SAN FRANCISCO AIRPORT COMMISSION



April 22, 2014 Special Meeting

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 Special Meeting of April 22, 2014

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AIRPORT COMMISSION SPECIAL MEETING MINUTES April 22, 22014

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

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B. ROLL CALL:

Present: Hon. Larry Mazzola, President

Hon. Eleanor Johns

Hon. Richard J. Guggenhime

Hon. Peter A. Stern

Absent: Hon. Linda S. Crayton, Vice President

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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 1, 2014 were adopted unanimously.

No. 14-0066

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D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

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- E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.
 - 1. <u>Modification No. 3 to Contract No. 9185.9 Terminal 1/Boarding Area B</u>
 <u>Redevelopment Program Management Support Services T1 Partners, a J.V. of Parsons, The Allen Group, LLC and EPC Consultants, Inc. \$7,807,579</u>

No. 14-0067 Resolution approving Modification No. 3 to Contract

No. 9185.9, Terminal 1/Boarding Area B

Redevelopment Program Management Support Services with T1 Partners, a J.V. of Parsons, The Allen Group, LLC, and EPC Consultants, Inc. in an amount not-to-exceed \$7,807,579, for a new total contract amount not-to-exceed \$12,260,757.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said this Modification increases the not to exceed amount for Terminal 1 B/A B Redevelopment Program Management Support Services contract in the amount

of \$7,807,579, for a new total not to exceed amount of \$12.3 million. The total estimated value of this 10 year contract is \$32 million. The program consists of 15 projects, including renovating Terminal 1 and B/A B, relocating existing facilities within Terminal 1, demolition of existing facilities in the South Field, relocating the South Field Firehouse and other facilities, and realigning taxiways in the South Field. This modification is for the second year of services and provides continued program management support services that include development of 35 RFPs for design build services and other construction contracts, continued development of the program planning process, development, scheduling, and construction phasing, as well as implementation of the T1 program management cost controls program and software licenses. With this modification, staff forecasts \$150 million soft cost performance, which is well within the Airport's 15% goal of the \$2.1 billion estimated construction cost. CMD approved a 22% LBE subconsultant participation goal and T1 Partners has committed to meeting that goal.

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

2. <u>Modification No. 3 to Contract 8974.9 - Construction Management Services for Terminal 3, Boarding Area E Refurbishment Project - PGH Wong - \$2,835,000</u>

No. 14-0068

Resolution approving Modification No. 3 to Contract No. 8974.9 increasing the not to exceed amount by \$2,835,000 for a new contract amount not to exceed \$12,000,000 for Administrative Construction Management services through June 30, 2015.

Mr. Neumayr said this Modification is for the Construction Management Services Contract for Terminal 3 and Boarding Area E Refurbishment Project. Terminal 3 and Boarding Area E were combined into a program level and PGH Wong was assigned Administrative CM for the program. This modification increases the amount by \$2.8 million and revises the total not to exceed contract amount to \$12 million. The total estimated cost for this contract remains at \$13.7 million. The modification extends the services through June of 2015. Staff will return to seek approval for the remaining services required to complete the T3 East program. Since this contract will exceed \$10 million, we will need to seek Board of Supervisors approval. The CM Services for this contract provide for construction management and program level services for the T3 East program. If you recall, the T3 East program includes reporting level services, program level project controls and office engineering support services, tenant build-out coordination, and all building code required special inspections and materials testing. With this modification, staff forecasts soft cost performance well within the Airport's 15% of construction costs for the program. CMD has approved an 18% LBE subparticipation goal and PGH Wong has committed to meeting 21%.

Commissioner Johns said that when you take this to the Board, I think it's important that you distinguished this from Boarding Area E in general.

Mr. Neumayr agreed.

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

3. <u>Award Contract 9159R - International Terminal Carpet Replacement - Golden State Carpet Service, Inc. - \$3,105,539</u>

No. 14-0069

Resolution awarding Contract 9159R, International Terminal Carpet Replacement, to the responsible bidder with the lowest responsive bid, Golden State Carpet Service, Inc., in the amount of \$3,105,539.

Mr. Neumayr said this award to Golden State in the amount of \$3.1 million is for installation of carpet in the International Terminal. The contract provides for replacement of worn and deteriorated carpet in the public areas of International Terminal Boarding Areas A and G and the connector to Terminal 1. It includes removing existing carpet and replacing it with new custom-designed sustainable carpet matching what was recently installed in Terminal 2 and in Boarding Area E. Two bids were received and both bids were below the Architect's estimate of \$3.5 million. CMD determined that Golden State Carpet was the responsible bidder and that their LBE subcontracting participation meets the 5% goal. The contract duration is 240 calendar days. Staff also recommends approving Type One modification contingency of \$233,00, which is 7.5% of the contract amount.

Commissioner Johns noted that since we are replacing International Terminal carpeting with what we have in Terminal 2, will it match

Mr. Neumayr replied it will. We have three different color pallets that we're using throughout the campus ... grey beige, grey orange and dark blue. We've use dark blue in the arrivals area as well as in Customs. We've been using beige orange in B/A E, and grey beige in Terminal 2. We'll also use orange in B/A G and beige in B/A G. It's three pallets used throughout the complex that match colors.

Commissioner Johns asked is it just in the International or throughout the Airport.

Mr. Neumayr said right it's throughout the International Terminal and Terminals 2 and 3.

Commissioner Johns asked if we've had consultants and/or designers look at this and say it will work.

Mr. Neumayr said that it's been looked at extensively, including by our own architectural staff.

Mr. John Martin, Airport Director, said that we have a design review committee.

Commissioner Guggenhime asked about the Engineer's estimate.

Mr. Neumayr replied it was about \$3.5 million.

Commissioner Guggenhime noted that the bids were only \$65,000 apart. What

would you have done if the second bidder was substantially better?

Mr. Martin replied that we have to go with the lowest responsive bidder. Our design build contract is different.

Commissioner Guggenhime said okay, I'm fine.

Commissioner Mazzola disagreed. I think it says the lowest responsible bidder. So, if someone on staff said that this company is more responsible, then I think the answer is that you could choose them.

Mr. Martin said if a company was deemed not to be responsible, we could reject the bidr, however, we can't go to another bidder just because we have a feeling.

Commissioner Guggenhime said what you're saying is you can reject a bid because of responsibility, or not quite the standard you're wanting but, if you don't reject, you've got to take the lower bid.

Commissioner Mazzola replied I think that's right.

Mr. Neumayr said there are also minimum qualifications that exist in contracts and if for some reason we deem a company not responsive to those minimum quals, then we could look at going to the second bidder.

Item No. 4 was moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Award Contract 10400.50 - As-Needed Project Management Support Services for Capital Improvement Plan Projects - Hill International, Inc. - \$1,500,000; and Award Contract 10400.51 - As-Needed Project Management Support Services for Capital Improvement Plan Projects - CPM/Alta Joint Venture - \$1,500,000

No. 14-0070 Resolutions awarding Professional Services

Contract 10400.50, As-Needed Project Management

Support Services, to Hill International, Inc. In an

amount not to exceed \$1,500,000; and

No. 14-0071 award Professional Service Contract 10400.51, As-

Needed Project Management Support Services, to CPM/Alta Joint Venture in an amount not to exceed

\$1,500,000.

Mr. Neumayr said that this award is for two As-Needed Project Management Support Services contracts, each in the amount of \$1.5 million for three years. The first award is to Hill International and the second is to CPM/Alta, a joint venture. The scope of work for both contracts is to provide as-needed Project Management Services for design and construction for the Airport's Five-Year Capital Program. These as-needed services include estimating services, project control services, including cost and schedule management, reporting services, and construction management and inspection services. The as-needed services

will support projects less than \$35 million and are intended to provide project management support services in those instances when the Airport does not have the specialized skills required or when there's a need to augment staff during peak workload periods. Only two proposals from the previously approved pool submitted, therefore a selection panel was not convened. Both proposals were evaluated by staff and found to be satisfactory and responsive to the RFP. CMD approved a 24% LBE sub-consultant participation goal and both proposers have committed to achieving this goal.

Commissioner Stern asked what was the specialized skill set required for these services.

Mr. Neumayr said for example we don't necessarily have estimating skills inhouse and we would use outside services. Also, for inspections, particularly when we get into specialized items such as jet bridges, mechanical systems, electrical systems, we would not necessarily have those types of estimators in-house.

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- F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: The Consent Calendar, Item Nos. 5 through 9 were moved by Commissioner Guggenhime and seconded by Commissioner Mazzola. The vote to approve was unanimous.
 - 5. Fourth Amendment of Airport's Financial Advisory Contract with Public Financial Management, Inc. and Backstrom McCarley Berry & Company, LLC, a J.V., to Exercise the Second One-Year Option to Extend the Contract and Provide up to \$1,300,000 in Funding for Contract Year Ending June 30, 2015

No. 14-0072

Resolution approving the Fourth Amendment to exercise the second one-year option to extend and authorize up to \$1,300,000 in compensation for the Airport's Financial Advisory Contract 8993 with Public Financial Management, Inc. and Backstrom McCarley Berry & Co., LLC, to fund the second and final option year, for continued assistance with the Airport's financing program.

6. Award of Contract No. 9319 - Domestic Terminals Lower Level Crosswalk Lighting - CF Contracting, Inc. - \$677,800

No. 14-0073

Resolution awarding Contract No. 9319, Domestic Terminals Lower Level Crosswalk Lighting, to the responsible bidder with the lowest responsive bid, CF Contracting, Inc., in the amount of \$677,800.

Commissioner Johns did not understand what was meant by the statement that Bear Electric is only allowed to receive a 10% discount on PUC regional projects.

Mr. Neumayr said I'm not fully up to details on that but I believe that Bear had a special circumstance agreement with PUC, but when CMD looked at it they were deemed to be unable to meet the requirement.

Commissioner Mazzola asked how you can you have a special circumstance with one department and not another.

Mr. Neumayr replied I'm not sure.

Commissioner Mazzola thought it was a City program, not a department program.

Commissioner Johns said that Bear came in without the 10%. We ended up with CF because St. Francis, the lowest bidder, was challenged.

Mr. Neumayr said that PUC has contracts all over. Because of their work, I believe there's an exemption that allows a company to be a local business out of the area. Because the Airport is local, you have to be in the area, and they don't have a S.F. address, therefore they don't get local business participation.

Commissioner Guggenhime said that the PUC can go outside the local area?

Mr. Neumayr replied I believe they can.

Commissioner Mazzola said I still don't understand it. So Bear Electric can bid at Hetch Hetchy or somewhere and get a City discount?

Mr. Neumayr said I believe that's correct for PUC projects only because their work area extends beyond the City and County of San Francisco .

Commissioner Mazzola said but they don't reside in San Francisco, they reside in Oakland or somewhere, and they can get a City discount?

Commissioner Johns said apparently on PUC.

Commissioner Mazzola said it doesn't make any sense.

Commissioner Guggenhime assumed because it's a regional project. The PUC has projects all over the place.

Commissioner Mazzola said that the City's ordinance is not a regional ordinance. So how can a contractor get the 10% discount anywhere except for City property. This is City property but I don't know how they can get it anywhere else. I don't know, I don't care, and it doesn't matter on this item.

Mr. Martin asked Sheryl Bregman to research this and report back to the Commission.

7. <u>Award of Professional Services Contract No. 50004 for an Economic Impact Study Economic Development Research Group, Inc. - \$195,500</u>

No. 14-0074

Resolution awarding Professional Services Contract No. 50004 to Economic Development Research Group, Inc. for an Airport Economic Impact Study in an amount not to exceed \$195,500.

8. Ratification / Amendment of Passenger Facility Charge Application No. 5

No. 14-0075

Resolution ratifying an increased collection amount of approximately \$610.4 million under PFC Application No. 5, and authorizing an amendment to PFC Application No. 5 to add an estimated \$131.3 million in PFC-eligible costs for Terminal 2 and Boarding Area D Renovation Project.

9. Amendment to Resolution No. 13-0105 to Correct the Composition of Airport Management and Financial Consulting Services Pool No. 2: Air Traffic Analysis

No. 14-0076

Resolution amending Resolution No. 13-0105 to correct the composition of Airport Management and Financial Consulting Services Pool No. 2: Air Traffic Analysis by adding WJ Advisors LLC/Oliver Wyman / Airmacc, LLC to Pool No. 2: Air Traffic Analysis.

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G. NEW BUSINESS

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 three (3) minutes. Please fill our a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests from the public to speak.

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H. CORRESPONDENCE:

There was no discussion by the Commission.

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I. 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 9:20 AM.

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