARB) regulations.

### **Productivity:**

By maintaining the facilities to support the Cruise Terminal to maximize visitors to the Port.

## **BACKGROUND**

The Port opened the Cruise Terminal in September, 2014. This facility features shore side 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. For each typical cruise vessel that connects the shore side power system there is an estimated reduction in air pollutants of approximately 140 lbs diesel particulate matter, 0.87 nitrogen oxides, and 1.3 tons of sulfur oxides. The shore side power system improves air quality through the reduction of these emissions.

The shore side system components include:

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

Cochran LLC designed and constructed the Pier 27 shore side power system with proprietary controls and software to manage the transformer and switchgear. Cochran LLC changed its name to Cochran Marine LLC. Watts Marine acquired the marine shore side power business, including the rights to US patent 905455. The patent author is Michael Watts, owner of Watts Marine.

The International Electrotechnical Commission, the organization that develops international standards for electrotechnology, requires that the Port's shore side power system be tested annually to ensure its functionality and safety. The system has been operating properly since its commissioning in 2010.

### **PROPOSED SCOPE OF WORK**

The proposed contract with Watts Marine for testing and re-commissioning includes reprogramming the shore side power system to accommodate calls from a variety of ships. This involves reprogramming proprietary software to coordinate and protect the ship systems that connect to the shore side power system. To ensure the safety of personnel and equipment, cruise ships will not connect to shore side power system unless the required annual testing and commissioning is completed. Failure by Port to test and re-commission the system will prevent cruise ships from connecting to utility power, forcing the use of on board diesel generators which would lead to non-compliance with California Air Resources Board (CARB) regulations and potential financial penalties against the Port.

This contract will provide for annual maintenance of the Pier 27 shore side power system and will provide for the complete annual testing and recommissioning services for 2022 through 2026. Services include the following scope of work:

- Annual inspection and cleaning of the Shore Side Power System equipment. shore side power
- 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 shore side power system, the Contract Monitoring Division (“CMD”) approved a sole source waiver on October 22, 2021 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	January 11, 2022
Notice to Proceed	January 24, 2022
Contract Completion	January 23, 2026

**FUNDING**

Port staff proposes a contract award for a four-year term and a not to exceed value of \$400,000. These services will be funded by the Port’s operating budget.

**RECOMMENDATION**

Port staff requests Port Commission authorization to execute a sole source -year contract with Watts Marine in an amount not to exceed \$400,000 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: Stephanie Tang  
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Prepared for: Rod Iwashita  
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**PORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 21-03**

- 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, to install a shore side power system at the James R. Herman Cruise Terminal (“Cruise Terminal”) located at Pier 27 (Board of Supervisors Ordinance No. 0125-08; File No. 080566); and
- WHEREAS, The shore side power system was installed by Cochran, LLC and Watts Marine now owns the proprietary technology under US Patent 9054558 that 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 Cruise Terminal; and
- WHEREAS, For each typical cruise vessel that connects to the shore side power system there is an estimated reduction of air pollutants 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 shore side power system has been operating properly since its commissioning in December 2010; and
- WHEREAS, The cruise vessels that connect to the shore side power system at the Cruise Terminal rely upon an industry certification that the shore side power system has received annual testing and remains operational under certain specifications; and
- WHEREAS, The Office of Contract Administration approved sole source waiver OCAWVR0005332 and Contract Monitoring Division approved sole source waiver 10485 to authorize the Port to contract with Watts Marine for the testing and recommissioning of the shore side power system at the Cruise Terminal; and
- WHEREAS, The continued annual testing and recommissioning of the shore side power system at the Cruise Terminal is required for the cruise vessels’ continued use of the shore side power system and for Port to meet the regulatory requirements in reducing diesel emissions from passenger cruise vessels berthed at the Cruise Terminal; and
- WHEREAS, Port staff recommends that the Port Commission authorize a 4-year contract with Watts Marine for the annual testing and recommissioning of

the shore side power system for an amount not to exceed \$400,000;  
now therefore be it

RESOLVED, That the San Francisco Port Commission hereby authorizes Port staff to execute a sole source 4-year contract with Watts Marine, LLC., for an amount not to exceed \$400,000, for testing and recommissioning of the Port's shore side power system at the Cruise 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 January 11, 2022.***

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***Secretary***