

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION FINDING THE BOARD ACTION EXEMPT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), INCLUDING BUT NOT LIMITED TO, CEQA GUIDELINES SECTION 15301; AND AUTHORIZING A SOLE SOURCE EQUIPMENT PURCHASE AND CONSULTING SERVICE AGREEMENT WITH WATTS MARINE, LLC IN THE AMOUNT NOT TO EXCEED \$676,273 FOR THE CRUISE SHIP TERMINAL ADDITIONAL SOUTH BERTH SHORE POWER CONNECTION POINT PROJECT**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix 1 (Port Act); and

WHEREAS, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 to establish a policy governing the processing and administration of public projects, consulting and service agreements, the purchasing of supplies, materials, and equipment, and grants; and

WHEREAS, the District is advancing its commitment to environmental sustainability and operational efficiency through a strategic enhancement of its shore power infrastructure; and

WHEREAS, in response to the California Air Resources Board (CARB) CARB's at-berth regulation and the varied power connection needs of cruise ships, the District proposes the addition of a new shore power connection point at the B Street Cruise Ship Terminal's southern berth; and

WHEREAS, the project advances electrification efforts to meet the CARB's at-berth regulations 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; and

WHEREAS, to facilitate this enhancement, the District recommends a sole source equipment purchase agreement and service agreement with Watts Marine, LLC (formerly Cochrane Marine LLC). Leveraging their expertise and a streamlined approach, this partnership ensures swift implementation and simplified long-term maintenance. The estimated sole source material and design cost is \$676,273; and

WHEREAS, pending BPC approval, the design is slated to commence in the Winter of 2023. This initiative highlights the District's commitment to

20xx-xxx

environmental stewardship, operational excellence, and sustainable maritime practices; and

WHEREAS, staff has considered other procurement methods for designing and acquiring the additional electrical shore power system, the use of the Watts Marine, LLC system option will allow the Port to integrate with the existing shore power system without the development of an extensive alternate system; and

WHEREAS, using a sole source option with Watts Marine, LLC, for shore power equipment fabrication will provide the following viable opportunities for the District:

- Avoids the development of an alternate shore power system that will be compatible with Port Phase 1 and 2 shore power systems and the cruise ships that have already been retrofitted. The development of a new system would require considerably more time, design effort, and expense than it would be to continue with the existing Cochran system.
- Allows public works procurement methods to obtain the necessary electrical substation components improvements, including electrical equipment installation, cable pulling, and termination.
- Reduces the potential for electrical ship damage.
- Satisfies the Port’s primary cruise line customers’ strong preference for the Watts Marine proprietary system currently being used at the Port of San Diego and other West Coast ports.
- Allows the use of a verified design for the shore power system, rather than commissioning an unknown, unproven system.

WHEREAS, in light of these considerations, staff negotiated a proposed equipment purchase agreement and service agreement with Watts Marine, LLC as reflected in the cost summary table below:

Description	Cost
Equipment Procurement	\$521,046.92
Service and Installation	\$123,023.04
Allowance (5%)	\$ 32,203.04
Total	\$676,273.00

WHEREAS, the proposed BPC action, including without limitation, authorizing a sole source equipment purchase agreement and consulting service agreement with Watts Marine, LLC in the not-to-exceed amount of \$676,273.00 for the Cruise Ship Terminal Additional South Berth Shore Power Connection Point Project, is categorically exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301 (Existing Facilities) and 3.a.(7) of the District’s Guidelines for Compliance with CEQA. The proposed BPC action is

20xx-xxx

categorically exempt because the authorization of a consulting service agreement and associated equipment purchase agreement would consist of the design and development of specialized shore power equipment intended to allow for future shore power flexibility at the B Street Cruise Ship Terminal. The proposed project supports continued electrification efforts at the existing B Street Cruise Ship Terminal facility, as analyzed in the December 2009 Final Mitigated Negative Declaration for B Street Shore Power Project (Clerk's Document No. 69487; Resolution No. 2010-07), and, in and of itself, it would not result in a physical change in the environment. The Cruise Ship Terminal Additional South Berth Shore Power Connection Point Project developed as a result of the proposed BPC action will be subject to future environmental review after design is completed and project plans are prepared; and

WHEREAS, the District has determined none of the six exceptions to the use of a categorical exemption (CEQA Guidelines Section 15300.2) apply to this action; and

WHEREAS, the proposed BPC action complies with Sections 21, 35, and 87 of the Port Act, which allow for the BPC to pass resolutions, to do all acts necessary and convenient for the exercise of its powers, and for all visitor-serving commercial and industrial uses and purposes, and the construction, reconstruction, repair, and maintenance of commercial and industrial buildings, plants, and facilities; and

WHEREAS, the proposed BPC action is consistent with the Port Act and, accordingly, the Public Trust Doctrine; and

WHEREAS, the proposed BPC action is considered excluded development pursuant to Section 8.a. (Existing Facilities) of the District's Coastal Development Permit Regulations because the authorization of a consulting service agreement and equipment purchase agreement would allow for the design and development of specialized shore power equipment that will allow for future shore power flexibility at the B Street Cruise Ship Terminal. The proposed project supports continued electrification efforts at the existing B Street Cruise Ship Terminal facility, and, in and of itself, it would not result in a physical change, change in use, or increase the intensity of uses. Any future development to result from approval of the following item would remain subject to its own independent review pursuant to the District's certified CDP Regulations, Port Master Plan, and Chapters 3 and 8 of the Coastal Act, including the future Cruise Ship Terminal Additional South Berth Shore Power Connection Point Project. If the BPC approves this action, District staff would notify California Coastal Commission (CCC) staff in accordance with Coastal Act Section 30717. The approval would become effective after the 10th working day after notification to CCC staff unless an appeal is filed with the CCC within that time frame; and

20xx-xxx

WHEREAS, staff recommends the BPC adopt a resolution to (1) find the BPC action exempt under CEQA, including but not limited to CEQA Guidelines Section 15301 and Section 3.a.(7) of the District's Guidelines for Compliance with CEQA; and (2) authorize a sole source equipment purchase agreement and service agreement with Watts Marine, LLC in the not-to-exceed amount of \$676,273, for design and development of equipment for an additional south berth shore power connection point.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District (BPC), as follows:

1. The BPC finds the facts recited above are true and further finds that this BPC has jurisdiction to consider, approve and adopt the subject of this Resolution.

2. Based on the entire record available to the BPC and the findings set forth in this Resolution, the BPC finds that the action, including without limitation a resolution authorizing a sole source equipment purchase agreement and service agreement with Watts Marine, LLC, is categorically exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301 (Existing Facilities) and Section 3.a.(7) of the District's Guidelines for Compliance with CEQA.

3. That the Executive Director or her designated representative is hereby authorized and directed on behalf of the San Diego Unified Port District to enter into a sole source equipment purchase agreement and service agreement with Watts Marine, LLC in an amount not to exceed \$676,273, for design and development of equipment for an additional south berth shore power connection point.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy General Counsel

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 5th day of December 2023, by the following vote: