

RESOLUTION 2016-105

RESOLUTION WAIVING THE BIDDING REQUIREMENTS OF BPC POLICY NO. 110, SECTION II, C, AND AWARDED A SOLE SOURCE SERVICE AGREEMENT TO COCHRAN MARINE, LLC, FOR THE PERIOD OF AUGUST 1, 2016 TO JUNE 30, 2019 TO CONTINUE CRUISE SHIP SHORE POWER CONNECTION, COMMISSIONING, AND MAINTENANCE SERVICES SUPPORTING THE PROPRIETARY SHORE POWERING SYSTEM AT B STREET AND BROADWAY PIERS IN AN AMOUNT NOT TO EXCEED \$735,000

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) Policy No. 110 Section II (C) regarding service and consulting agreements for expenditures in excess of \$175,000 require solicitation of written responses and authorization by the BPC; and

WHEREAS, the State of California, via the California Air Resources Board (CARB), requires that cruise lines with five (5) or more calls at California ports must use a shore power system for at least 50% of their vessel calls per quarter through 2016; and

WHEREAS, shore power is an electric system, located at a cruise or cargo terminal, which allows a vessel to "plug in" and use power from a shore-side utility while at berth; and

WHEREAS, in 2008, during development of the shore power project, District staff consulted with cruise vessel owners and operators regarding multiple shore power systems and vendors; and

WHEREAS, through this process, staff recognized a strong industry desire that the Cochran Marine LLC (Cochran) system be installed at the District's cruise facilities, due to Cochran's positive industry reputation, offering a proprietary system that is widely considered to be the safest and most reliable; and

WHEREAS, in 2009, the District entered into a sole-source agreement with Cochran that covered the design, installation, maintenance and operation of the system; and

WHEREAS, also in 2009 the BPC passed resolution 2009-129 entering into a purchase agreement with Cochran for shore power system equipment and software; and

WHEREAS, the system came online in December, 2010, and serves both B Street and Broadway Pavilion; and

WHEREAS, the purchase agreement specified that the software that controls the shore power system is proprietary and precludes any company other than Cochran or their direct sub-contractors from operating the system; and

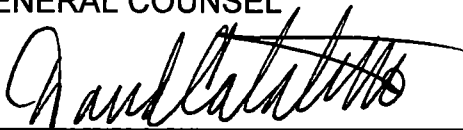
WHEREAS, the sole source agreement with Cochran expired on June 30, 2016; and

WHEREAS, a new service agreement is required in order to continue to use the proprietary system as it is currently configured, and to fulfill agreements the District has made with cruise lines covering vessel calls through 2017; and

WHEREAS, due to the proprietary nature of the currently installed shore power system, and supporting equipment and software, as well as strong cruise lines' assertion to use only the Cochran system, staff recommends that the BPC adopt a Resolution waiving BPC Policy No. 110, Section II (C) and award a sole-source service agreement to Cochran, for Shore Power Connection, Commissioning, and Maintenance Services from August 1, 2016 through June 30, 2019, in an amount not to exceed \$735,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District, hereby waives BPC Policy No. 110, Section II (C); and the Executive Director or her designated representative is hereby authorized on behalf of the San Diego Unified Port District to enter into a sole source service agreement to Cochran Marine, LLC, for Shore Power Connection, Commissioning, and Maintenance Services from August 1, 2016 through June 30, 2019 in an amount not to exceed \$735,000.

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 27th day of July, 2016, by the following vote:

AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama.

NAYS: None.

EXCUSED: None.

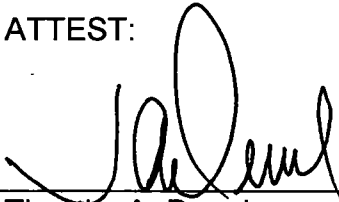
ABSENT: None.

ABSTAIN: None.



Marshall Merrifield, Chairman
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)