

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

October 4, 2016

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

IVAR C. SATERO

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
October 4, 2016

CALENDAR AGENDA		RESOLUTION	
SECTION	ITEM	TITLE	NUMBER PAGE
A.		CALL TO ORDER:	4
B.		ROLL CALL:	4
C.		ADOPTION OF MINUTES:	
		Regular meeting of September 20, 2016	16-0252 4
D.		SPECIAL ITEM:	
	1.	Retirement Resolution - Denise Martinez	16-0253 4-5
E.		ITEMS INITIATED BY COMMISSIONERS:	5
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:	
	2.	Reject Proposals and Terminate Competitive Selection Process Under the RFP for Contract 50093 for On-Demand Shared-Ride Van Service	16-0254 6-7
	3.	Award Professional Services Contract 11001.41 - Project Management Support Services for Wayfinding Enhancement Program - SFO Partners, a Joint Venture between ASL and AGS, Inc.	16-0255 7-9
	4.	Award Terminal 3 Retail Marketplace Lease - MRG San Francisco, LLC	16-0256 9-10
	5.	Bid Call - Contract 10559 - Construction Services for Communications Center Infrastructure Improvements Project	16-0257 10
	6.	Approve Amended Lease Term of Interim Airport Employee Café Lease	16-0258 11
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:	
	7.	Modification No. 4 to Professional Services Contract 8427C.9 - Construction Management Services for Mel Leong Treatment Plant, Industrial Wastewater & Recycled Water Upgrades Project - PMA/NBA J.V.	16-0259 11
	8.	Issue a RFQ/P for Professional Services Contract 11252.41 - Activation Planning Services	16-0260 11
	9.	RFP for Professional Services Contract 50071 for Acoustical Engineering Services Related to Aircraft Noise Abatement	16-0261 12

H.	NEW BUSINESS:	12
I.	CORRESPONDENCE:	12
J.	CLOSED SESSION:	12
K.	ADJOURNMENT:	12

AIRPORT COMMISSION MEETING MINUTES
October 4, 2016

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.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Peter A. Stern

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 20, 2016 were adopted unanimously.

No. 16-0252

* * *

D. SPECIAL ITEM:

Item No. 1 was approved unanimously upon a motion by Commissioner Johns and a second by Commissioner Guggenlime.

1. Retirement Resolution - Denise Martinez, Managing Director, Finance

No. 16-0253 Resolution commending Ms. Denise Martinez for over twenty-seven years of dedicated service to the City and County of San Francisco.

Mr. Ivar Satero, Airport Director, asked Denise Martinez to step to the podium. I'm sad to say Denise has decided to retire from City service. She has had a wonderful career with the City ... 27 years. She's been with the Airport since November 2006 and has been key in the leadership of our finances and our budgeting operations and has had such wonderful successes in her career. Twice she has lead the revisions to our capital plan, including our most recent \$5.7 billion capital program with such wonderful projects as the Terminal 1 Redevelopment and the Hotel project and AirTrain extension, fundamentally transforming SFO again. She was also was key to the Runway Safety Area Program, a \$200 million program with a \$60 million grant secured from the FAA to help fund that program. She lead the team that was able to get those monies. She's done, with assistance of her team, over \$75 million in refinancing for the Airport at really important times as we were cutting costs and really focused on a competitive cost per enplaned passenger metric, and she's been fundamental to those successes. Still not blushing Denise? There's plenty more to talk about.

I think what we really appreciated most, and I know John did, was just how she took on coaching and mentoring with such enthusiasm and built a wonderful team of professionals, led a staff of 24 individuals, she has promoted 7 people in her organization and has brought on 6 new people within her time as the Director of the Finance Division. She also won the William R. O'Brien Award for Employee Excellence in 2011. Denise has had a wonderful career with the Airport and certainly was fundamental to our success over the last 10 years. So, we're sad to present this retirement resolution, but I know she's pleased.

Ms. Denise Martinez ... Thank you. I was at the Port for 17 years before I came to the Airport, and it was a very hard decision to leave the Port. It was at a time that the Port was in transformation. I saw things there like the building of the ball park, the Ferry Building total transformation. I'd come to the Airport and I was looking for a new challenge. I found one. And it's interesting that I came to another department going through a transformation. I certainly thank Ivar for those generous words. It's all about team for me. It was what I wanted to do ... to manage and to have a great team, and I really did. It's a stellar team of finance professionals as well as support staff. Sometimes we neglect that part of it and they have been really terrific. But when I came, Ben Kutnick was Director and I told him I'm looking for a new challenge but I am only going to stay about four years because I'm planning on an early retirement. I'm here ten years after that. I would not have stayed had I not been enjoying it so much. It was a very hard decision to retire but I look at it as I'm retiring from the Airport Finance Director position and looking for what comes next. I'm very excited by that and I thank everyone, not only my team. I know that they will do a stellar job going forward under Kevin Kone's management, who has assumed my position. I've also had the privilege of working for Leo Fermin for the last four years and I have to tell you, I have really loved working for Leo. He's that perfect manager who didn't micro manage. His teams do what they need to do but he was always there to help. I never hesitated to say I need help and Leo was always there. But I have colleagues throughout the Airport and throughout the City who I will miss. But again, I am excited about what the future holds. I'm not sure I'm one of those people who can ever completely retire. But I am looking forward to it and I have so enjoyed the last 10 years. Thank you.

Commissioner Johns ... Thank you so much for your service and it's wonderful to hear a positive report like that. I think I was going to retire many years ago and I'm still here, so there's a lot out there. I wish you the very best and thank you for your service to the City, the Port, and the Airport.

Commissioner Guggenhime ... we'll miss you, and you're much too young to retire, and so are you Eleanor. I'm older than all you guys put together so let me know if you fully retire, how you like it.

Ms. Martinez ... I got my medicare card on Saturday.

Commissioner Guggenhime ... that'll save you a lot of money.

Commissioner Stern ... thank you for all your service, and happily enjoy your retirement before you jump back in for sure.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

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

Item No. 2 was approved unanimously upon a motion by Commissioner Guggenlime and a second by Commissioner Stern.

2. Reject All Proposals and Terminate the Competitive Selection Process Under the Request for Proposals for Contract 50093 for On-Demand Shared-Ride Van Service

No. 16-0254

Resolution to reject all proposals and terminate the competitive selection process under the RFP for On-Demand Shared-Ride Van Service (Contract 50093).

Ms. Eva Cheong, Director of Airport Services ... this item seeks your approval to reject all proposals under the Request for Proposals Contract No. 50093, Terminate the Competitive Selection process. In February of this year we issued an RFP for up to three providers for On-Demand Services between SFO and five surrounding counties. As these permits were being finalized with the successful proposers, the existing permittees expressed concerns of their ability to continue to sustain operations outside of the concession agreements. Taking into consideration the Airport's desire to improve the customer experience, while also reducing the existing curbside space foot print for the on-demand shared-ride van operators, our staff considered alternate strategies that could allow for all of the current operators to remain. Our staff is now developing a new system that will provide an opportunity for all current operators to participate but will also incorporate the key features contemplated in the concession agreements which includes the required service area of the five surrounding Bay Area counties, the 24/7 Customer Service Assistance, minimum fleet size alternative field vehicles, curb coordinators that are hired by the operators, ride building which means staging in our designated lot and only coming to the curbs when they have customers to pick up, and electronic reservation systems. We intend to issue no more than five permits under this program with an expectation that current smaller operators will operate as one entity under a single permit. To address our traffic congestion concerns, which will be further impacted by the upcoming Terminal 1 construction, we anticipate that these new agreements need to go into effect no later than December 1, 2016. We now believe this is the best course of action for the on-demand shared-ride van operators at the Airport and therefore I ask this Commission's approval to reject all proposals under the RFP for on-demand shared-ride van services and terminate the competitive selection process.

Commissioner Johns ... I hope that this finally works. December 1st isn't far off and I know we have been attempting to get some compromise worked out that is efficient for our passengers and takes into consideration the needs of the companies that are currently providing these services. One question I have, and maybe you don't have the total answer yet, the curbside is going to be done by

the operators themselves? Why is it better than having our own curbside people?

Ms. Cheong ... yes. There have been continual disagreements on whether the curbside staff is fair and equitable to all the operators, and also the cost of it. So, at this point letting the operators decide what's best for their type of operation will work for us, that they're responsible for their own dispatching and how that works.

Commissioner Johns ... as long as it meets our guidelines in making sure that our passengers get the best possible service. To me the key is that our passengers know how the van service works, and can efficiently get on the right van to go to the right place.

Ms. Cheong ... the plan is for the Information Booths, currently staffed between 8:00 AM and midnight in all terminals, be the check in point for all of the shared-ride van operators. We have Airport staff to answer questions and help facilitate passengers to get to the proper company. We will have an electronic system in place identifying available vans and where they're going for walk-up customers.

Commissioner Johns ... will these vans take folks to neighborhoods or just downtown in San Francisco?

Ms. Cheong ... the requirement is that they service all zip codes in each county that we've named. That's the new permit, so these terms will require all operators to at least file with the CPUC and plan on doing services to all zip codes within the five surrounding Bay Area counties.

Commissioner Johns ... if a passenger doesn't want to use Uber or a taxicab, they can find a west side van that will take them to the west side of town, or a van that will take them downtown, or a van that will take them to the eastern or southwest part of town, or southeast part of town, by zip code?

Ms. Cheong ... yes.

Commissioner Johns ... good luck.

Commissioner Guggenheimer ... I would have preferred the original proposal to go to four, but I understand. A lot of people were successful and spent money and time and energy making the proposal, but I understand what you're doing. I just would have preferred to leave it the way it was, but I support this.

Commissioner Mazzola ... I commend you on a good settlement. Trying this will be beneficial for us and it helps the smaller companies merge into one and no one gets put out of business. It's a good settlement and I appreciate your efforts.

Item No. 3 was approved unanimously upon a motion by Commissioner Johns and a second by Commissioner Guggenheimer.

3. Award of Professional Services Contract No. 11001.41 - Project Management Support Services for the Wayfinding Enhancement Program - SFO Partners, a Joint Venture between ASL and AGS, Inc. - \$1,100,000

No. 16-0255

Resolution awarding Professional Services Contract No. 11001.41, Project Management Support Services for the Wayfinding Enhancement Program, to SFO Partners, a Joint Venture between ASL and AGS, Inc., in an amount of \$1,100,000 for the first year of services.

Mr. Geoff Neumayr, Chief Development Officer ... this item awards the Project Management Support Services to SFO Partners, a Joint Venture between ASL and AGS, Inc. for the Wayfinding Enhancement Program. This award is for the first year of services in the amount of \$1.1 million. We completed a wayfinding study in 2013 to identify areas that will enhance the passenger experience by providing clear identifiable wayfinding throughout the Airport. This project will implement the Airport-wide recommended signage and wayfinding improvements identified in the study as well as develop Airport signage guidelines and standards that will provide consistency not only through the projects under this program, but through our current capital program. The scope of services for the Project Management Support Services will include pre-construction and design management, project control services, and construction management services.

Four proposals were received. A three-member selection panel was convened to rank and score the technical qualifications and all four firms were invited to the interview. Staff determined that SFO Partners was the highest ranked proposer. The final scores included LBE rating bonuses as appropriate and certified. Staff has negotiated the terms and conditions of this contract. The anticipated amount in totality is \$3 million with a duration of three years. Staff will return to the Commission each year to renew this contract based on the Consultant's performance. CMD approved a 20% sub-consultant participation goal and the Consultant has committed to meeting that

Commissioner Johns ... who are ASL and AGS, and what is their experience in this field?

Mr. Neumayr ... ASL is was new to the Airport. They were part of a joint venture on our Interim Boarding Area B Project that was where we just recently did the gates swap. However, they do have a lot of airport experience ... they worked Los Angeles Airport as well.

AGS is a local firm and they are the LBE partner. AGS has also done a lot of work in construction management here.. They're a local firm out of San Francisco and they've done a lot of work at the Airport over the years.

Commissioner Johns ... do they have specific experience in signage?

Mr. Neumayr ... we have Consultants on board who actually assist us with the design. This is really the implementation of those programs and construction.

Commissioner Johns ... this is actually doing what somebody else tells them needs to be done. This is more or less the construction contract.

opportunity of almost going back to where I started which is an ACDBE with MRG. I look forward to another nine years with you guys and I have this wonderful acclaimed wine bar of which you guys were part of the process, SF Un'corked, and Marilla, so I'm truly a local operating entity. Thank you for the opportunity and I look forward to the next nine years.

Mr. Roderick McOwan ... Thank you very much. Good morning members of the Commission and Airport Director Satero. On behalf of the Marshall Retail Group we're absolutely delighted to be looking forward to operating the District Market here in San Francisco. Quite a fascinating project to work around given the fact that it's 5,200 sq. ft. I thank Cheryl, and the Airport Staff should be commended on being brave enough to go out to the Marketplace and look for such an exciting project. From our prospective, even though I'm from Las Vegas, we're working locally with Gil Johnson, and in particularly Rilla, to be able to have local products, local knowledge ... a very exciting project for us to be working on and we can't wait to get started. So, thank you very much for the opportunity, I appreciate that.

Mr. Gil Johnson ... first and foremost I want to thank you for the opportunity. Our company is called Procurement Concepts. We've been in the airport retail business since 1992 so we have a couple of years of experience. I'm a little bit out of breath because I was chasing airplanes this morning, flying up from San Diego, because I wanted to personally see you so you could see who Procurement Concepts is and who Gil Johnson is, and to commit to you that we are really looking forward to this opportunity. We're looking forward to working with our partnership and again, thank you.

Item No. 5 was approved unanimously upon a motion by Commissioner Johns and a second by Commissioner Stern.

5. Authorization to Call for Bids for Contract No. 10559 - Construction Services for the Communications Center Infrastructure Improvements Project

No. 16-0257	Resolution approving the scope, budget, and schedule for Contract 10559, Construction Services for the Communications Center Infrastructure Improvements Project, and authorizing the Director to call for bids.
-------------	--

Mr. Neumayr ... this item seeks approval for the scope, budget, and schedule for the Communications Center Improvements project and authorizes the Director to call for bids. This contract will provide construction services for the Communications Center that include upgrades to existing electrical power and lighting systems, installation of new telecommunications infrastructure, renovations to the Center and the training rooms, and relocation of the existing telecommunications and network equipment from the Communications Center training room to the Communication computer equipment expansion room. The Engineer's estimate for this contract is \$4 million and the contract duration is estimated to be 265 consecutive days. Staff will work with the City's Contract Monitoring Division to develop local business sub-contracting participation goals.

Item No. 6 was approved unanimously upon a motion by Commissioner Guggenhime and a second by Commissioner Johns.

6. Approve Amended Lease Term of the Interim Airport Employee Café Lease

No. 16-0258

Resolution approving the amended lease term of the Interim Airport Employee Café Lease and directing the Commission Secretary to forward the lease to the Board of Supervisors for adoption of an Ordinance exempting the lease from the competitive process requirement.

Mr. Leo Fermin ... you previously approved the interim lease for the Employee Café in a temporary location in Terminal 1 while a permanent location is being constructed in the Mezzanine of Terminal 2. This interim lease was to be for three years with two one-year options. At the time Staff recommended adding the two one-year options because the location and schedule for the permanent location had not been finalized. Also, you awarded this interim lease on the condition that the Board of Supervisors waive the competitive bidding requirement because of the short term nature of the interim lease. The Board now desires that we remove the two one year options and just go with the three year lease. We agree with this as the permanent café location in Terminal 2 will be completed in about three years and we can do a new competitive RFP process for a longer term lease at the permanent location. So, we now request that you remove the two one year options, and we will return to the Board of Supervisors for their approval.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 9, was moved by Commissioner Stern and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

7. Modification No. 4 to Professional Services Contract No. 8427C.9 - Construction Management Services for the Mel Leong Treatment Plant, Industrial Wastewater and Recycled Water Upgrades Project - PMA/NBA Joint Venture - \$1,578,506

No. 16-0259

Resolution approving Modification No. 4 to Professional Services Contract 8427C.9, Construction Management Services for Mel Leong Treatment Plant, Industrial Wastewater & Recycled Water Upgrades Project, with PMA/MBA J.V., in an amount of \$1,578,506 with a new contract amount of \$3,228,756 and new contract duration of 2,190 days.

8. Authorization to Issue a Request for Qualifications/Proposals for Professional Services Contract No. 11252.41 - Activation Planning Services

No. 16-0260

Resolution authorizing the Director to issue a RFQ/P for Professional Services Contract No. 11252.41 for Activation Planning Services.

9. Request for Proposals for Professional Services Contract No. 50071 for Acoustical Engineering Services Related to Aircraft Noise Abatement

No. 16-0261

Resolution authorizing staff to issue a RFP for Professional Services Contract. 50071 for acoustical engineering services related to aircraft noise abatement and authorizing staff to conduct negotiations with the highest ranked proposer.

* * *

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.

There were no requests to speak.

* * *

I. CORRESPONDENCE:

* * *

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).

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 AM.

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