

DRAFT**RESOLUTION 20xx-xxx**

RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO THE AGREEMENTS WITH MOFFATT & NICHOL, GHD, TRITON ENGINEERS, AND SIMPSON GUMPERTZ & HEGER, INC. FOR AS-NEEDED MARINE STRUCTURAL SERVICES, INCREASING THE AGGREGATE AGREEMENT AMOUNT BY \$300,000 FROM \$4,000,000 TO A NEW NOT-TO-EXCEED AMOUNT OF \$4,300,000. FUNDS REQUIRED FOR THE CURRENT FISCAL YEAR ARE INCLUDED IN THE APPROVED FY 2023 BUDGET. ALL FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL 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 operates two cruise ship terminals, B Street Cruise Ship Terminal, and Port Pavilion on Broadway Pier; and

WHEREAS, the B Street Cruise Ship Terminal serves as the District's primary cruise ship facility; and

WHEREAS, the B Street Cruise Ship Terminal has served this function since 1985, when it was converted from a cargo warehouse; and

WHEREAS, the cruise industry has evolved, and customer service standards have changed since then, offering passengers/guests better vessels that can deliver more amenities; however, as the market has changed, B Street Cruise Ship Terminal has remained much the same as it did when first remodeled; and

20xx-xxx

WHEREAS, the B Street Cruise Ship Terminal Interior Improvements Project (Project) will enhance the passenger experience and embarkation process by demolishing and opening currently unusable space, providing better technological check-in efficiencies, allowing for additional social distancing between passengers, and significantly improving the aesthetics of the facility; and

WHEREAS, the Project will allow the District to implement the first major interior upgrade to the facility in over 37 years; and

WHEREAS, the total Project cost is estimated at \$5 million (see Attachment A to the corresponding Agenda on file with the Office of the District Clerk for a diagram of the proposed area for improvement); and

WHEREAS, staff recommends the establishment of a Cruise Facility Improvement Fee (CFI FEE) that is intended to pay for the Project; and

WHEREAS, the Cruise Facility Improvement Fund (CFI FUND) is intended to house accumulated CFI FEE and provide a funding source for the proposed Project and potential future approved cruise ship terminal improvement projects outside the District's scheduled Major Maintenance Program; and

WHEREAS, to establish the CFI FEE and CFI FUND, staff is proposing an amendment to San Diego Unified Port District Tariff 1-G, Rate and Charges by adding a \$5.50 (five dollars and fifty cents) per passenger CFI FEE to be effective November 1, 2022 (Attachment B to the corresponding Agenda on file with the Office of the District Clerk); and

WHEREAS, the CFI FEE would be a fee in addition to and independent of the current \$10 (ten dollars) passenger fee; and

WHEREAS, like the current passenger fee, the CFI FEE will be charged to cruise lines for the use of the District's cruise facilities and, together with all current tariff rates and charges, remains a reasonable fee in exchange for the benefits cruise lines receive for the use of the District's facilities; and

WHEREAS, the CFI FEE would bring the cruise lines' total per passenger movement charge to \$15.50 (fifteen dollars and fifty cents); and

WHEREAS, from a competitive standpoint, this fee is still within range of the Port of Los Angeles, the District's closest competitor, which charges \$15.65 per passenger movement; and

WHEREAS, Staff projects that the collection of the CFI FEE will result in the accumulation of \$5 million by December 2024; and

20xx-xxx

WHEREAS, the initial required \$650,000 District outlay has been included in the FY 2023 Budget under Equipment Outlay and Other Capital Projects and will be transferred to Capital Improvement Program upon Board approval; and

WHEREAS, staff will request the Board's approval to fund the remaining \$4.35 million for construction via a \$1.75 million required District outlay and \$2.6 million in Cruise Facility Improvement Fund during the FY 2024 Budget process; and

WHEREAS, \$650,000 has already been budgeted for design and geotechnical investigation in the FY 2023 budget; and

WHEREAS, for Project geotechnical investigation and building permit processing, staff recommends selecting a consultant from the as-needed marine structural service agreement; and

WHEREAS, on October 13, 2021, the Board authorized a five-year agreement with Moffatt & Nichol, GHD, Triton Engineers, and Simpson Gumpertz & Heger, Inc. for as-needed marine structural services for an aggregate amount not to exceed \$4,000,000; and

WHEREAS, this proposed action will increase the aggregate capacity of the agreements by \$300,000 and will provide the capacity required for this project while maintaining the as-needed agreements' ability to support other budgeted District projects.

NOW THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District, does hereby authorize the Executive Director or his designee to execute Amendment No. 1 to the agreements with Moffatt & Nichol, GHD, Triton Engineers, and Simpson Gumbert & Heger, Inc. for as-needed marine structural services, increasing the aggregate agreement amount by \$300,000 from \$4,000,000 to a new not-to-exceed amount of \$4,300,000. Funds required for the current fiscal year are included in the approved FY 2023 budget. All funds required for future fiscal years will be budgeted in the appropriate fiscal year, subject to board approval upon adoption of each fiscal year's budget.

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 9th day of August 2022, by the following vote: