

[Contract Amendment – Western Area Power Administration - Electric Services – Not to Exceed \$15,950,888]

**Ordinance approving the second amendment to the contract between the City and County of San Francisco and the United States, through the Department of Energy Western Area Power Administration, for delivery of low-cost power and scheduling coordinator services to Treasure Island and Yerba Buena Island; and approving the City indemnifying and holding the United States harmless against claims arising from the activities of the City under the contract, and waiving the requirement of Section 21.19 of the San Francisco Administrative Code which requires that a City contract contain a statement of guaranteed maximum costs, and waiving the requirement of Section 21.35 of the San Francisco Administrative Code which requires that every contract contain a statement regarding liability of claimants for submitting false claims.**

NOTE: Additions are single-underline italics Times New Roman;  
deletions are ~~strike-through italics Times New Roman~~.  
Board amendment additions are double-underlined;  
Board amendment deletions are ~~strikethrough-normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. FINDINGS. The Board of Supervisors hereby finds and declares that:

(1) The City, through its Public Utilities Commission (PUC), is currently providing electric utility service at Treasure Island and Yerba Buena Island (TI/YBI) under a multi-year Cooperative Agreement with the United States Navy.

(2) The City is the local reuse authority for Naval Station Treasure Island under the Federal Base Closure and Realignment Act (BRAC), and as a result is entitled to purchase low-cost electricity from the federal government.

1 (3) The Board of Supervisors has twice approved agreements with the Western  
2 Area Power Administration ("WAPA") for low-cost electric services to Treasure Island and  
3 Yerba Buena Island ("TI/YBI"). This contract was effective on September 1, 2005, for a period  
4 of five years until September 30, 2010, pursuant to Ordinance No. 0017-05 on file with the  
5 Clerk of the Board of Supervisors. The First Amendment was approved on December 4, 2007  
6 pursuant to Ordinance 0276-07 on file with the Clerk of the Board of Supervisors, and  
7 extended the contract from September 30, 2010 to September 30, 2015.

8 (4) The contracts between the City and WAPA include delivery of low-cost power  
9 and scheduling coordinator services.

10 (5) These services, which are currently provided by WAPA, are necessary for the  
11 City to provide reliable low-cost power for all anticipated electric power needs of TI/YBI.

12 (6) On July 26, 2011, WAPA asked the City to amend the contract with an extension  
13 through September 30, 2020 now, so that WAPA could begin purchasing power for periods  
14 beyond the current contract expiration date.

15 (7) The five-year extension of the Full Load Service contract would increase the  
16 total estimated costs of the contract from four million, two hundred and forty thousand dollars  
17 (\$4,240,000) to nine million, six hundred and fifty thousand dollars (\$9,650,000). The actual  
18 cost will be determined by the quantity of power used at TI/YBI, but will not exceed ~~thirteen~~  
19 ~~million, eight hundred and ninety thousand dollars (\$13,890,000)~~ fifteen million, nine hundred  
20 and fifty, eight hundred and eighty eight dollars (\$15,950,888).

21 (8) Without these contracts, the City would be required to obtain these services  
22 from a third party, such as PG&E, at a higher cost.

23 (9) The Contract is a standard form used by the United States for power services.  
24 Indemnification of the United States is a required element of the contract. In addition, WAPA  
25

1 would not agree to modify the contracts to include the statements required by San Francisco  
2 Administrative Code Sections 21.19 and 21.35.

3 (10) The PUC approved this amendment at a public meeting on September 13, 2011,  
4 in Resolution 11-0153, a copy of which is on file with the Clerk of the Board of Supervisors in  
5 File No. 111096.

6 Section 2. The General Manager of the PUC is hereby authorized to execute  
7 the amendment to the contract for full load service with WAPA. A copy of this contract is on  
8 file with the Clerk of the Board of Supervisors in File No. 111096.

9 Section 3. WAIVERS. For the purpose of this contract, the Board of Supervisors  
10 finds that it is reasonable and in the public interest to grant the waivers specified below.

11 (1) The Board of Supervisors hereby waives the requirement of San Francisco  
12 Administrative Code § 21.19 that every contract include a statement regarding guaranteed  
13 maximum costs.

14 (2) The Board of Supervisors hereby waives the requirement of San Francisco  
15 Administrative Code Section 21.35 that every contract include a statement regarding liability  
16 of claimants for submitting false claims to the City.

17 Section 4. APPROPRIATION OF FUNDS. The costs under this contract will be  
18 recovered through the electric utility rates at TI/YBI, and will be included in the annual budgets  
19 for the PUC's Power Enterprise.

20  
21 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

22  
23 By:

  
Margarita Gutierrez  
Deputy City Attorney



## City and County of San Francisco

### Tails Ordinance

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 111096

**Date Passed:** December 13, 2011

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November 16, 2011 Budget and Finance Committee - AMENDED

November 16, 2011 Budget and Finance Committee - CONTINUED AS AMENDED

November 30, 2011 Budget and Finance Committee - RECOMMENDED

December 06, 2011 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

December 13, 2011 Board of Supervisors - FINALLY PASSED


Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 111096

I hereby certify that the foregoing  
Ordinance was FINALLY PASSED on  
12/13/2011 by the Board of Supervisors of  
the City and County of San Francisco.



Angela Calvillo  
Clerk of the Board



Mayor Edwin Lee

12/20/11

Date Approved