

## SAN DIEGO UNIFIED PORT DISTRICT

## MEMORANDUM

**Date:** November 1, 2023

**To:** Randa Coniglio, Acting President/CEO

**Via:** Ernesto Medina  
Vice President, Facilities and Engineering  
ctesoro@portofsandiego.org

**From:** Jesus Puebla  
Capital Project Manager, Engineering and Construction  
jpuebla@portofsandiego.org

**Subject:** Cruise Ship Terminal Additional South Berth Shore Power Connection Point Project - Sole Source Purchase Justification

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**Main:** The Port has programmed the Cruise Ship Terminal Additional South Berth Shore Power Connection Point Project. This initiative aims to enhance our environmental sustainability efforts and operational efficiency at the Cruise Ship Terminal at B Street. The project implements Oceangoing Vessel Objective 2A of the Port's Maritime Clean Air Strategy (MCAS) improving air quality by significantly reducing Diesel Particulate Matter emission from ships-at-berth.

**Summary:** The project aims to install an additional shore power connection point at the B Street Cruise Ship Terminal's southern berth. This expansion is in response to the California Air Resources Board's At-Berth Regulation, which mandates reducing emissions from ships while docked. The additional alternative connection point accommodates ships with starboard connections and addresses the diverse power connection needs of cruise vessels.

**Agreements:** Staff identified three (3) major agreements necessary to complete the project. Each of the three (3) agreements included a separate cost estimate and requires Board approval.

1. Equipment Procurement (Purchase of Goods): Allows the purchase of electrical equipment specialized sockets for cruise ships to connect to the shore power supply, cable management, ground switch, automation equipment,

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commissioning, and testing. This is necessary due to extensive lead times to procure electrical equipment and manufacturing.

2. Service and Installation (Purchase of Consulting Services): Engineering plans for site work and design of equipment and construction support services for coordination with electrical installation contractors.
3. Public Works Contract: The third and final agreement to complete this project will be the public works agreement. Once Watts Marine (formerly Cochrane Marine, LLC) completes their design and finalizes their cost estimate, staff will present the public works contract infrastructure improvements to the Board for consideration.

**Justification for Sole Source Purchase:**

Staff recommends a sole source equipment purchase and service agreement with Watts Marine, LLC, for several compelling reasons:

- Expertise and Compatibility: Watts Marine, LLC offers proprietary systems compatible with our existing infrastructure. Their expertise ensures seamless integration and operational efficiency. Watts Marine, LLC is the originator of the existing system installed and is extensively used by all West Coast ports.
- Streamlined Implementation: Opting for a sole source agreement accelerates the project timeline. We can avoid the complexities of designing a new configuration, ensuring swift implementation and timely completion.
- Simplified Maintenance: A singular, integrated system simplifies troubleshooting and maintenance, reducing downtime and ensuring continuous operational efficiency.
- Financial Prudence: The not-to-exceed amount of \$676,273.00 aligns with our budget constraints while guaranteeing the successful execution of this critical project.
- Environmental Commitment: This initiative supports our commitment to environmental stewardship, enhancing electrification, and implements Oceangoing Vessel Objective 2A of the Port's Maritime Clean Air Strategy (MCAS), improving air quality by significantly reducing Diesel Particulate Matter emission from ships-at-berth.

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Staff recommends approval for this sole source purchase to proceed with this essential project. The support will enable us to advance our strategic goals and uphold our reputation for operational excellence and environmental responsibility.

**Fiscal Impact:**

Funds are budgeted in the FY 2024 Equipment Outlay and Other Capital Projects titled CST Add South Berth Shore Power Connections Points with a total budget of \$1,000,000. In addition to the three identified agreements and costs, an estimated project contingency cost (approximately 5%) was added to the project budget.

Upon approval by the Board will authorize the expenditure of \$676,273.00.

See the cost summary table below:

**Cost Summary Table - Table 1**

<b>Description</b>	<b>Cost</b>
Equipment Procurement	\$468,658.87
Service and Installation	\$171,643.15
Allowance (~5%)	\$35,970.98
<b>Total</b>	<b>\$676,273.00</b>

The third and final public works agreement will be presented by staff to the Board for consideration upon final design and advertisement.

If you have any questions, please contact Jesus Puebla at (619) 686-7208 or via email at [jpuebla@portofsandiego.org](mailto:jpuebla@portofsandiego.org).



## Single/Sole Source Justification Form

The Single/Sole Source Justification Form must be completed for goods and services SAP requisitions with a value greater than \$40,000 for goods and greater than \$125,000 for services where competition is restricted or limited. All sections must be completed in their entirety and must provide a complete explanation of why the good(s) or service(s) cannot be competed.

### SINGLE/SOLE SOURCE JUSTIFICATION FORM INSTRUCTIONS

1. Requestor shall complete the appropriate section(s) in full.  
\*IMPORTANT\* Send completed form to the Procurement Department [ProcurementRequest@portofsandiego.org](mailto:ProcurementRequest@portofsandiego.org) prior to routing for signature. Procurement may require additional information and/or may determine that competition is required.
2. After initial review/approvals have been received from Procurement, Requestor shall complete section IV.
3. Requestor shall create a Requisition in SAP and attach the fully executed Single/Sole Source Justification Form and the Written Memo Form approved by CEO. Also include all supporting documentation.

#### Brief Description of Good(s) or Service(s):

The CST South Berth Shore Power Connection Point Project is designed to meet the growing demand for shore power services and align with environmental regulations. The project's key components include:

**Service and Installation (Purchase of Service):** Engineering plans for design work and design of equipment and construction support. A not-to-exceed amount of \$171,643.15 has been allocated for the design phase, ensuring that the project aligns with technical requirements and regulatory standards.

**Equipment Purchase (Purchase of Goods):** To streamline the project and ensure compatibility with existing systems, a sole source purchase agreement with Watts Marine has been proposed. This agreement, not to exceed \$468,658.87, will cover the acquisition of proprietary materials necessary for the installation of shore power connection points and ensure compatibility with the existing system.

An allowance of approximately 5% (\$35,970.98) will ensure a contingency is provided during the design phase.

**Public Works Contract:** This phase will involve the actual installation of the connection points, conduits, wiring, electrical infrastructure interconnection, and other necessary components. Once Watts Marine completes their design and finalized cost estimate, staff will present the public works contract to the Board for consideration.

The CST South Berth Shore Power Connection Point Project represents a critical investment in our environmental sustainability efforts and will enable us to provide efficient and eco-friendly services to vessels at berth, in alignment with Maritime Clean Air Strategy goals and California Air Resources Board At-Berth regulations.

Selected Vendor Name: Watts Marine LLC (formerly Cochrane Marine LLC)

### (SECTION I) JUSTIFICATION (Complete Only Part A or Part B)

☐ **Part A – Award to Single Source**

A procurement decision whereby purchases are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.

☒ **Part B – Award to Sole Source**

A non-competitive method of procurement is used when only one supplier possesses the unique ability or capability to meet the requirements of the entity or because only one supplier is practicably available.

**Part A – Award to Single Source (Check One):**

☐ Repair/Maintenance services or parts unavailable from any other source except original equipment manufacturer or their designated servicing dealer.

☐ Compatibility of equipment or supplies required. List equipment with which purchase will be used:

☐ Upgrade to proprietary software or hardware. Available only from the producer of the software or hardware who sells on a direct basis only. Provide documentation showing that this is the only supplier that sells the software or can perform the upgrade.

☐ Public Exigency: Life, safety or health of the public must be sustained through the immediate delivery of products or performance of services. Procurement is limited to the duration to address/remedy the exigency. A critical agency mandate, statutory or operational requirement must be fulfilled immediately. Please explain the emergency circumstances.

☐ Standardization of a component based on compatibility or maintenance reliability. Please explain.

☐ Failed bid: Competitive bids were solicited and, no bids were received, or only a single bid is received and is rejected. Procurement Services to determine if rebid is necessary.

**Part B – Award to Sole Source:**

☐ Goods or services can be obtained from only one (1) vendor. Describe the unique characteristics of the product or services or specific challenges preventing competition.

Compatibility: Watts Marine's products and components were found to be compatible with the project's technical requirements and specifications.

Although Port staff has considered other procurement methods for designing and acquiring the shore power equipment, however, the use of the Watts Marine LLC (formerly Cochran) system option will allow the District to integrate with the existing proprietary shore power system without the development of an extensive alternate system. The equipment seamlessly integrates with the existing infrastructure at the B Street Terminal, ensuring a smooth and efficient installation process.

## (SECTION II) REASONABLE PRICE DETERMINATION

### Accepted price is fair and reasonable:

☐ The price was obtained from a catalog, standard price list or is standard pricing that this supplier charges for like items and/or services sold to the general public. (Provide copy of vendor's price list) D2# or SharePoint link

☐ The quoted prices are lower than prices available to the general public and reflect substantial savings. (Provide copy of quote showing list price and discounted price). D2# or SharePoint link

☒ Other. The supplier does not have a standard catalog or unit price list for the specific items we are inquiring about. This is due to the highly customizable nature of the parts, tailored to fit our existing shore power system on site. Due to the novelty of these items to the existing system, not all units were able to be cross-referenced, however, the estimate was reviewed and compared with previous installation efforts to ensure the fairness and reasonableness of the quoted price.

## (SECTION III) ALTERNATIVE BRAND(S) / VENDOR(S)

List alternative brand(s) or vendor(s) contacted, considered, and/or researched that weren't suitable and briefly explain why.

Separate vendor product specifications do not align with the project's technical requirements and existing infrastructure, particularly in terms of compatibility with existing infrastructure.

### REQUESTING DEPARTMENT

## (SECTION IV) AUTHORIZATION / APPROVALS

bidding and the reasonableness of the price. I certify that statements and information provided herein are complete and correct to the best of my knowledge.

Jesus Puebla, Engineering  
Requestor's Name, Dept.

*Jesus Puebla*  
Requestor's Signature

11/09/2023

Date

Ernesto Medina, Chief Engineer  
Appointing Authority's Name

*Ernesto Medina*  
Appointing Authority's Signature

11/09/2023

Date

**PROCUREMENT SERVICES RECOMMENDATION**

CPO recommends the CEO approve this justification as the equipment and design cannot be obtained from any other source and it would not be in the public's best interest for this to be put out to bid.

**PROCUREMENT APPROVAL**

\_\_\_\_\_  
Matt Earle, Procurement Director/CPO  
Procurement Services

\_\_\_\_\_  
Date

**CEO APPROVAL**

\_\_\_\_\_  
Randa Coniglio  
Acting President/CEO

\_\_\_\_\_  
Date

## Document History

SignNow E-Signature Audit Log

All dates expressed in MM/DD/YYYY (US)

**Document name:** Memo and Single or Sole Source Justification Form  
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