SAN FRANCISCO AIRPORT COMMISSION



July 21, 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 July 21, 2015

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AIRPORT COMMISSION MEETING MINUTES July 21, 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, Vice President

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 July 7, 2015 were adopted unanimously.

No. 15-0147

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D. SPECIAL ITEM:

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

1. Retirement Resolution for Ms. Anne Mak

No. 15-0148 Resolution thanking Ms. Anne Mak of the

Facilities/Custodial Services for (23) years of faithful service and to offer best wishes for a long and fruitful

retirement.

Mr. John Martin, Airport Director said Anne Mak is not here with us today but she's retiring after 23 years as a Custodian, Line Supervisor, and finally as a Lead Supervisor. She is a very responsible, dedicated employee, and well respected by the employees who work for her. We congratulate her on her retirement.

Commissioner Mazzola congratulated Ms. Mak on her retirement.

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E. DIRECTOR'S REPORT:

2. Report on Water Conservation Efforts

The San Francisco International Airport (SFO) is fully engaged in reducing water use, especially during the current severe drought. SFO has been working

diligently since February 2014 to reduce water consumption in all aspects of SFO's operation.

Ms. Jennifer Acton, Facilities, said I'm the water conservation manager at SFO. In February 2014 Mayor Lee issued Executive Directive 14-01 directing all City departments to take immediate steps to reduce water consumption by 10%. The Airport has been working persistently since that time to reduce water use. We set an internal goal of 15% water reduction on a per passenger basis by the end of 2015. I'm pleased to announce that we surpassed both goals. As of May 2015, overall water consumption is at a 13.2% reduction and on a per passenger basis we have reached 21.7% reduction despite our steady passenger growth. We've achieved our water reduction by implementing several short and long term goals. A few measures include participating in outside agency studies to help airports implement water efficiency programs, made changes to our operations, offered recycled water for our operation as well as our tenants and our contractors, and developed a Recycled Water Master Plan. Our newer terminals are also dual plumbed in preparation for the use of recycled water once available. To better track our usage, we separated monitoring SFO's controlled water consumption from that of tenant controlled water consumption to determine where we need to focus our efforts. Airport water reduction has continued to decrease monthly and is currently at a 20.4% decrease. Tenant controlled water consumption is currently at an overall 4.6% decrease. The Airport has five large water use tenants which in 2014 used 38% of our total water. We've been working very closely with these tenants through collaborations, outreach, and monitoring to ensure further reductions. Our large tenants usage are all on a decline for the first time and we intend to keep up our efforts to ensure it stays this way. A brief reduction summary of the five tenants to date are United's MOC at an 8% reduction, Gate Gourmet at a 12% reduction, the Post Office at an64% reduction, Hertz at an 81% reduction, and combined all the rental car agencies are at a 52% reduction. Despite reaching our goal, we will continue to work toward further reductions. A few of our next large action items include working on our leaking potable water pipes which contribute to around 10% water loss for all municipalities. We don't always have this great a loss but we know we have loss due to our aging infrastructure and water distributions system. We are currently looking into procurement opportunities to help facilitate our efforts and we're going to look at SFPUC's ongoing Hetch Hetchy repair project as a model. We are currently developing a water modernization plan to upgrade our infrastructure and we will encompass a smart metering system in order to detect leaks quicker. At the same time we will continue our collaboration and outreach efforts and we will proceed to strive for maintaining a greater reduction in water usage despite surpassing our goals since we know we can achieve more.

Commissioner Johns said you mentioned use of recycled water. What are the issues to put that into effect?

Ms. Acton said we are currently getting a contract together to redo the Wastewater Treatment facility and at the same time we're going to build a recycled water facility as well. It's projected to be completed by 2018.

Commissioner Johns asked if it's already in the works.

Ms. Acton replied it is in the works.

Commissioner Johns ... you mentioned that the infrastructure was aging. We've had so many new projects, starting with the International Terminal and going forward, and I would assume that in each of those projects we upgraded the water systems.

Ms. Acton replied that we have.

Commissioner Johns ... it's just exterior linking it together and upgrading the total package, is that what you're talking about when you refer to the aging infrastructure?

Ms. Acton replied yes ... and the piping system from the treatment plant to the terminals, as well as the main line.

Commissioner Johns ... our plan to upgrade is in the capital plan?

Ms. Acton said it is. We have several of the locations in the capital plan.

Commissioner Johns ... thank you for your excellent report.

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

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- G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.
 - 3. Award of Contract No. 10012.66 Design-Build Services for the Terminal 1 Baggage Handling System Project Beumer Corporation \$28,149,000

No. 15-0149

Resolution awarding Contract 10012.66, Design-Build Services for the Terminal 1 Baggage Handling System Project, to Beumer Corp. in an initial amount of \$28,149,000 and an initial contract duration of 300 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 CEQA.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said this item awards the design build services contract to Beumer Corporation for the Terminal 1 Baggage Handling System in an initial amount of \$28.1 million and an initial duration of 300 calendar days. This contract will provide for the design and construction of the new baggage handling system as part the Terminal 1 renovation program. This work was procured separately in order to expedite the programming phase required for the baggage handling system. The Airport has entered into an Other Transaction Agreement with the Transportation Security Administration (TSA) under the Recapitalization and Optimization Program. The Airport will be reimbursed 100% for all work required for the checked baggage inspection system portion of this baggage handling system. The estimated amount for this portion of work is estimated to be about \$92.5 million.

Two proposals were received. One proposal was deemed non-responsive for failure to list professional services required for the design portion of the work. The single remaining proposal was evaluated by a selection panel and was deemed to be responsive. The submitted pricing was also reviewed by staff and deemed to be reasonable. Staff has negotiated the scope of services along with the contract terms and conditions and recommends award to Beumer Corporation. The initial award amount provides for programming services and management fees for design build services, a not-to-exceed amount for bond premiums, and \$15 million for pre-construction trade packages allowance to support the programming and design efforts. The estimated value for this contract will be \$180.3 million. At the completion of the programming phase, staff intends to recommend that this contract be assigned and novated to the Terminal 1 Center Design Build contractor, Hensel Phelps, so that design and construction for both contracts can be coordinated under a single contract.

Because this is a Federally funded contract, the Airport has established a 10% Federal Small Business Enterprise best efforts goal. Beumer Corporation has committed to meeting this goal.

Commissioner Crayton said several years ago I went to a demonstration of a premier baggage handling system. I think it was at United ... am I incorrect in assuming that it seemed like we had this baggage handling system that we were installing and was costing millions of dollars, or am I talking about apples and oranges?

Mr. Martin said I think that you're referring to our advanced baggage screening system in the International Terminal. It was an industry leading baggage screening system and after 911. We had the most advanced system. It's a screening element, it plugs into the baggage system.

Mr. Neumayr said we're going to reconsolidate and do a single baggage handling system inside Terminal 1 instead of having two baggage handling systems. What we have is independent screening areas. This will consolidate Terminal 1, similar to what's been done in the International Terminal, with the ultimate goal of connecting everything.

Commissioner Johns asked what we have learned technology wise for the

design of this new system that might even be beyond what we did in Terminal 2.

Mr. Neumayr said there is a new technology which is a tray system and we want to explore it. We will explore the traditional method similar to what was done in Terminal 2 during programming phase as well as that tray option. We need to have buy-in from the TSA to be sure they will accept the system. At one point we have to make a decision on whether or not to proceed based on TSA approval. We will be exploring advances and looking at different technology. Other than that, a lot of things remain the same. The only other technology we want to look at is energy savings and electric use on the baggage handling system, and sustainability of the system.

Commissioner Johns ... so there's no new cutting edge technology that's going to make it get there faster, safer, that you know of?

Mr. Neumayr ... not that we can't control on our end because it's really controlled by the screening equipment provided by the TSA.

Commissioner Crayton ... who had the original contract? Was it Hensel Phelps?

Mr. Neumay said you're talking about the original contract for the Terminal 1 Center. Hensel Phelps. This is a separate contract that will be assigned to them once we go through the programming phase. We did that so we could get to the programming phase of the baggage handling system earlier to explore the new technologies, otherwise we'd be delayed in that process and wouldn't be able to explore. Ultimately we'll combine those into one contract.

Commissioner Crayton ... because they're the only company with the knowledge of the original one, they were able to pick up this contract?

Mr. Neumayr said it was known in advance when the RFP went out that they would be assigned this baggage handling contract. They were aware it was coming.

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

4. Award of Contract No. 50061 - Communications and Marketing Services

Davis & Associates Communications, Inc. - \$475,000

No. 15-0150

Resolution awarding Contract No. 50061 to Davis & Associates Communications, Inc. for a total annual not-to-exceed amount of \$475,000 to provide Communications and Marketing Services for varied scopes of work for an initial period of three (3) years with two (2) two-year options to extend the contract at the sole discretion of the Commission.

Ms. Kandace Bender, Chief, Communications & Marketing Officer said earlier

this year the Commission authorized us to issue an RFQ to create a pool of Communications and Marketing firms. The reasons for the pool were two-fold. First it gave us access to a greater variety of marketing and communications firms and second, it allowed us to approach our initiatives from a project base rather than from a marketing and/or a communications base. Ten firms met the minimum qualifications. We selected and the Commission authorized five of those firms to be part of the pool. We have now successfully negotiated a contract with the first of those firms, San Francisco-based Sterling Davis and Associates, an LBE firm. The scope of work with Davis & Associates will include but won't be limited to the expansion of our digital and social media campaigns as well as the creation of applications for customer interfacing purposes. The contract is for \$475,000 per year for three years with two two-year options to renew. The total amount will not exceed \$1.425 million over the life of the contract. We're enthusiastic about starting work with Davis & Associates and we recommend award of this contract.

Commissioner Stern does the \$475,000 include development of any applications, or is that going to be scoped as a separate project?

Ms. Bender said it will be included initially. We want to wait and see what we're going to come up with first.

Commissioner Crayton asked if the amount could be greater.

Ms. Bender replied we don't anticipate that for the first year at least. We do have other firms that are still in the pool that we will be coming back to you for contract award..

Commissioner Johns ... this is as-needed, are you anticipating that we will be needing \$475,000 worth of services per year for this project?

Ms. Bender replied yes. It's scoped out in broad terms, but we do anticipate using all of it.

Commissioner Johns asked this firm has the experience.

Ms. Bender replied yes, and they brought in subs that are application-designers and they have a full staff of people that can satisfy our needs. We're quite excited to work with them. They had a very good portfolio.

Commissioner Crayton commended Ms. Bender for getting a minority contractor to work on the Airport. It's been sometime coming and I thank you for that. I look forward to seeing what comes out of it and I'd love to meet the team. I know we have a varied amount of work and it's difficult for people who don't have that experience. I thank you for reaching out.

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H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
The Consent Calendar, Item Nos. 5 through 9, was moved by Commissioner Crayton

and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

5. <u>Authorization to Issue a RFQ/P for Contract 10504.66 - Design-Build Services for the AirTrain Extension and Improvements Project</u>

No. 15-0151

Resolution authorizing the Director to Issue a RFQ/P for Contract No. 10504.66, Design-Build Services for the AirTrain Extension and Improvements Project.

6. Modification No. 2 to Sole Source Contract No. 10563 - Common Use Self Service Units - IER, Inc. - \$1,000,000

No. 15-0152

Resolution approving Modification No. 2 to Sole Source Contract 10563, Common Use Self Service Units, with IER, Inc. for design modifications of the CUSS units resulting from the testing and review of the prototype units, and for the purchase of additional units required to meet the needs of the passengers. This Modification will increase the not to exceed amount by \$1,000,000 for a new contract amount not to exceed \$4,000,000 and a new contract duration through June 30, 2016.

7. <u>Authorization to Accept Bids for the Banking Center and Automated Teller Machines (ATM) Lease</u>

No. 15-0153

Resolution approving revised lease specifications, minimum qualifications and bid requirements, and authorizing staff to accept bids for the Banking Center and Automated Teller Machines Lease.

8. Long Term Holdover of the Boarding Areas "B" and "C" Books and News Stores
Lease No. 04-0231 with Pacific Gateway Concessions, LLC in Terminal 1

No. 15-0154

Resolution approving a long-term holdover of the Terminal 1, Boarding Areas B and C Books and News Stores Lease 04-0231 with Pacific Gateway Concessions, LLC until approximately June 2016.

9. <u>Modification No. 1 to Contract No. 9380 - Transportation Security Clearinghouse</u> (TSC) - \$73,464

No. 15-0155

Resolution approving Modification No. 1 to Contract No. 9180 with Transportation Security Clearinghouse to increase the scope of work to implement fingerprinting services at the new Security Access Office at an additional cost of \$73,464 for a new total not-to-exceed contract amount of \$573,464.

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I. 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.

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J. CORRESPONDENCE:

There was no discussion by the Commission

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K. 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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L. 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