SAN FRANCISCO AIRPORT COMMISSION



October 13, 2015 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 October 13, 2015

CALENDAR SECTION	AGEND	A TITLE	RESOLUTIOI NUMBER	
Α.		CALL TO ORDER:		5
В.		ROLL CALL:		5
C.		ADOPTION OF MINUTES: Special Meetings of September 22, 2015 and October 2, 2015	15-0195	5
D.	1.	SPECIAL ITEM: Retirement Resolution - Aileen Manning	15-0196	10
E.		ITEMS INITIATED BY COMMISSIONERS:		10
F.	2.	ITEMS PERTAINING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Modification No. 2 to Contract 10003.71 - CM/G Services for Interim B/A B and Security Screeni Checkpoint Project - Turner Construction Co.		11-12
	3.	Determination to Proceed: B/A F Passenger Bo Bridge and Modernization Project / Authorizatio Issue RFQ/P for Contract 10071.66, Design-Bu Services for T3 West Modernization and B/A F Passenger Boarding Bridge Projects	n to	12-13
	4.	Accept Proposals for International Terminal Foc and Beverage Concession Leases	od 15-0199	13-15
G.	5.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: Award Contract 50035 - Information Technology Infrastructure Library and International Standard Organization Consulting Services - Cask Techn LLC dba Cask LLC	ds	15-16
	6.	Award Professional Services Contract 10617.50 As-Needed Engineering Support Services Pave Consulting - NCE		16
	7.	Modification No. 2 to Professional Services Cor 10400.51 - As-Needed Project Management Su Services - CPM-Alta Joint Venture		16
	8.	Award Contract 50027 - Financial and Capital P Management and Analysis Services - Robert Ku Consulting, LLC		16
	9.	Determination to Proceed: Runway 28R Fire H	ydrant	

	and B/A G Waterline Improvements Project and Bid Call - Contract 10585 Construction Services for Runway 28R Fire Hydrant and B/A G Waterline Improvements Project	15-0204	16-17
10.	Determination to Proceed: Westfield Checkpoint Security Installation Project and Authorization to Iss Bid Call for Contract 11045.61 - Construction Servic for Westfield Checkpoint Security Equipment		
	Installation	15-0205	17
11.	Amendment of FY2015-16 Airport Rates & Charges	15-0206	17
12.	Commence New RFP Process for Terminal 3 Pop-U Retail Program	Jp 15-0207	17
13.	Modification No. 2 to Professional Services Contrac 9399.52 - As-Needed Environmental Consulting Services - SCA Environmental, Inc.	t 15-0208	17
14.	Modification No. 3 to Professional Services Contrac 9399.51 - As-Needed Environmental Consulting Services - Ninyo & Moore	t 15-0209	17-18
15.	Modification No. 1 to Professional Services Contrac 9399.50 - As-Needed Environmental Consulting Services - Haley & Aldrich, Inc.	t 15-0210	18
16.	Modification No. 2 to Contract 9129R - Ralph Andersen & Associates	15-0211	18
17.	Assignment of Domestic Food and Beverage Lease 03-0192 from J. Avery Enterprises, Inc. dba Klein's Deli to Tastes On The Fly San Francisco, LLC	15-0212	18
18.	Assignment of Domestic Terminals ATM Lease "B" No. 09-0268 from JPMorgan Chase Bank, N.A. to Cardtronics USA, Inc.	15-0213	18
19.	Lease Agreement Between with U.S. Government for Space in the International Terminal	15-0214	18
20.	Ratification of Settlement of Unlitigated Claims of \$10,000 or Less During Fiscal Year 2014-2015	15-0215	19
21.	PUBLIC HEARING: Receive Comments on Proposed Revisions to Airport's Quality Standards Program and Vote on Adoption of the Proposed Revisions	15-0216	5-10

Н.

I.	NEW BUSINESS: Smart Cards	19
J.	CORRESPONDENCE:	19
K.	CLOSED SESSION:	19-20
L.	ADJOURNMENT:	20

AIRPORT COMMISSION SPECIAL MEETING MINUTES October 13, 2015

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present:

Hon. Larry Mazzola, President Hon. Linda S. Crayton, Vice President Hon. Richard J. Guggenhime Hon. Peter A. Stern

Absent:

Hon. Eleanor Johns

* * *

C. ADOPTION OF MINUTES:

The minutes of the special meetings of September 22, 2015 and October 2, 2015 were adopted unanimously.

No. 15-0195

* * *

H. PUBLIC HEARING:

The Public Hearing, Item No. 21, was taken out of order. The Public Hearing was convened at 9:04 and concluded at 9:25 AM, there being no further public comment. The item was moved, as amended, by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

21. <u>Receive Comments on Proposed Revisions to the Airport's Quality Standards</u> <u>Program and Vote on Adoption of the Proposed Revisions</u>

No. 15-0216 Resolution adopting revisions to the Airport's Quality Standards Program for Airlines and Service Providers.

Mr. John Martin, Airport Director said that the Quality Standards Program (QSP) is all about safety and security ... promoting the highest level of safety and security at the Airport. Adopted in 1999, it was subsequently amended in 2000 and 2009 and it sets minimum hiring, training equipment, compensation and benefits levels for airlines and airline service providers. We currently have over 11,000 employees covered by the QSP working for 42 airlines and 48 separate provider companies. Studies at UC Berkeley have shown and demonstrated the program has been important in decreasing employee turnover and thereby promoting a higher level of safety and security on Airport. This amendment to the QSP will include catering employees working both on and off Airport ... the 1,700 catering employees who prepare meals, put food on food carts that go directly to planes, so we think this is important in promoting safety to include these employees.

We are also proposing to amend the QSP to have minimum salary levels apply even to employees covered by collective bargaining agreements ... where there are collective bargaining agreements with salary levels below the QSP.

Finally, I would to ask the Commission to consider amending the resolution to change the effective date from January 1 to March 1st to give the companies a little more time to prepare for this. Also, we're going to be back to you within the next couple of months, probably by December, with additional revisions to the QSP specifically targeted to improving training standards and performance measures for airlines and all of the service providers with a goal of enhancing safety and security.

Commissioner Crayton said you're asking us to move the date to March 1, 2016. Did you originally negotiate that date?

Mr. Martin said the date in the proposed resolution is January 1, 2016.

Commissioner Crayton said January 1st, this is October. So, you don't believe that even though they've been talking they don't have enough time to get that together by January 1st?

Mr. Martin said that they may be able to do it but I think this is an act of good faith and good will. Companies that support this and recognize the safety and security need ... this is a small concession for us to make.

Commissioner Crayton ... will it be retroactive to January 1?

Mr. Martin ... no, it will take effect on March 1.

Reverend Kristi Denham ... thank you for allowing me to speak before you today. I am the Pastor of the Congregational Church of Belmont and with me is Ruth who represents the Congregational Church of San Mateo. Both Reverend of our congregations have many folks from the airlines who are very connected with this issue and we're very aware that the workers at Flying Foods and the other catering services are serving the airlines in a declined capacity because in 2008 when there was a crisis, the airlines came to the food service people and said we need you to bargain and reduce your costs. The airlines pay them less because they were in crisis at that time. But things have turned around and they do need a wage increase. The average wage of a worker is now \$10.40 per hour. I'm a little outraged that we're going to postpone that change until March. They need to have basic rights, they've bargained in good faith for several years with no results. We need the Airport Commission to take this on and represent the workers who serve the airlines because if they don't, it's the airlines who are going to be hurt by having the quality of their food questioned and the workers might have to go on strike.

Mr. Xie Xitian ... said I am a Flying Food worker. I'm doing co-production and I'm making \$9.99 per hour and I live in San Francisco. My co-worker and I work in harsh conditions, like low temperature and conditions, hygiene requirement, place to produce the food that we stock on airplanes to feed their passenger in flight. So many of us have to work many hours overtime just to support our family.

It's so hard to do as a good of job as we would like to do because, this a long hour worked and we felt very tired and we are worried about sometimes our under paid overworked fellow employees are not able to always to use the food that is fresh and clean. Quality and food safety is important use for airline food for us. The problem is made worse by the fact that because we are paid so poorly many workers quit soon after they are hired and then they are replaced with other new workers who also quit soon. That means that we have to do so much overtime to do the work and we are tired at the end of the shift. Because of the turnover, a new worker, maybe all of them, don't have enough experience or training to know how to prepare food safely with fresh food. And prepare with clean hands and clean equipment. It takes training and experience to do that properly and many new worker don't have the experience. So thank you for your time.

Mr. Stan Kiino ... I'm with the Association of Flight Attendants. I serve there as a Counsel Representative but my first job is as a Flight Attendant with United Airlines. This is my 42nd year of flying. I must say every time I open up the cart ... let me jump back to the words of Director John Martin. I think John's words go directly to the heart of the matter as a safety professional, as a first responder, I want to know that the food I serve on the plane, that I consume myself as a crew member, is safe and secure. That says it all. I know that seats in the airplane are bolted down and each with it's own safety belt. I don't know about the quality of the food and what started behind it, what produces this product, or the people who put it onboard for us and prepare. Are they working under decent working conditions, under standards that produce a safe, secure, and quality product? On behalf of the Association of Flight Attendants, I want to express our words of appreciation for the Quality Standards Program. I think it brings to us a story behind the scenes as to what we have to work with and how its produced. And I encourage you that this is more than a step in the right direction. I encourage you to make sure that the Quality Standards Program is applied to these workers. Thank you,

Mr. David Cotton, Chief Executive Officer of Flying Food Group, the CEO of the company that employees, a lot of people that you see at this hearing today. I'm happy to be here. Flying Food Group provides airline catering services to several international airlines that operate at San Francisco Airport. We provide and deliver meals and beverages to the aircraft for our customers at San Francisco, which are then in turn consumed by the airline passengers and crew while in flight. Flying Food Group is committed to treating its employees fairly and providing competitive pay and benefits to ensure that our employees can produce and provide the high quality products and services for our customers in a timely fashion. Flying Food Group supports the proposals being considered today by this Commission as long as there's a level playing field for all airline catering companies that compete at San Francisco Airport, that they are treated the same and are subject to the same wage requirements, with no exemptions and no

special treatment for any reason. That is extremely important to us. We have been trying for quite some time to get our wages up but it gets involved in all sorts of collective bargaining agreements and arrangements that actually have delayed increasing our wages, certainly as guickly as we would have liked to and I would have liked to. The airline catering business is extremely competitive and we operate with very thin profit margins. Any significant increase in expenses, including increasing our employees rate of pay and benefits, requires us to raise prices in order to stay in business or provide the service. If Flying Food Group raises it prices and other airline catering companies do not, the airlines will simply take their business to our competitors. It has happened to us time and time again, not only in this market but in other markets across the United States. Flying Food Group supports expanding the coverage of San Francisco's Quality Standards Program again as long as all employers who compete are subject to the same standards and requirements with no exceptions or exemptions that would give any competitor a competitive advantage over any other employer. Paying our workers a decent living wage will help us hire and keep the high quality employees that we need to ensure that we can provide high quality food and services that are safe and nutritious for the airline passengers. Increasing wages will enable us to hire more employees to provide the services to our customers on a timely basis without requiring our employees to work large amounts of overtime and reduces the risk of missing deliveries or missing orders or the other things that happen when frankly your employees are fatigued and your morale is not as high as it should be. Increasing wages will help us to decrease turnover resulting in more experienced workers with high morale, and that's a very high priority for us. We want a more stable and experienced workforce that can be trained properly to do their jobs. Proper training of employees takes time and we can't train workers who don't stay on the job long enough to get the training that they need to prepare the food according to the standards or required to produce.

In summary, Flying Food Group supports expanding the QSP to cover all employees of all airline companies at San Francisco Airport as long as the same standards, rules and regulations apply to all competitors in the same way. We believe that increasing wages will allow us to hire more high quality employees, reduce overtime, reduce turnover, improve training, and provide better service to our customers, albeit at a higher price. Thank you for allowing me to speak. We are proud to be a part of providing good services at San Francisco International Airport.

Reverend Ben Meyers ... it's my honor to be here again to speak to you. Since you're hearing repetitions, I trust that you're probably knowing what I'm going to say which is basically that the ball is in your court. You're the ones that we look to to set policy that provides justice in this issue. You're the ones that we look to to go back to the way these workers lived and the quality of life they had and how they were asked to make sacrifices on behalf of their companies, and they were told for their country, and how they've not been brought along with the profits that are now being made in this area. So we're looking to you, the policy makers, to bring to bare the same standards and quality that the people who work in this area inside the Airport. We're all here in support of you to make that decision and to bring the quality of life as a starting place for these workers. We thank you for your time and for your courage. Bless You.

Ms. Shelley Kessler, San Mateo Labor Council representing 110 unions including many of the people you see here today. I want to thank you all, actually it was just said about the courage to do the right thing in this situation. I'm a little disappointed because originally the resolution was for January, not March. If that could be changed it would be great. In the meantime, I want to clarify something Commissioner Crayton asked last time about the labor laws that impact these workers. Under the Quality Standards Program, regardless of whatever labor law is in application, whether it's Railway Labor Act or the National Labor Relations Act, all of these people will be covered the same just like all the other folks that are covered by both of those laws at the Airport. The same thing applies here regardless and that's what Mr. Cotton just said. Regardless of who they work for and what labor law applies to them, the QSP language you're adopting will affect and impact all of these people, so I want to be clear about that. I also want to let you know that as was said before, the airlines contract with these food service providers and they can well afford to increase and enhance the monies that they put on the table for these contracts so that they can provide the kinds of wages to these workers through their third party contractor. Some of us have been around long enough to remember when the airlines contracted out their in-house food service. Now that they have third party contractors, it's a drive for the bottom line. We need to make the airlines as accountable as we do for the food service providers.

Finally, we came to you before about AirServ workers and their exposure to bug bites, etc., I just want to report that we just had a meeting with CalOsha and there were 21 violations found and \$25,000 worth of penalties that have been levied against AirServ. I just want you to know, as an example, all of the first aide kits had nothing in them but a piece of paper. We're going to be holding AirServ accountable, not only to CalOsha standards, but for the Airport. Just want to let you know we are now trying to do for the third party contractors who clean the aircraft to raise the standards for those workers as well because all of those penalties will hold sway in our estimation. So thank you, thank you, thank you very much for taking action and for allowing the people to do what they need to do to increase and enhance the quality of life. Thank you.

Mr. Anand Singh, President of Local 2 ... I want to thank you because extending the QSP to workers in this industry would have an immediate and profound impact on the quality of life for hundreds of low wage workers on the Peninsula. But even after today, even after this action is taken, which is a major step forward for these workers, our struggle is not over. We still need to address the wage differential for what this actually does is create a new base line. It creates a new wage rate for workers at the lowest paid classifications. We need to address workers in other classifications, so our struggle isn't over. We still need to negotiate those wage differentials above the QSP as well as other quality of life, economic issues such as healthcare and pension. To have the airlines make these improvements, make the commitment to lift these workers out of poverty, as we all know they can afford to do so. It's an incredibly profitable industry. I appreciate the comments made by David Cotton today, but, as he said and we support, one company cannot do this alone, and while this is a major step we need to ensure that the other caterers (Gate Gourmet and Sky Chef) also step forward and comply with the QSP. So, to that end it will be helpful for the

Commission to communicate to Gate Gourmet and Sky Chef to make sure that they are implementing without delay and that they work with Local 2 on the process of implementation. In closing, we support the amendment the Director made. Delaying two months is not ideal, but we want to make sure it's done the right way by all the caterers and that there is no disadvantage for anyone. We support the amendment to March 1st. Thank you.

Commissioner Mazzola ... Thank you. There are no other speakers listed, so it's back to the Commission.

Commissioner Guggenhime ... I think it's a great, great support.

Commissioner Crayton ... I want to say to everyone here that we heard you. The Commission, Director Martin, his staff, Shelley and others have worked to put this together. I just heard from the young man who spoke and now I understand why we need to move the date to March 1⁻ This is the first step and I want to applaud all of those persons, Commission President Mazzola, at that meeting that worked this out and thank them. We've heard you, we're going to continue to hear you and move forward on this process, but this only the first step.

* * *

The meeting recessed at 9:25 AM and reconvened at 9:30 AM.

* * *

D. SPECIAL ITEMS:

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

1. Retirement Resolution for Ms. Aileen Manning

No. 15-0196 Resolution thanking Ms. Aileen Manning for more than (15) years of faithful service to the San Francisco International Airport and City and County of San Francisco.

John Martin, Airport Director said Aileen is not here this morning. She has been at the Airport for 15 years and is currently working in the Operations and Security Division. She is a very dedicated, enthusiastic employee who works as an Executive Secretary I. She has a very high level of professionalism and we congratulate her on her career. We wish her well in her retirement.

Commissioner Mazzola ... we wish her well.

* * *

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

- F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.
 - 2. <u>Modification No. 2 to Contract No. 10003.71 Construction Manager/General</u> <u>Contractor Services for the Interim Boarding Area B and Security Screening</u> <u>Checkpoint Project - Turner Construction Company - \$82,031,517</u>

No. 15-0197 Resolution approving Modification No. 2 to Contract 10003.71, Construction Manager/General Contractor Services for the Interim Boarding Area B and Security Screening Checkpoint Project with Turner Construction Company, in an amount of \$82,031,517 for a new not to exceed contract amount of \$100,000,000, with a corresponding amount in contingency authorization, and with a total contract duration of 700 days.

Mr. Geoff Neumayr, Deputy Director, Design & Construction said this modification establishes the estimated Guaranteed Maximum Price (GMP) for the project in the amount of \$100 million. This modification increases the contract amount \$82 million to establish the not to exceed amount of \$100 million and to extends the contract duration by 100 calendar days for a new contract duration of 700 calendar days. This contract provides for Construction Manager/General Contractor (CM/GC) services for the Interim Boarding Area B and Security Screening Checkpoint project, which is an enabling project for the Terminal 1 reconstruction program. It includes a refresh of the existing Boarding Area B, gate and passenger bridge relocations, airline and other tenant relocations, and various other necessary improvements to support the operational needs of a fully functional terminal. The Interim Boarding Area B will remain operational for approximately four years while Boarding Area B is being constructed. To date we have received two trade packages. The cumulative bids are higher than the Engineer's estimates, they remain within the bid contingency amount of 10% and the project does remain in budget. The CM/GC will continue to competitively bid the remaining trade packages and staff will return to the Commission should the contract forecast exceed the proposed not to exceed amount of \$100 million at any time. The City's Contract Monitoring Division has approved a 23% LBE subcontracting goal and Turner Construction is committed to meeting this goal.

Commissioner Crayton ... is this the same Turner Construction Company that had the problem in San Jose without finishing the hospital project?

Mr. Neuymayr replied this is the same company.

Commissioner Crayton ... are we sure that we're not going to have a problem with them?

Mr. Neumayr ... I can't answer what happened in Santa Clara, but our last

relationship with Turner Construction was on Terminal 2 where they completed an outstanding project on time and on budget. And our relationship at least with the Airport group has been grea. That was a very good project for us. So, based on of that experience, we're confident.

Commissioner Crayton ... I understand that and normally I wouldn't even have to ask this question because that was such a high profile issue. In your negotiations with them, did you bring this up as a concern?

Mr. Neumayr replied we did not bring that up as a concern with Turner. I think it's difficult for us to bring that up without fully understanding all the circumstances. I had some conversations with Turner with regards to what had happened and of course their side of the story is a lot different than what was presented in the media. But we did not take that into consideration in terms of what we're doing here.

Commissioner Crayton ... as a result of that, I just want to make sure that we have put some provisions in place to guard against any issues that might arise in terms of that. I don't want to see a lot of change orders with a lot of money added onto the project as a result of their inability to complete on time.

Mr. Neumauyr ... working with our Legal staff, we have prepared a very sophisticated CM/GC contract, particularly over the last year and a half. It offers that legal protection to make sure that we have a straightforward processing that aligns everyone's expectations at every given point. We are very confident that will work for us and there's been a lot of effort that has gone into this.

Commissioner Crayton ... you've got my vote.

Commissioner Mazzola ... asked if the Turner personnel we will deal with are different.

Mr. Neumayr ... a lot of the personnel to be involved in this project also worked on our Terminal 2 project. Some personnel in this group came from the cruise ship terminal project at the Port. That was a highly successful project.

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

 Determination to Proceed with the Boarding Area F Passenger Boarding Bridge and Modernization Project and Authorization to Issue a RFQ/P for Contract No. 10071.66, Design-Build Services for the Terminal 3 West Modernization and Boarding Area F Passenger Boarding Bridge Projects

No. 15-0198

Resolution determining to proceed with the Boarding Area F Passenger Boarding Bridge and Modernization Project and authorizing the Director to issue a RFQ/P for Contract 10071.66, Design-Build Services for the Terminal 3 West Modernization and

Minutes, October 13, 2015, Page 12

Boarding Area F Passenger Boarding Bridge Projects.

This action constitutes the Approval Action for the Boarding Area F Passenger Boarding Bridge and Modernization Project pursuant to Section 31.04(h) of the San Francisco Administrative Code.

Mr. Neumayr said this item makes a determination to proceed with the Boarding Area F Passenger Loading Bridge Project and authorizes issuance of an Request for Qualifications/Proposals (RFQ/P) for Design Build Services for Terminal 3 (T3) West Modernization and the Boarding Area F Passenger Loading Bridge projects. This project will include renovation and expansion of the existing T3 West facility, the renovation and expansion of F Concourse, and seismic renovation of the facility and provide for additional gates and passenger loading bridges at Boarding Area F. The S.F. Planning Department, Environmental Planning Division has determined that the T3 Modernization program and the Boarding Area F passenger loading bridge modernization projects are exempt from the California Environmental Quality Act. The resolution will authorize the Director to advertise this contract in accordance with the new requirements of the revised San Francisco Administrative Code. The proposed contract duration is 60 months, with an estimated cost of \$725 million. The RFQ will have minimum gualification requirements to assure appropriate technical skills given the size and complexity of this project. Staff will convene a selection panel to evaluate the scores and technical proposals and develop an initial ranking, with up to four firms shortlisted. Those firms will be invited to a scenario based interview to be scored by the selection panel. Staff will analyze and score the cost proposals and the technical interview scores and establish a final ranking, and then negotiate with the highest ranked proposer. Should negotiations prove unsuccessful, staff will go to the next highest proposer until a successful negotiation is completed. Upon successful negotiations staff will return to the Commission with a recommendation for award. Staff proposes that the selection process allow the Airport to consider other key elements in the proposer's qualifications, including LBE participation, construction safety initiatives, strategy for schedule expediency and commitment to meet the City's hiring goals and design gualifications. Staff will work with the Contract Monitoring Division to establish the LBE subcontracting goals for this contract.

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

4. <u>Authorization to Accept Proposals for the International Terminal Food and</u> <u>Beverage Concession Leases</u>

No. 15-0199

Resolution approving revised lease specifications, minimum qualifications and proposal requirements, and authorizing staff to accept proposals for the International Terminal Food and Beverage Concession Leases. Ms. Cheryl Nashir, Associate Deputy Director, Revenue Development and Management, said I'm here this morning to seek your approval to accept proposals in response to our RFP for the International Terminal Food and Beverage Leases. The RFP issued in August is for 13 leases in 17 separate locations in the International Terminal, and in one location in Terminal 3. We have since had to remove one lease from the RFP because the space was needed for another purpose. We held an informational conference in September and over 200 people representing 114 firms were in attendance. Immediately following the informational conference, we held a networking event where interested parties could meet each other and discuss possible business alliances.

During the requisite RFP review period, 10 changes were requested from the industry. We are recommending that four of those be made. The first change concerns minimum qualifications with a request that we lower the gross sales requirement for a single location lease from \$1.5 million per year, and this is for 3 of the last 5 years a perspective tenant would have had to operate this type of business, to \$500,000. We recommend lowering the minimum gualification in this instance to \$750,000. The next requested change for Lease No. 2, which currently has two locations, is to split it into two single location leases. Also, for one of those leases it was requested that we change the concept from a sit down restaurant to a casual sit down restaurant. These are industry terms and it means that there is wait staff at a sit down. Casual sit down requires you to go to a counter and order. By turning this lease into two leases we are providing another business opportunity, and very likely for a smaller tenant, and by changing the concept to casual sit down we believe that we'll have broader interest in this opportunity. Finally, the last change is just clarification on Lease No. 3. This is our largest lease with three locations and they will be opening at different times. Their opening dates will be stretched over 20 months while we wait for other tenants' leases to expire. So the change we want to make is just to clarify what happens to the minimum annual guaranteed during that phasing. A key change I want you to be aware of is because of this phasing the term of one of the locations will actually be about 11 years and eight months rather than the 10 years that's we told about the post security locations.

Today, 100% of the International Terminal Food and Beverage Leases have an owner who lives in the Bay Area. We are striving once again to maximize local ownership and provide opportunities for small businesses. Some of the ways that we're doing this is having 10 of the 13 leases for a single location, which keeps initial capital investment costs down and allows more perspective tenants to go after it. We've conducted a lot of local outreach and we continually look for new concepts and new owners and small businesses in our program, we coach whenever we are able, we invite folks into our office and sort of tutor them on how to do business with us, make lots of introductions when requested. With your approval, we'd like to go ahead and amend the RFP in this manner and to accept proposals for the International Terminal Food and Beverage RFP.

Commissioner Crayton ... what kine of local outreach did you do?

Ms. Nashir replied that my staff and I combed the neighborhoods.

Commissioner Crayton asked when you comb the neighborhoods, I need to understand better, what do you mean by that?

Ms. Nashir said we'll visit all different neighborhoods in the City and surrounding areas and meet with owners, try to find what we think would do really well at the Airport, and talk to them about doing business with us. We invite them in as well. We are contacted probably every week by entities that want to do business with us and we talk through the process, we invite them in, sit down with them and show them an RFP and sort of coach them about how to respond to one.

Commissioner Crayton ... thank you for that. Do you work with the local ethnic Chambers of Commerce, do you work with any of the City departments that have outreach programs that work with minority communities in San Francisco to try to foster relationships with some of them to build and become an Airport tenant?

Ms. Nashir ... we do to the extent of exchanging communication with them through our Small Business office. They're in communication with these groups and we're constantly providing lists of what's coming up, when the leases be out on the street. If we're contacted by any of those agencies, we meet with them.

Commissioner Crayton ... I think we need to do more outreach. We need to try to make certain that we're advertising in minority newspapers, putting information out, working with the City so that we can stand up against the fire about our outreach to minority communities. I realize that African Americans are only 6% of San Francisco and going down, and other communities are more, but we need to try and do better around those issues so that others can have an opportunity to work at the Airport. I know that we've done well but I think there is some room to do more. I need to be able to specifically state what we've done when those groups call to talk to me about that. But I thank you for what you've done.

Commissioner Mazzola asked if the changes you've been asked to make are for all 13, or are they specific for the three?

Ms. Nashir responded that the first change on the minimum qualifications would be for 10 of the 13 leases ... the 10 smaller leases. The second change was on Lease 2 only and that lease was split into two separate leases and the change to a sit down restaurant. The third change is just on Lease No. 3 ... to go through the mechanics of how we deal with phasing and rent during that period.

* * *

- G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: The Consent Calendar, Item Nos. 5 through 20, was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.
 - 5. <u>Award of Contract No. 50035 Information Technology Infrastructure Library and</u> <u>International Standards Organization ("ITIL/ISO") Consulting Services - Cask</u> <u>Technologies, LLC dba Cask LLC - \$971,940</u>

No. 15-0200 Resolution awarding Contract No. 50035, ITIL/ISO

Consulting Services to Cask Technologies, LLC dba Cask LLC for a period of five years beginning Nov. 1, 2015 in an amount not to exceed \$971,940.

- 6. <u>Award of Professional Services Contract No. 10617.50 As-Needed Engineering</u> <u>Support Services Pavement Consulting - NCE - \$580,000</u>
 - No. 15-0201 Resolution awarding Professional Services Contract 10617.50, As-Needed Engineering Support Services Pavement Consulting, to NCE, in an amount not to exceed \$580,000 for the first 3 years of services.
- 7. <u>Modification No. 2 to Professional Services Contract No. 10400.51 As-Needed</u> <u>Project Management Support Services - CPM-Alta Joint Venture - \$750,000</u>
 - No. 15-0202 Resolution approving Modification No. 2 to Professional Services Contract 10400.51, As-Needed Project Management Support Services, with CPM-Alta Joint Venture in an amount not to exceed \$750,000 for a new contract amount not to exceed \$2,250,000 with no change in contract duration.
- 8. <u>Award of Contract No. 50027 Financial and Capital Plan Management and</u> <u>Analysis Services - Robert Kuo Consulting, LLC - \$475,000</u>
 - No. 15-0203 Resolution awarding Contract 50027 to Robert Kuo Consulting, LLC, for a total not to exceed amount of \$475,000, to provide Financial and Capital Plan Management and Analysis Services for a period of four years.
- 9. Determination to Proceed with the Runway 28R Fire Hydrant and Boarding Area G Waterline Improvements Project and Bid Call - Contract 10585 Construction Services for the Runway 28R Fire Hydrant and B/A 'G' Waterline Improvements Project
 - No. 15-0204 Resolution determining to proceed with Runway 28R Fire Hydrant and Boarding Area G Waterline Improvements Project and approving the scope, budget, and schedule for Contract 10585, Construction Services for the Runway 28R Fire Hydrant and B/A 'G' Waterline Improvements Project, and authorizing the Director to call for bids.

This action constitutes the Approval Action for the Project pursuant to Section 31.04(h) of the San

Minutes, October 13, 2015, Page 16

Francisco Administrative Code.

- 10. Determination to Proceed with the Westfield Checkpoint Security Installation Project and Authorization to Issue a Bid Call for Contract 11045.61 - Construction Services for the Westfield Checkpoint Security Equipment Installation
 - No. 15-0205 Resolution determining to proceed with the Westfield Checkpoint Security Installation Project and approving scope, budget, and schedule for Contract 11045.61, Construction Services for the Westfield Checkpoint Security Equipment Installation Project, and authorizing the Director to call for bids.

This action constitutes the Approval Action for the Project pursuant to Section 31.04(h) of the San Francisco Administrative Code.

- 11. <u>Amendment of FY 2015-16 Airport Rates and Charges</u>
 - No. 15-0206 Amendment to the Fiscal Year 2015/16 Airport Rates and Charges.
- 12. <u>Commencement of a New Request for Proposals Process for the Terminal 3 Pop-</u> <u>Up Retail Program</u>
 - No. 15-0207 Resolution approving the revised minimum qualification requirements and agreement terms and authorizing staff to commence a new Request for Proposals process for the Terminal 3 Pop-Up Retail program in Boarding Area E, and delegating authority to the Airport Director to solicit additional proposals throughout the term of the program.
- 13. <u>Modification No. 2 to Professional Services Contract No. 9399.52 As-Needed</u> Environmental Consulting Services - SCA Environmental, Inc. - \$250,000

No. 15-0208 Resolution approving Modification No. 2 to Professional Services Contract 9399.52, As-Needed Environmental Consulting Services, with SCA Environmental, Inc. in an amount not to exceed \$250,000 for a new contract amount not to exceed \$750,000.

14. <u>Modification No. 3 to Professional Services Contract No. 9399.51 - As-Needed</u> <u>Environmental Consulting Services - Ninyo & Moore - \$250,000</u>

Minutes, October 13, 2015, Page 17

No. 15-0209 Resolution approving Modification No. 3 to Professional Services Contract 9399.51, As-Needed Environmental Consulting Services, with Ninyo & Moore in an amount not to exceed \$250,000 for new contract amount not to exceed \$750,000.

15. <u>Modification No. 1 to Professional Services Contract No. 9399.50 - As-Needed</u> <u>Environmental Consulting Services - Haley & Aldrich, Inc. - \$250,000</u>

No. 15-0210 Resolution approving Modification No. 1 to Professional Services Contract 9399.50, As-Needed Environmental Consulting Services, with Haley & Aldrich, Inc. in an amount not to exceed \$250,000 for a new contract amount not to exceed \$750,000.

16. Modification No. 2 to Contract 9129R - Ralph Andersen & Associates - \$250,000

No. 15-0211 Resolution authorizing Modification No. 2 to Contract No. 9129R with Ralph Andersen & Associates in an amount of \$250,000 for a new total not-to-exceed contract amount of \$500,000.

- 17. <u>Assignment of Domestic Food and Beverage Lease No. 03-0192 from J. Avery</u> Enterprises, Inc. dba Klein's Deli to Tastes On The Fly San Francisco, LLC
 - No. 15-0212Resolution consenting to the assignment of
Domestic Food and Beverage Lease No. 03-0192
from J. Avery Enterprises, Inc. dba Klein's Deli to
Tastes On the Fly San Francisco, LLC.
- 18. <u>Assignment of the Domestic Terminals Automated Teller Machines Lease "B" No.</u> 09-0268 from JPMorgan Chase Bank, N.A. to Cardtronics USA, Inc.
 - No. 15-0213Resolution consenting to the assignment of the
Domestic Terminals Automated Teller Machines
Lease "B" No. 09-0268 from JPMorgan Chase Bank,
N.A. to Cardtronics USA, Inc.
- 19. <u>Lease Agreement Between the U.S. Government and the San Francisco</u> <u>International Airport for Space in the International Terminal</u>
 - No. 15-0214 Resolution approving a facility lease with the U.S. Government for space for the U.S. Federal Bureau of Investigation in the International Terminal.

20. <u>Ratification of the Settlement of Unlitigated Claims of \$10,000 or Less During</u> <u>Fiscal Year 2014-2015</u>

No. 15-0215 Resolution ratifying Settlement of Unlitigated Claims of \$23,346 for Fiscal Year 2014/2015.

* * *

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.

Mr. Mark Gruberg, San Francisco Taxi Workers Alliance said I want to bring to your attention a situation that affects probably a very small number of both cab drivers. The Airport is moving to a new system of smart cards and they're replacing the old smart cards with new ones for an entirely new system that's going into effect in early November. As of early September, a notice went out that said that the Airport did not have sufficient smart cards to carry through until the new system took place so drivers who had lost, stolen or damaged/malfunctioning cards will not get replacements. One of our members, Elizabeth Bradley, happened to lose her card about a week and a half ago and went to the office and was told that she could not get a new card until the new system kicks in. I'm sure there are other drivers, probably a small number, who are in the same situation. It's not their fault, lost cards, damaged cards, stolen cards can be expected when you have thousands of these things out there. These drivers need help. Not to be able to bring fares to the Airport for over a month can have a devastating affect on their income. There are fixes. We wrote Abu Azam asking that this be addressed. We got a letter back saying that it could not or would not be addressed, so we're asking for help so that drivers like Elizabeth are not just stuck for the next three weeks or so before this new system goes into effect. Thank you.

Mr. Martin said Eva Cheong is here. Eva can talk to Mark after we leave here.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

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).

* * *

L. ADJOURNMENT: There being no further calendared business before the Commission the meeting adjourned at 9:48 AM.

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