SAN FRANCISCO AIRPORT COMMISSION



May 5, 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 May 5, 2015

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AIRPORT COMMISSION MEETING MINUTES May 5, 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. Linda S. Crayton, Vice President

Hon. Eleanor Johns

Hon. Richard J. Guggenhime

Hon. Peter A. Stern

Absent: Hon. Larry Mazzola, President

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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 21, 2015 were adopted unanimously.

No. 15-0102

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D. SPECIAL ITEMS:

Item No. 1 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

1. Retirement Resolution - Mr. Joseph "Joe" Codina

No. 15-0103 Resolution thanking Mr. Joseph "Joe" Codina for

twenty four (24) years of faithful service to the City

and County of San Francisco.

Mr. Ivar Satero, Chief Operating Officer, said that Joe Codina has 24 years of service at SFO. Joe is not here today but we want to acknowledge the significant impact he has had in his 24 years. He has been our space Tsar, balancing the needs of the Airport and its tenant against project needs. He's been significantly impactful in our major programs over the years, beginning with the Master Plan Expansion Program and all of the space balancing that had to happen there to ensure the best use of Airport space. Also, our Domestic Terminals Food and Beverage Redevelopment Program, Terminal 2. Joe has played a very key and significant role on all of these major programs and we're going to miss him. He brought a lot of expertise and knowledge about the facilities. We're happy to commend him on his retirement and recommend you approve this resolution.

Item No. 2 was moved by Commissioner Stern and seconded by Commissioner

Guggenhime. The vote to approve was unanimous.

2. Commendation for Mr. William A. Nack

No. 15-0104

Resolution commending Mr. William A. Nack and thanking him for over 43 years of service in the labor movement, civic and community affiliations and offering best wishes on his retirement.

Mr. Satero said that Bill is not here today but we wanted to prepare a resolution for him on his retirement. It will be presented to him at his retirement celebration later this week. Bill has 43 years with the San Mateo Building and Trades Council and a wonderful history of service to the Council. He's also had a significant impact at SFO. He was the representative for the Building and Trades Council beginning with the Master Plan in 1994, a \$2.4 billion construction program. We successfully negotiated a project stabilization agreement at that time; one of the first in the country to ensure labor harmony and a partnership with the unions. It forged the way for all of the capital work we've done since the Master Plan, and Bill has been a great partner for us. We met with Bill and his membership quarterly to ensure that we have that communication and partnership in all of our programs. It's been instrumental in the successful delivery of major programs like Terminal 2, the International Terminal, the AirTrain system and even the new Project Labor Agreement that will guide us for the next 10 years in delivering upwards of another \$4-\$5 billion in work. We're going to miss Bill. He's been instrumental in the success of project delivery and ensuring labor harmony.

Ms. Shelley Kessler, San Mateo County Central Labor Council, said I'm glad to be here on behalf of Bill Nack who couldn't make it this morning. James Ruigomez who has taken his place at Building Trades is stuck in traffic. If the meeting isn't over when James gets here, I would like the opportunity to introduce him to you. Bill Nack was there for 13 years, not 43, but he's been in the labor movement a long time. Prior to joining the San Mateo Building Trades he worked for the Santa Clara Labor Council, and before that he was a mechanic at United Airlines. That 43 year history is the work that he has done in our area and our Airport, so it's exciting that he now has the opportunity to retire. It's great that we have an opportunity to honor him this Friday and that you're preparing a resolution because, as Mr. Satero said, he has done incredible work to help build good relations as well as construction projects in our County and in yours. Most don't have the relationships he has garnered over the years. I'm very pleased, on behalf of the San Mateo Labor Council and the Building Trades Council, and admire your willingness to take a moment to give him the recognition he deserves.

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E. ITEMS INITIATED BY COMMISSIONERS: There were no items initiated by Commissioners.

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F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

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

3. Award of Professional Services Contract No. 50026 to Provide General Airport Financial Advisory Services - Joint Venture of Public Financial Management, Inc. and Backstrom McCarley Berry & Co., LLC - \$5,775,000

No. 15-0105

Resolution awarding Contract No. to 50026 in an amount not to exceed \$5,775,000, for a term of five years to the Joint Venture of Public Financial Management, Inc. and Backstrom McCarley Berry & Co., LLC to provide general financial advisory services for Airport debt and financing plans.

Ms. Denise Martinez, Finance, said this item awards a five year Professional Services Contract to the Joint Venture of Public Financial Management and Backstrom McCarley Berry to provide general financial advisory services in an amount not to exceed \$5,775,000. The Airport has a \$4.7 billion debt portfolio and we're going to go through several bond transactions over the next five years to support the Capital Plan. Major work under this contract will include formulating debt management strategies and analytical analysis to support our financing alternatives to be able to understand and evaluate the alternatives that we have, and also for bond refundings, maintaining credit rating relationships and management of our \$400 million short term Commercial Paper Program. As part of a RFP process, a panel consisting of staff from the Airport, Port of San Francisco, and SFPUC evaluated and scored the proposals and qualified in this area of expertise. This consultant joint venture team ranked first overall and ranked first with all panelists. The firm's listed approach to the Airport's debt profile and capital plan financing is evident in their proposal and well documented in the several examples provided in the proposal. They clearly demonstrated comprehensive knowledge of municipal market financing and in depth expertise in the airport sector, which is very important to us. An LBE subcontract requirement of 6% was set under 14B of the S.F. Administrative Code and the joint venture team lists Robert Kuo Consulting as sub consultant to meet the requirement.

Commissioner Guggenhime asked if this is the same group we had last time.

Ms. Martinez replied yes. They are quite knowledgeable about the Airport and our financing as they have been our financial consultant over the last five years.

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

4. Modification No. 1 to Contract No. 10050.71 - Construction Manager/General Contractor Services for the Fire House No. 3 and South Field Checkpoint Relocation Project - C. Overaa & Co. - \$3,750,000

No. 15-0106 Resolution approving Modification No. 1 to Contract

10050.71, Construction Manager/General Contractor Services with C. Overaa & Co. for the Fire House No. 3 and South Field Checkpoint Relocation Project in an amount not to exceed \$3,750,000 for a new contract amount not to exceed \$5,537,272, a total contract duration of 630 days, and with a corresponding amount in contingency authorization.

Mr. Geoff Neumayr, Deputy Director, Design & Construction said this modification provides for early construction activities and procurement of long lead items in an amount not to exceed \$3.75 million, for a new total contract not to exceed amount of \$5.5 million and a contract duration of 630 calendar days. It also proposes increasing the Type One change order contract contingency to \$415,000. This project is required to relocate the existing Southfield Firehouse and Vehicle Checkpoint to accommodate the relocation of Taxiways H & M. The initial award for this contract was for programming services to provide scheduling and estimating services as well as constructability assistance. The programming phase is nearing completion and the design phase will begin shortly. In order to expedite construction and to allow it to start in June, we request this modification to provide for early construction activities that include demolition, site utility and prep work, as well as to order long lead such as structural steel, security gates, and piles. Upon completion of the programming phase, staff will return to the Commission with a recommended guaranteed maximum price and a request to increase the contract to its full value based on the estimated guaranteed price. The City's Contract Monitoring Division has approved a 23% LBE goal and see C. Overaa & Construction is committed to meeting this goal. We recommend your approval and I'll be glad to answer any questions you might have.

Commissioner Crayton asked if we did not foresee the initial cost of the design.

Mr. Neumayr said we did not. We were anticipating in the programming phase to be able to identify some early things we could do prior to completing the programming phase and this is an interim step until we get the final estimate for the guaranteed maximum price. We will return to you within the next 4-6 weeks with that price before we get into major construction. Because this is our first experience in CM/GC, we're learning a little about this process. We want to take advantage of the time we have because we've identified work we can do in order to expedite our schedule.

Commissioner Crayton said this is the same entity that's going to be doing the work. Will others have a chance to bid, or are you going to keep with this particular contract?

Mr. Neumayr said that the CM/GC contract is a lot like the progressive design build model. Any trade packages will go out to bid to the subcontracting industry, and we will get up to three bids for each one of these trades.

Item No. 5 was moved by Commissioner Guggenhime and seconded by Commissioner Stern. The vote to approve was unanimous.

5. <u>Modification No.1 to Contract No. 10051.71 - Construction Manager/General</u>
<u>Contractor Services for the South Field Tenant Relocation Project - C. Overaa & Co. - \$2,250,000</u>

No. 15-0107

Resolution approving Modification No. 1 to Contract 10051.71, Construction Manager/General Contractor Services with C. Overaa & Co. for the South Field Tenant Relocation Project in an amount not to exceed \$2,250,000 for a new contract amount not to exceed \$4,020,998, with no change in the contract duration and with a corresponding amount in contingency authorization.

Mr. Neumayr said this modification is similar to the previous item, but this relates to the South Field Tenant relocations. This modification will provide for early construction activities in the amount of \$2.25 million and propose to increase the not to exceed amount for this contract to \$4 million and increase the Type One contingency amount to \$302,000. This project will provide improvements to cargo facilities located at both the West and North side of the Airport to relocate tenants that will be displaced from Buildings 11, 16, and 22, sometimes referred to as the TWA building that we've all seen on the South side of the Airport. These buildings will be demolished as well for the relocation of Taxiways H&M. Initial work for this contract provided for programming services that included estimating, scheduling and constructability assistance. The programming phase is nearing completion as well on this particular project and we are looking to start construction again in June. These early packages will be primarily for hazmat abatement, demolition and site investigation of existing facilities only, and not any major construction. Staff will return to the Commission at the completion of the programming phase with a recommended guaranteed maximum price and request an increase to the full contract value based on the estimated guaranteed maximum price. The Contract Monitoring Division has approved a 22% goal for this contract and C. Overaa is very committed to meeting that goal.

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- G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: The Consent Calendar, Item No. 6, was moved by Commissioner Johns and seconded by Commissioner Stern. The vote to approve was unanimous.
 - 6. <u>Award Sole Source Contract 8716 Installation of Proprietary Common-Use</u> Hardware, Software - ARINC, Incorporated - \$914,379

No. 15-0108

Resolution awarding Sole Source Contract 8716 to ARINC, Inc. to install proprietary common-use hardware, software and other common-use terminal equipment in an amount not to exceed \$914,379 for the period May 5, 2015 to April 30, 2016.

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H. 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.

Ms. Kessler said it's my pleasure to introduce to you the new head of the Building and Construction Trades Council of San Mateo County, Mr. James Ruigomez.

Mr. Ruigomez said I was born in San Francisco, grew up in So. San Francisco and in 1990 moved to San Bruno. I started my construction career at 19 as a drywall finisher for an open shop and eventually got into the union when my family needed benefits. I worked for a union shop for 11 years, attending all my union meetings and through that opportunities arose. Few people show up to union meetings and I was asked to become an officer of the Executive Board. I began as Treasurer, then was Financial Secretary, Trustee, President and voted to be a Delegate to District Council 16 Northern California Painters and Allied Trades. I was a member of one of their unions, Local 913 Painters and Drywall Finishers, in San Francisco. I was voted to go to a general convention that happens every five years, and also voted to be a Delegate to District Council 16 where I furthered my education. In 2001, I had an opportunity to apply for an organizer position that past me by. It didn't discourage me. I stayed involved in the union and the process and in 2005 I became an Organizer Agent in San Francisco. I did that for nine years, representing painters and drywall finishers in District Council 16. Prior to announcing his retirement, Bill pulled me into an Executive Board meeting and said that he had been talking to the Executive Board for a good replacement and my name kept coming up. I never thought that's what they were thinking, but when people instill confidence in you then you have the confidence to do the job. I was nominated and voted in unanimously by the 45 delegates of all 26 building trade affiliates. I started about two months ago. I'm just catching my breath because it seems like I'm late to everything. I apologize and I'm glad to be here. Thank you.

Ms. Kessler said this is the President of our Labor Council so you'll be seeing him.

Commissioner Crayton said on behalf of the Airport Commission and all of its employees, we welcome you and look forward to working with you in a very cordial manner. I know you know the President of the Airport Commission, Larry Mazzola. I'm sure you'll be meeting with him. I'm really happy about you, you're energy and in particular, your experience. We look forward to a long and very workable relationship.

Mr. Ruigomez said I look forward to it as well. My brother is actually on staff at the San Francisco Airport in the Carpenters' Unit, his name is Robert.

Mr. Ruigomez replied he loves it there. Thank you very much for your kind words.

I. CORRESPONDENCE:

There was no discussion by the Commission.

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J. 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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K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:20 AM.

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