# SAN FRANCISCO AIRPORT COMMISSION



March 17, 2015

9:00 A.M.

Room 400 - City Hall #1 Dr. Carlton B. Goodlett Place (400 Van Ness Avenue) City and County of San Francisco

**EDWIN M. LEE, MAYOR** 

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128

## Minutes of the Airport Commission Meeting of March 17, 2015

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### AIRPORT COMMISSION MEETING MINUTES March 17, 2015

#### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

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B. ROLL CALL:

Present: Hon. Larry Mazzola, President

Hon. Linda S. Crayton, V.P., arrived at 9:07 AM

Hon. Eleanor Johns

Hon. Richard J. Guggenhime

Hon. Peter A. Stern

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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 3, 2015 were adopted unanimously.

No. 15-0056

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D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

- E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.
  - Award of Contract No. 10010.66 Design-Build Services for the New Boarding Area B Project - Austin Webcor Joint Venture - \$63,277,354, and Contract No. 10011.66 - Design-Build Services for the Terminal 1 Center Renovation Project - Hensel Phelps Construction Company - \$55,650,000

No. 15-0057 Resolutions awarding Contract 10010.66, Design-

Build Services for the New Boarding Area B Project to Austin Webcor Joint Venture in an initial amount of

\$63,277,354 with a contract duration of 300

consecutive calendar days and with a corresponding

amount of contingency authorization; and

No. 15-0058 Contract 10011.66, Design-Build Services for the

Terminal 1 Center Renovation to Hensel Phelps
Construction Company in an initial amount of
\$55,650,000 with a contract duration of 300

consecutive calendar days and with a corresponding

amount of contingency authorization.

Terminal 1 Redevelopment is an activity within the scope of the San Francisco International Airport Master Plan Program approved by the Airport Commission on November 3, 1992. The Master Plan EIR prepared for the Master Plan Program, including addenda thereto, adequately described this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Mr. Geoff Neumayr, Deputy Director, Design and Construction said these proposed resolutions award two design build contracts. The first resolution awards the new Boarding Area B project in the initial amount of \$53 million to Austin Webcor Joint Venture for an initial duration of 300 consecutive calendar days for programming and preconstruction services. This contract is estimated to be a little over 1,900 days with an overall contract budget of \$488 million. The design team partnered with Austin Webcor is a joint venture of HKS Architects, Woods Bagot, Kendall Young Associates, and ED2 International.

The second proposed award is to Hensel Phelps Construction Company for the Terminal 1 Center in the initial amount of \$56 million and an initial duration of 300 days for the same programming and preconstruction services. This contract is estimated to be a little over 1,500 days with an overall contract budget of \$488.2 million. The design team partnered with Hensel Phelps is the joint venture of Gensler and Kuth Ranieri.

A single request for qualification was issued to select two design build teams, one for the Terminal 1 Center and the other for the Boarding Area B project. Five proposals were received in response to the RFQ/P. Staff reviewed all five proposals and determined that they all met the minimum qualifications. A four person selection panel was convened to review and score the written proposals. All proposers were then invited to submit design concepts in response to the Airport's design aspirations and our principles of REACH design guidelines. A second five person panel was convened to score the design concepts. The scores from the written proposals and the design concepts were combined, scored, and ranked. Three firms were invited to participate in an oral interview, which were scored by the same selection panel that scored the written proposals. The Austin Webcor team was the highest ranked proposer for the Boarding Area B project and the Hensel Phelps team was the highest scoring firm for the T1 Center project. Staff negotiated the scope of services and contract terms and conditions for both contracts. We recommend awarding the design build services contract to Austin Webcor for the Boarding Area B project and Hensel Phelps for the T1 Center project. These initial award amounts provide for a lump sum amount for programming services and management fees for overall design build services, and an allowance for preconstruction services to support programming efforts. At completion of the programming phase, staff will return to the Commission with a recommendation to award the full value of both contracts as a tentative guaranteed maximum price. Staff will periodically update the Commission on the contract budget and forecast and identify any significant cost variances along with

recommended mitigation measures. All the trade work will be competitively bid in conformance with the San Francisco Administrative Code. The City's Contract Monitoring Division approved a 25% local business subconsultant goal for design services and an 18% local business enterprise subcontracting goal for construction for both contracts. Both firms are committed to meeting this goal.

Commissioner Guggenhime asked if any problems could arise because one firm isn't handling both projects.

Mr. Neumayr replied no. We're very committed to our partnering program and our highly collaborative approach. They were highly encouraged to demonstrate this through their technical review process. The primary reason we handled it this way is because of the bonding capacity. These are big contracts. The clear line of demarcation is a seismic joint that separates both projects.

Item No. 2 was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Expansion of Childcare Subsidies for Airport Employees and Increase in Annual Funding for Childcare Services Agreement

No. 15-0059

Resolution approving Modification No. 1 to the agreement with the County of San Mateo for childcare services to: (1) Expand tuition scholarships; and (2) Increase the maximum annual funding from \$372,500 to \$700,000.

Mr. Leo Fermin, Chief Business & Finance Officer said our agreement for childcare services is with San Mateo County and the County in turn contracts with Palcare to provide childcare services for Airport families. In recent years there's been a decline in the number of Airport children enrolled in Palcare. This past December there were only 45 Airport children enrolled, although 100 spaces are reserved for them. This is because the tuition component of the subsidy under the current agreement only benefits families with annual household incomes below \$85,000, with the highest benefits for those with incomes below \$65,000. Most Airport families have total household incomes above these amounts. Therefore, to attract more Airport families we propose to change the subsidy scale to provide tuition benefits to higher income families and increase the total overall subsidy. Furthermore, the new structure will more closely match the recently implemented County of San Mateo subsidy scale for their employee childcare services. The average tuition for full time childcare is on the order of \$1,500 per month. Under the current subsidy scale, which is based on a State of California scale, families with household incomes under \$65,000 pay an average of \$425 per month. Currently, this cost can go as low as \$50 a month if income is as low as \$24,000. For those with household incomes between \$65,000 and \$85,000 a year, they pay an average of \$900 per month for full time care. In summary, families earning less than \$85,000 receive significant assistance and we will keep the subsidies for these families unchanged. Families with incomes between \$85,000 and \$140,000 will start receiving scholarships under the new agreement. The cost will go as low

as \$900 per month. The new subsidy contract was developed with Palcare and discussed with San Mateo County. As for the subsidy structure, our scale is more generous than the County's for families at the lower end of household incomes, but closely matches the County on the higher end of household incomes.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

3. <u>Amendment No. 1 to Terminal 3 News and Specialty Store Lease No. 11-0210</u> with Hudson Group (HG) Retail, LLC

No. 15-0060

Resolution approving Amendment No. 1 to Terminal 3 News and Specialty Store Lease No. 11-0210 with Hudson Group (HG) Retail, LLC and directing the Commission Secretary to forward Amendment No. 1 to the Board of Supervisors for approval.

Mr. John Reeb, Retail Concession Team Leader, Business & Finance said we are seeking approval of Modification No. 1 to the Hudson Retail Lease. This lease covers two newsstands in Terminal 3 and a specialty handbag store, Fickle Bag, in the Boarding Area F hub. This modification is needed for two reasons. First, at the Hudson newsstand near the American Express Centurion Lounge in Terminal 3, we identified a need to take back some of their proposed square footage for construction work related to the Terminal 3 West renovation project, allowing us to install a required exit stairwell from the mezzanine level above. Second, we want to move Fickle Bag to a location across the hub where The Body Shop store will be closing down when their lease ends in a couple of months. It will enable us to merge the vacated Fickle Bag store along with the three adjacent concession spaces to create one large footprint for a retail market place featuring multiple concepts and offerings. We think such a concept will draw customers from the hub food court across the way. Hudson has agreed to modifying their lease. With your approval, we will take this to the Board of Supervisors for their approval.

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- E. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: The Consent Calendar, Item Nos. 4 thru 6, and 8 and 9, was moved by Commissioner Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous. Item No. 7 was removed from the calendar.
  - 4. <u>Award of Contract No. 9273.66 Design-Build Services for the Long Term Parking Garage No. 2 Project Nibbi Bros, Associates, Inc. \$9,762,582</u>

No. 15-0061

Resolution awarding Contract No. 9273.66, Design-Build Services for the Long Term Parking Garage No. 2 Project to Nibbi Bros, Associates, Inc. in an initial amount of \$9,762,582 with a contract duration of 183 consecutive calendar days, and with a corresponding amount in contingency authorization.

5. Award Contract 9273.41 - Project Management Support Services for the Long Term Parking Garage No. 2 Project - The Allen Group, LLC / Cooper Pugeda Management, Inc., a Joint Venture - \$1,850,000

15-0062

Resolution awarding Professional Services Contract 9273.41, for Project Management Support Services for the Long Term Parking Garage No. 2 Project, to the Allen Group, LLC/Cooper Pugeda Management, Inc., a Joint Venture in an initial amount not to exceed \$1,850,000 for the first year of services.

6. <u>Award Contract 10051.71 - Construction Manager/General Contractor Services for the South Field Tenant Relocations Project - C. Overaa & Co. - \$1,770,998</u>

No. 15-0063

Resolution awarding Contract 10051.71 Construction Manager/General Contractor Services for the South Field Tenant Relocations Project, to C. Overaa & Co. in the amount of \$1,770,998 with a contract duration of 455 consecutive calendar days, and with a corresponding amount in contingency authorization.

This activity is within the scope of the San Francisco International Airport Master Plan Program approved by the Airport Commission on November 3, 1992. The Master Plan EIR prepared for the Master Plan Program, including addenda thereto, adequately described this activity and its potential environmental effects for the purposes of the California Environmental Quality Act (CEQA).

Item No. 7 was removed from the calendar without discussion.

7. <u>Award Five-Year Investment Advisory Contract 50014 to PFM Asset Management</u> LLC for Investment Advisory Services in the Amount of Not-to-Exceed \$1,800,000

Resolution awarding Contract 50014 in an amount not-to-exceed \$1,800,000 for a term of five years to PFM Asset Management, LLC, to provide investment advisory services for bond funds.

8. <u>Authorization to Issue a Request for Qualifications/Proposals for Professional Services Contract 8623.50, As-Needed Geotechnical Engineering Support Services</u>

No. 15-0064

Resolution authorizing the Director to issue a RFQ/P for Professional Services Contract No. 8623.50, As-Needed Geotechnical Engineering Support Services.

9. <u>Modification No. 1 to Professional Services Contract 8977 to Exercise the First of Four One-Year Options to Conduct the Annual Airport Customer Survey Corey, Canapary & Galanis - \$50,000</u>

No. 15-0065

Resolution approving Modification No. 1 to Professional Services Contract 8977, Annual Airport Customer Survey, with Corey, Canapary, & Galanis, to exercise the first of four one-year options and increase the amount by \$50,000 for a new not-toexceed total amount of \$300,000, for the period May 23, 2015 until May 22, 2016.

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#### F. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to two (2) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

Mr. Anand Singh, Food Service Director, Unite Here Local 2, said Local 2 represents about a 1,000 workers at SFO's restaurants and last December, after a two year struggle with those restaurant employers, we held a two day strike at the Airport. We were successful in securing a new agreement for our members. Director Martin and Ivar Satero played instrumental roles in bringing the parties together and making that settlement happen. We're here today because the employers have refused to fully implement the terms of that settlement and refused to sign the MOU that we agreed to in December. The employers voted on the terms of the settlement on December 17. Local 2 members voted on the terms of that settlement on December 22 and to date the employers have refused to implement the terms of that deal. Most significant for our members is the fact that the retroactive wages owed to them have yet to be paid. This is unacceptable. It goes beyond the pale of acceptable behavior for employers at the Airport. We hope you feel the same. The union filed an unfair labor practice charge against the employer's council and this week and next week our members are preparing to go out on a ULP strike. Over the weekend, the employers reached out to the union and made assurances that retro checks will go out this week. We remain skeptical. We received assurances in the past. We're going to continue down this path and get ready for a strike because these guys aren't to be trusted.

Ms. Molly Gomez said I've worked at SFO for 35 years. I spent 16 months trying to hammer out a deal with this union contract and I'm totally disgusted and frustrated. I feel betrayed. They lied to John Martin, they lied to us. I was at the table when we ratified an agreement and we're suppose to be getting our retro pay. It took forever to give us our raise ... we just got it two weeks ago, yet they added the 2% surcharge on their checks right away. I don't trust them one bit. I'm just fed up, done. Thank you.

Mr. Jesse Johnson, Bartender, said I've been at SFO for the last 34 years, if I make it to the end of the year it will be 35. I've stood here before on numerous occasions for different things, but it just seems that the group that we're dealing with isn't trustworthy.

We've gone through this long process to hammer out an agreement that they agreed to and they're not living up to it. I'm here to voice my displeasure with them and to speak on behalf of workers who couldn't be here this morning who feel the same way.

Ms. Maria Collazos, said I'm here on behalf of myself, my mom and everyone from my workplace who couldn't be here. A lot of us work two jobs, and some of us work three and we have a hard time making ends meet, so when they promise us one thing and they don't deliver, it's very hard for us. For example, it took some time, even with the union pushing, to get our vacation checks. I see the same trend repeating with our retro pay. When we ask the owners directly about it they always claim ignorance. I consider this a great insult. I would appreciate it if we could take action to get what is ours.

Mr. Ivar Satero, Chief Operating Officer, said we became aware of this on Friday. We did get involved and we do have a commitment from the restaurant group regarding retroactive pay. I believe the commitment was this week. The second part is to finalize the contract ... we've asked for a commitment from both groups that they work together to finalize the contract, incorporating the MOU agreement, by the end of the week.

Commissioner Mazzola thanked the speakers for their comments. We're trying to help.

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#### G. CORRESPONDENCE:

There was no discussion by the Commission.

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#### H. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

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#### J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:21 AM.

(Original signed by: Jean Caramatti)
Jean Caramatti
Commission Secretary