



Interoffice Memo

DATE: January 29, 2024

TO: Kirk DeJesus, Port Director
Jason Katindoy, Deputy Port Director, Maritime and Real Estate
Rhonda Nelson, Director of Real Estate and Port Development

FROM: Juan G. Villanueva, Director of Facilities & Procurement

RE: Consideration of possible contract task order:
Electrical Operations & Maintenance Contract

REQUESTED ACTION

- A. Adoption of a California Environmental Quality Act (CEQA) Categorical Exemption pursuant to Sections 15301(b), 15302(c), and 15304 and direct Staff to post notice related thereto.
- B. Authorize the Port Director to execute Task Order 6 for existing contract number MPSA 08105 for Bockmon & Woody Electric Company, Inc. in the amount of \$55,542.63
- C. Authorize the Port Director to execute a Task Order 2 for existing contract number POPS 00294 for HCS Engineering, Inc. for electrical engineering services in the amount of \$36,000.00.

NAUTILUS LEASE BACKGROUND

Under Nautilus' lease dated September 21, 2018, for the development and operation of a Waterborne Data Center, Nautilus is entitled to buildout a Data Center utilizing up to 8MW of power. The opportunity to sell substantial amounts of power to Nautilus was a material factor in considering the lease. Nautilus's lease up to data center users has been behind projections, but they have recently executed a number of contracts and now need to ramp up their power capacity to 3.4MW by end of first quarter 2024 and to the full 8MW by June of 2024. These additional loads require infrastructure improvements which will be performed by the Port as the electric utility operator and reimbursed by Nautilus.

ELECTRICAL OPERATIONS & MAINTENANCE BACKGROUND

Locally owned service provider Bockmon and Woody Electric Company, Inc. has provided operations and maintenance services for the Port's West Complex electric utility infrastructure for the past several years. This includes on-call and emergency response

as needed. Electrical and utility infrastructure maintenance services are crucial to keep Port facilities efficient, marketable, and in good repair.

OVERVIEW: PROPOSED TASK ORDER 6 – SYSTEM IMPROVEMENTS

- Under the proposed task order, Bockmon and Woody would perform system improvements to support increased electrical load demand for Port tenant Nautilus on the West Complex by June 1, 2024. Replace #2 EPR from OH at riser pole to Nautilus (Port) incoming power vault with 250MCM. Most work would be completed during normal business hours with outage work to be completed on a 12 – 14 hour day.
- Replace 2/0 feeder circuit 4 from terminal cabinet to riser pole. Work would be completed on the weekend.

ENGINEERING SERVICES BACKGROUND

HCS Engineering, Inc. has provided electrical engineering services for the Port for the past several years. Required services include those in support of Capital Projects as well as departmental case-by-case needs.

OVERVIEW: PROPOSED TASK ORDER 2 – ENGINEERING

Nautilus has requested an increased load demand of 8 megawatts (8MW) by June 1, 2024 to meet its load obligations. This proposed Task Order in the amount of \$36,000.00 would provide design and engineering plans stamped and sealed by a registered engineer. These services would include the design and engineering of new electrical service and equipment connections systems as required for the 8 megawatt (8MW) service and reconnection of existing electrical service. The engineering for this electrical infrastructure improvement would enable Nautilus to meet increased electrical load demand. The total infrastructure upgrade project costs are currently being estimated.

ENVIRONMENTAL REVIEW

This project is exempt from CEQA pursuant to Section 15301, Existing Facilities (Class 1), Section 15302, Replacement or Reconstruction (Class 2), and Section 15304, Minor Alterations to Land (Class 4). Section 15301(b) applies where there are minor alterations (installation of a transformer) to existing facilities of publicly owned utilities used to provide electric power. Section 15302(c) applies to this project since it involves the replacement of an electrical transformer of an existing utility system. Section 15304 applies since this project involves minor trenching and backfilling where the surface will be restored to original conditions.

FISCAL IMPACT

The FY 2023-24 operating budget includes contingency funds to support the additional task order changes. Staff are requesting to amend MPSA08105 for Bockmon & Woody to include Task Order 6 for infrastructure improvements and increase the contract by \$55,542.63 for a total amended contract amount not to exceed, \$1,722,952.93. Staff also request POPS 00294 for HCS Engineering be amended to include Task Order 2 in the amount of \$36,000.00 for additional design and engineering plans to support the increased electrical demand. This amendment will update the total contract amount not to exceed \$117,000.