PORT OF OAKLAND

11/20/2025

AGENDA REPORT

<u>PROPOSED ACTION</u>: Resolution: Approving and Authorizing: (1) a New Capital Project for the Purchase of Electrical Infrastructure Equipment Serving Berths 61, 62, and 63, Including a Budget of $400,000 in Fiscal Year 2026; (2) the Executive Director to: (a) Enter into a Contract with Wesco International, Inc. to Furnish Electrical Equipment, at a Total Cost Not to Exceed $400,000, that Serves Ship to Shore Cranes at Berths 61, 62, and 63; (b) Designate an Existing Electrical Transformer as No Longer Used, Inadequate, Obsolete or Worn-Out and the Sale, Donation, and/or Other Disposition of Such Other Existing Equipment; (c) Dispose of Such Equipment through a Variety of Means, Including Surplus Sale, Donation, Scrapping, Recycling, Destruction, and Abandonment in Accordance with Port of Oakland Administrative Code Section 5.12.160; and (3) Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Maritime)**
<u>Submitted By</u>: Bryan Brandes, Director of Maritime; Kristi McKenney, Executive Director

<u>Parties Involved</u>:	<u>Amount</u>: Capital Expenditure – Not to Exceed $400,000
Sourcewell, Cooperative Purchasing, Staples, Minnesota WESCO International, Inc., Electrical Equipment Distributor and Services Company, Pittsburg, Pennsylvania.	

<u>EXECUTIVE SUMMARY</u>: Port of Oakland (Port) Staff recommends replacing a 5MVA electrical transformer located at Berth 63 (Matson Terminal) to ensure continuity of ship to shore crane operations. The Port is responsible for replacing this equipment pursuant to the lease agreement for the Matson Terminal. Timely replacement of this transformer is critical to ensure operational resilience. Initially Port Staff provided for repair of the transformer in the Operating Budget for FY26, however, once a full assessment was conducted it was determined to be more cost effective over the long term to replace the transformer which turns this into Capital Expense requiring approval. Port Staff requests authorization to execute an agreement with WESCO International, Inc. (WESCO) to supply the transformer in an amount not to exceed $400,000.

<u>BACKGROUND & ANALYSIS</u>

SSA Terminals, LLC (SSAT) currently operates the Matson Terminal (Berths 61-63) pursuant to a Non-Exclusive Preferential Assignment Agreement (NEPAA or “lease agreement”) between the Port and SSAT that expires June 30, 2032. The NEPAA identifies both Port and tenant responsibilities for various items, including the Port’s responsibility to replace certain electrical infrastructure such as the 5MVA transformer that is the subject of this Report.

Port Staff has identified a 5MVA electrical transformer that needs to be replaced at Berth 63. This transformer operates in parallel with an identical unit to ensure operational resiliency for the ship to shore cranes at the Matson Terminal. This parallel configuration allows the load to be transferred between the two transformers, extending their useful lives, while also providing operational resiliency in the event of a failure. While one transformer operates, the other remains installed and on standby—ready for immediate use. If both existing transformers were to fail, ship-to-shore crane operations for vessel loading and unloading would cease. Because vessel operations are critical to terminal productivity, a prolonged outage would significantly disrupt terminal operations. Therefore, maintaining electrical infrastructure in good working condition and replacing equipment in a timely manner is essential. Upon procurement and installation of the new transformer, the existing transformer would be disposed.

While evaluating procurement options, Port Staff identified a cooperative purchase agreement through Sourcewell (a service cooperative created by the Minnesota legislature) with WESCO. The State of Minnesota conducted competitive solicitation and awarded the cooperative purchase agreement based on its competitive procurement procedures. Because this contract was already competitively solicited by the State of Minnesota, the Port can "piggyback" on such a contract for its procurement. This approach is supported by Port of Oakland Administrative Code, Section 5.12.070.D.4, which provides that formal competitive procurement requirements shall not apply to "[c]ontracts for the same Supplies or Services awarded by … another governmental agency provided the award of the contract was based on that agency's published competitive procurement or bidding procedures and not based on the waiver of such competitive procedures. Such contract may include Purchases through master agreements, multiple award schedules, cooperative purchase agreements..."

The transformer is available through Sourcewell from three different manufacturers. The table below outlines cost of each with anticipated lead time for delivery:

Manufacturer	Lead Time (weeks)	Total Cost
Eaton	110	$ 318,046.43
Virginia Transformer	40	$ 373,747.50
Hitachi	60	$ 450,469.37

Although the Eaton transformer is the lowest-cost option, its anticipated lead time is the longest. Given the critical nature of the transformers, as discussed above, Port Staff recommends procuring the Virginia Transformer unit despite its slightly higher cost of $373,747.50 (approximately 18% higher than Eaton), because its delivery lead time is one-third of the Eaton lead time.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

☒ Categorically exempt under the following CEQA Guidelines Section:

15301 (Existing Facilities)

☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

☐ Other/Notes:

BUDGET

☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

☐ Operating ☐ Non-Operating ☒ Capital

Analysis: The Fiscal Year (FY) 2026 Operating Expense Budget includes $150,000 to repair the electrical transformer at Berth 63. Following the decision to replace rather than repair the electrical transformer, the proposed action is a capital expenditure, which is unbudgeted in FY 2026. Port Staff plans to absorb the unbudgeted capital cost through underspending on other capital equipment purchases within the Maritime Division in FY 2026.

STAFFING

☒ No Anticipated Staffing Impact.

☐ Anticipated Change to Budgeted Headcount.

Reason:

☐ Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Other) - see explanation below.

☒ Additional Notes: The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) do not apply to this recommended procurement.

LIVING WAGE (City Charter § 728):

Applies?

No (Goods) – proposed action entails an agreement for goods, commodities, supplies, or equipment with incidental service provisions (if any) that are not covered by the Living Wage requirements.

☐ Additional Notes:

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<td><u>SUSTAINABLE OPPORTUNITIES</u>:

<u>Applies?</u> Yes.

<u>Reason</u>: This procurement is necessary to keep the Port’s electric powered ship to shore crane operationally resilient.</td>
<td><u>GENERAL PLAN</u> (City Charter § 727):

<u>Conformity Determination</u>:

Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</td>
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<td colspan="2"><u>STRATEGIC PLAN</u>. The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:

☐ Capture Our Market and Grow the Economic Base

☒ Modernize and Upgrade Infrastructure

☐ Transition to Zero-Emissions and Build Climate Resilience

☐ Maximize Land Use Value and Revenues

☐ Workforce Training and Jobs Development

☐ Create Opportunities for Local Businesses and Community Economic Development</td>
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