SAN FRANCISCO AIRPORT COMMISSION



November 4, 2014

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 November 4, 2014

CALENDAR AGENDA		A	RESOLUTION	
SECTION	ITEM	TITLE	NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES: Regular meeting of October 21, 2014	14-0219	4
D.		ITEMS INITIATED BY COMMISSIONERS:		
E.	1.	ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Award Contract 9198 - Safety Management Sys (SMS) Consulting Services - Futron Aviation	tem 14-0220	4-5
	2.	Award Contract 50001 - Safety and Health Asset - Safety Compliance Management, Inc.	essment 14-0221	5-6
	3.	Commence Request for Bids Process for Bankin Center and Automated Teller Machines Lease	ng 14-0222	6-7
	4.	Bid Call - Contract 10009.61- Security Access Cand Customs Badge Seal Office Relocation	Office 14-0223	7-8
F.	5.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE ITEMS: Authorization to Issue a RFQ to Establish a Pool Firms to Provide Liquidity and Credit Facilities a Support the Commission's Bonds and Commerce Paper Notes	nd	8
	6.	Authorization to Issue a RFQ to Establish a Poo Investment Banks to Provide Bond Underwriting Derivative Counterparty and Related Services		8-9
	7.	Authorization to Issue a RFP for Financial Advis Services	ory 14-0226	9
	8.	Authorization to Issue a RFQ/P for Contract 876 Airport Hotel Project Design-Build Services	88.66 14-0227	9
	9.	Authorization to Issue RFQ/P for Contract 1005 So. Field Tenant Relocations Construction Mana General Contractor Services	•	9
	10.	Authorization to Issue a RFQ/P for Contract 105	94.50	

		Engineering Support Services	14-0229	9
	11.	Amendment No. 1 to Ground Lease No. L12-0223 - Compressed Natural Gas Fueling Facility	14-0230	9
G.		NEW BUSINESS:		9-10
H.		CORRESPONDENCE:		10
I.		CLOSED SESSION:		10
J.		ADJOURNMENT:		10

AIRPORT COMMISSION MEETING MINUTES November 4, 2014

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. Peter A. Stern

Absent: Hon. Richard J. Guggenhime

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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 21, 2014 were adopted unanimously.

No. 14-0219

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D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

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- E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Stern. The vote to approve was unanimous.
 - Award Contract 9198 Safety Management System (SMS) Consulting Services -Futron Aviation - \$480,960

No. 14-0220 Resolution awarding Contract No. 9198 Safety

Management System Consulting Services to Futron Aviation in an amount not to exceed \$480,960 for a period of three years with two one- year options.

Ms. Eva Cheong, Operations and Security said the Airport is seeking award of Contract No. 9198 to Futron Aviation to provide consulting services for the development of an FAA mandated Safety Management System. The services provided under this contract will include assessments of our current processes, a gap analysis, review of best practices at other airports, and the creation of a manual to provide the mandated safety management system. The Airport received four proposals for these consulting services and all four proposals were

reviewed by a selection committee that consisted of two Airport Commission members and two members from other U.S. airports. Futron Aviation was the highest ranked proposer and has met all requirements of the RFP. As safety and security remain our highest priority, Futron Aviation will assist in establishing a comprehensive safety management system, compliant with all Federal mandates. Therefore, I ask that this Commission award Contract No. 9198 to Futron Aviation in amount not to exceed \$480,960 for a term of three years with two one-year options exercisable at the sole discretion of this Commission.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. <u>Award Contract 50001 - Safety and Health Assessment - Safety Compliance</u>
<u>Management, Inc. - \$240,000</u>

No. 14-0221

Resolution awarding Contract No. 50001 Safety and Health Assessment to Safety Compliance Management, Inc. in an amount not to exceed \$240,000 for a period of two years with three one-year options.

Ms. Julian Potter, Chief Administration & Policy Officer said that this item awards a professional services agreement to Safety Compliance Management to perform a safety and health assessment of Airport Commission employees in the work environment. This is different than what Eva just presented. This would be a portion of the Safety Management System (SMS). The SMS is actually something that the FAA is asking all airports to look at for all operations airport wide. The focus is on Airport Commission safety and health. We will evaluate that and compare it to national industry standards. CalOSHA will gauge the strength of the safety culture at SFO, doing employee interviews, surveys and assessments. Then we will review the site conditions and risks to identify any gaps between employee working conditions and any safety management systems, and then we will have a detailed report with best practices and benchmarks, including an implementation plan. This will be one of the tasks that feeds into the wider safety management system. We successfully negotiated the scope, billing rates, and fees with Safety Compliance Management and I recommend that the Commission approve award of this contract to safety Compliance Management.

Commissioner Johns asked if this is something that might help with the issue that was before us at the previous two meetings regarding uniforms and reflective tape.

Ms. Potter said I believe the SMS will cover that if it's with our employees. Yes, it will help. Absolutely.

Commissioner Crayton disagreed. I think the issue of the actual uniforms, etc. are a different category than what is in this particular scope. What about other airports? Does the City and County of San Francisco use such a vendor?

Ms. Potter said this particular vendor has been used by the PUC so it's familiar to the City and County, and we're going to use them.

Mr. John Martin, Airport Director said that the contract award in Item No. 2 will deal with reflective material and clothing. Not the one described by Julian.

Commissioner Crayton ... got it.

Ms. Potter said and the one that Eva described asks for an employee assessment to be part of it, so this feeds into Eva's. That's why they're concurrent.

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

3. Commencement of Request for Bids Process for Banking Center and Automated Teller Machines Lease

No. 14-0222

Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing staff to issue a request for bids and conduct an informational conference for the Banking Center and Automated Teller Machines Lease.

Ms. Cheryl Nashir, Director, Revenue Development and Management, said I'm here this morning seeking authorization to commence a competitive solicitation process for the Banking Center and Automated Teller Machines Lease. This lease combines services which were previously delivered under two separate leases. The expired Domestic Terminal Banking Service Lease, which included a banking center and six ATMs in the domestic terminals and in the Long Term Parking Garage, and the current International Terminal ATM Lease which includes five ATMs in the International Terminal. The term of this new lease will be for seven years with a minimum, acceptable offer of \$273,000. Although online banking is more and more common, we continue to believe that there is a need for a banking center at the Airport. It's an amenity for our guests, convenience for our large employee population, and of particular importance is the service it delivers to our commercial tenants which is change making and deposits. You may recall that we bid the Banking Services Lease in 2013 and after a protracted negotiation with the sole bidder and incumbent, Bank of America, they declined to sign the lease. We've spoken to several banks and credit unions and a few have signaled interest. The feedback from them is that a banking center at an airport sometimes operates very close to break even. It's not a good profit center for them, and with this in mind, they're really careful about the rent that they sign up for, and they don't want to make large capital investments. We thought that by allowing them to offer some services on an appointment only basis, such as loans, it could help with their operating costs. The ATM fee for non-member use will not exceed \$2.50 during the lease, and we've chosen a bid as opposed to a proposal process for this leasing effort.

Commissioner Johns asked if Terminal 2 is on a separate lease.

Ms. Nashir replied yes, we have two other ATM leases in place, Chase and Wells Fargo, and there's enough ATM coverage in Terminal 2 from those leases.

Ms. Nashir said that Wells Fargo has signaled that they may be interested.

Commissioner Crayton ... I'm not real clear what you're talking about. It seems like a banking entity would be a much more viable resource rather than what you're proposing right now. Why did we choose that route?

Ms. Nashir said I think we chose this route because it's a more typical way of doing business. Rather than extending the lease and not going through a solicitation process and giving an existing tenant space that they didn't win competitively, we tried to that. We hope by joining these two leases we've created a business opportunity that's attractive.

Commissioner Stern asked if these banking centers provide foreign currency exchange services as well.

Ms. Nashir replied they will not. The Travelex lease we just offered is exclusive, but that is something we may not do next time.

Commissioner Crayton asked why they don't offer foreign currency exchange.

Ms. Nashir said we have spoken with banks as part of our outreach to find out how we can make it viable and attractive for them. We asked them if they would like to provide foreign currency at some point in the future and their answer to date has been that it's complicated and it doesn't make money for them. It's the feedback we're getting right now from the banks. It's not their core business.

Commissioner Guggenhime ... if the banks wanted to, they wouldn't because foreign currency is an exclusive lease.

Ms. Nashir said that's correct. We just approved the Travelex lease and they'll have facilities all over the Airport. It's an exclusive lease. The banking center will not be trading foreign currency.

Commissioner Mazzola ... a bank could pick it up?

Commissioner Johns asked what's the length of the lease?

Mr. Martin ... the banks have said they're not interested because it's not profitable.

Commissioner Crayton ... it's complicated.

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

4. <u>Bid Call - Contract 10009.61- Security Access Office and Customs Badge Seal</u>
Office Relocation

No. 14-0223

Resolution approving the scope, budget, and schedule for Contract No. 10009.61, Security Access Office and Customs Badge Seal Office Relocation, and authorizing the Director to call for bids.

Mr. Geoff Neumayr, Deputy Director, Design and Construction said this item approves the scope, budget, and schedule and authorizes the Director to call for bids for the Security Access and Customs Badge Seal Office Relocation project. The relocation of the Security Access Office and the Customs Badge Seal Office is because that the, the existing locations of those facilities is within Terminal 1, and it is in the demolition zone of the Terminal 1 Center project. And so, they'll be relocated. The proposed scope will provide approximately 8,000 sq. ft. of new office space for the Security Access and Customs Badge Seal Office within vacated shell space that is located on the 5th floor of the International Terminal. The new office space will centralize all badging and access operations and it will be the first time we have that all together. The duration of this contract is 300 consecutive calendar days and the Engineer's estimate is \$3.75 million. I would also like to add that the Architect for this project was our own staff. Staff will work with the City's Contract Monitoring division to develop LBE subcontracting goals.

Commissioner Johns asked what was originally in that space.

Mr. Neumayr said it's currently just a shell. I don't believe we've ever used it.

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- F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: The Consent Calendar, Item Nos. 5 through 11, was moved by Commissioner Mazzola and seconded by Commissioner Johns. The vote to approve was unanimous.
 - 5. <u>Authorization to Issue a Request for Qualifications to Establish a Pool of Firms to Provide Liquidity and Credit Facilities and to Support the Commission's Bonds and Commercial Paper Notes</u>

No. 14-0224

Resolution authorizing issue a RFQ to establish a pool of firms to provide letters of credit and other types of liquidity and credit facilities for the Airport's bonds and commercial paper notes on an as-needed basis.

6. Authorization to Issue a Request for Qualifications to Establish a Pool of Investment Banks to Provide Bond Underwriting, Derivative Counterparty and Related Services

No. 14-0225

Resolution authorizing issuance of RFQ (No. 50025) to establish a pool of investment banking firms to provide bond underwriting, derivative counterparty, and related services on an as-needed basis in connection with the Airport's Capital Financing and

Debt Program.

7. Authorization to Issue a Request for Proposals for Financial Advisory Services

No. 14-0226 Resolution authorizing issuance of a Request for

Proposals for Financial Advisory Services.

8. <u>Authorization to Issue a Request for Qualifications/Proposals for Contract No.</u> 8768.66, Airport Hotel Project Design-Build Services

No. 14-0227 Resolution authorizing the Director to issue a RFQ/P

for Contract 8768.66, Airport Hotel Project Design-

Build Services.

9. <u>Authorization to Issue a Request for Qualifications/Proposals for Contract No.</u>
10051.71, South Field Tenant Relocations Construction Manager/General
Contractor Services

No. 14-0228 Resolution authorizing the Director to issue a RFQ/P

for Contract No. 10051.71, South Field Tenant Relocations Construction Manager/General

Contractor Services.

10. <u>Authorization to Issue a Request for Qualifications/Proposals for Contract Nos.</u> 10594.50 and 10594.51, As Needed Architectural and Engineering Support Services

No. 14-0229 Resolution authorizing the Director to issue a RFQ/P

for Professional Services Contract Nos. 10594.50 and 10594.51, As-Needed Architectural and

Engineering Support Services.

11. <u>Amendment No. 1 to Ground Lease No. L12-0223 - Compressed Natural Gas</u> Fueling Facility

No. 14-0230 Resolution approving Amendment No. 1 to Ground

Lease No. L12-0223, between Clean Energy and the San Francisco International Airport to clarify the initial

minimum ground rent and security deposit

valuations.

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G. 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 three (3) 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 from the public.

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H. CORRESPONDENCE:

There was no discussion by the Commission.

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I. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM.

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