

DRAFT**RESOLUTION 20xx-xxx**

RESOLUTION AUTHORIZING A SOLE SOURCE AGREEMENT WITH WATTS MARINE LLC FOR THE PERIOD OF JULY 1, 2025, TO JUNE 30, 2028, TO PROVIDE CRUISE SHIP SHORE POWER CONNECTION, COMMISSIONING, AND MAINTENANCE SERVICES SUPPORTING THE PROPRIETARY SHORE POWER SYSTEM AT B STREET AND BROADWAY PIERS, IN COMPLIANCE WITH CALIFORNIA AIR RESOURCES BOARD AT-BERTH REGULATIONS, IN AN AMOUNT NOT TO EXCEED \$3,048,460. FUNDS FOR THE FIRST YEAR OF THIS EXPENDITURE OF \$712,264 ARE INCLUDED IN THE PROPOSED FY 2026 BUDGET. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED FOR IN THE APPROPRIATE YEAR SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET

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 completed installation of shore power facilities at the B Street and Broadway Cruise Ship Terminals in December 2010 and subsequently upgraded in 2022, allowing two cruise vessels to be connected simultaneously; and

WHEREAS, the shore power facilities are part of the District's commitment to environmental sustainability; and

WHEREAS, the shore power system is also necessary for the District and its cruise customers to comply with the California Air Resources Board (CARB) "at-berth" requirement that cruise lines connect all vessels while in port with few exceptions; and

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WHEREAS, in 2009, the District entered into a sole-source agreement with Cochran Marine, LLC (Cochran) for the design, installation, maintenance and operation of the shore power system; and

WHEREAS, Cochran provided a proprietary software control system for shore power operations and maintenance; and

WHEREAS, the cruise industry considered Cochran's system the only viable option in North America for shore power and advised the District that they would only support the use of the Cochran system due to potential damage to cruise ships from a system malfunction using a less certain technology; and

WHEREAS, the shore power arm of Cochran had a strong reputation and long track record of reliability and safety in the cruise industry; and

WHEREAS, in 2021, Watts Marine LLC bought the marine shore power division of Cochran and now owns and operates this former Cochran business and service line; and

WHEREAS, Watts Marine LLC now holds the proprietary rights to the District's shore power system; and

WHEREAS, the current agreement with Watts Marine LLC for the operation and maintenance of the system expires on June 30, 2025; and

WHEREAS, a new service agreement will be required to continue the use of the proprietary system as it is configured, and to comply with the at-berth regulation for the next three years, in an amount not to exceed \$3,048,460; and

WHEREAS, this expense is partially recouped via a shorepower connection fee in the District's tariff, at approximately \$3,600 per connection; and

WHEREAS, staff recommends the BPC adopt a Resolution authorizing a sole source agreement with Watts Marine LLC for the period of July 1, 2025, to June 30, 2028, to provide cruise ship shore power connection, commissioning, and maintenance services supporting the proprietary shore power system at B Street and Broadway Piers, in compliance with California Air Resources Board At-Berth Regulations, in an amount not to exceed \$3,048,460; and

WHEREAS, funds for the first year of this expenditure of \$712,644 are included in the proposed FY 2026 Budget; and

WHEREAS, funds required will be budgeted in the appropriate fiscal year subject to BPC approval upon adoption of each fiscal year's budget.

NOW THEREFORE, BE IT RESOLVED that the Board of Port

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Commissioners of the San Diego Unified Port District, hereby authorizes and directs the Executive Director or his designated representative to execute a sole source agreement with Watts Marine LLC for the period of July 1, 2025, to June 30, 2028, to provide cruise ship shore power connection, commissioning, and maintenance services supporting the proprietary shore power system at B Street and Broadway Piers, in compliance with California Air Resources Board At-Berth Regulations, in an amount not to exceed \$3,048,460.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 6th day of June 2025, by the following vote: