SAN FRANCISCO AIRPORT COMMISSION



MINUTES

January 14, 2014 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 January 14, 2014

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AIRPORT COMMISSION SPECIAL MEETING MINUTES January 14, 2014

A. CALL TO ORDER:

The special 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 special meeting of December 23, 2013 were adopted unanimously.

No. 14-0001

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D. SPECIAL ITEM:

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

1. <u>Retirement Resolution - Ms. Myong Koncz</u>

No. 14-0002

Resolution thanking Ms. Myong Koncz of the Facilities/Custodial Services Section for 31 years of faithful service and to offer best wishes for a long and fruitful retirement.

Mr. John Martin, Airport Director said Ms. Myong Koncz is not here but we want to honor and thank her for 31 years of service.

The Commission congratulated Ms. Myong Koncz on her retirement.

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E. DIRECTOR'S REPORT:

2. <u>Annual Report of Airport Contract Awards to Local and Disadvantaged Business</u> <u>Enterprises for Fiscal Year 2012-2013</u>

Ms. Sandra Crumpler, Manager, Small Business Affairs Office said that this report covers the period of July 1, 2012 to June 30, 2013. The Commission approved over \$84 million in contract awards for eight construction contracts, 25

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professional services contracts and seven concession leases. The largest contracts were design build services the Terminal 3 Checkpoint for \$20 million, and the Airfield Operations facility for \$9 million. Of the eight construction contracts, LBE primes were awarded six representing 77% of the total awards and 42% of the total subcontracting dollars went to LBE subs. Of the seven concession leases, three were awarded to small businesses, representing a 43% participation level. These leases went to Triptel Mobile Phone company, a local business, for the cellular phone rental kiosk; Marina's Café, a non-local minority woman owned business operating a coffee shop lease in the Rental Car Center as a small business set aside; and Skyline Concessions, operating a newsstand concession in Terminal 3, Boarding Area E as a non-local minority business. These are significant achievements and represent a collaborative effort among the Design, Construction and Technology Division, the Small Business Affairs office, Revenue Development and Management, and the Contract Monitoring Division, which is the on-site LBE compliance staff. For compliance with LBE/DBE programs, the Contract Monitoring Division monitors all Airport contracts to insure that the small businesses are working on the contracts and are being paid timely by the primes. We have also held several outreach sessions for small businesses to meet Airport staff and to learn about Airport contract opportunities and the contract process. These were included in the October 30 LBE Business Development Workshop held at SFO for 25 women owned businesses. This is a City-wide program for large contracting departments. On December 4 an informational networking meeting was held for contractors and A&E consultants on the Terminal 1 Redevelopment Project. Project Managers gave presentations and over 200 businesses attended the sessions which allowed opportunities for subs to interact with the prime for future contracting opportunities. A copy of the report has been provided for your review and offers a detailed list of the contract awards to all businesses and contractors, including local and small businesses.

Commissioner Crayton said that based on the fact that the City of San Francisco has a 3% minority participation in the African American community, I commend you on your effort to reach out to those who are eligible for an opportunity. I know it's difficult, particularly in compliance areas in terms of having the capital to participate. Are there any other cities that have the same problem in attracting or working with small businesses?

Ms. Crumpler replied that a lot of cities and airports are having the same problem because of the magnitude of the projects. Projects like the Tower are difficult to get African American and other minority participation, but they do participate when we start identifying trades. We monitor contracts to make sure they're still working, and when contract modifications are approved, we make sure the subs are being used on the modifications. We find that a lot of local contractors are coming from around the Bay Area.

Commissioner Crayton said I want to make sure our message is clear and that I'm communicating the right information. I would like to meet with you.

Ms. Crumpler said that the City still has the Surety Bond Program to assist small businesses and we have seen success with small contractors who are now bidding on contracts. That's why we now have LBEs as primes on contracts. They

have a track record and financial assistance. When there aren't a lot of large contracts we find the smaller contractors taking some of the smaller work ... \$5,000,000 to \$10,000,000.

Commissioner Crayton said I'm very proud of what SFO is doing.

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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 Guggenhime. The vote to approve was unanimous.
 - 3. <u>Modification No. 7 (Trade Bid Package Set 6, and Change Orders No. 010, 011)</u> to Contract 9048A - Design-Build Services for Terminal 3 East Improvements -Hensel Phelps Construction Company - \$51,936,332
 - No. 14-0003 Resolution approving Modification No. 7 (Trade Bid Package Set 6, and Change Order Nos. 010 and 011) to Contract 9048A, Design-Build Services for Terminal 3 East Improvements, with Hensel Phelps Construction Co. in an amount of \$51,936,332 for a new total contract amount of \$101,729,889.

Mr. Geoff Neumayr, Associate Deputy Director, Design, Construction and Technology said that this modification adds Trade Bid Package (TBP) No. 6 in the amount of \$54.1 million and Change Order Nos. 10 and 11 in the amount of \$1.8 million for a total new contract amount of \$51.9 million. Trade Bid Package 6 includes the balance of work required to complete the pre-security restrooms, which include miscellaneous ornamental metals, panning and wall coverings, glass, glazing mirrors, and wall protection work. TBP 6 also includes the temporary airline club and associated infrastructure, mechanical plumbing and electrical low voltage trade packages for this project. In accordance with the Administrative Code, these TBPs were competitively bid to a minimum of three pre-qualified bidders, with the exception of the pre security restroom trade package and the temporary airline club. These packages were negotiated directly with the sub contractor to expedite the work, to provide early delivery and to allow a greater control and involvement for these complex scopes of work. The directly negotiated scopes of work are within the allowable 7 1/2% allowed to be directly negotiated per the San Francisco Administration Code. This modification also provides for the approval of Change Order Nos. 10 and 11. Change Order No. 10 in the amount of \$272,000 provides for additional design services requested by the Airport after award of the Design Build contract. The additional design services were added as a result of the project programming phase and include additional structure studies related to Boarding Area F, design of the Baggage Handling Sort Allocation Control Room, and other project related design services.

Change Order No. 11 in the amount of \$1.5 million is for additional construction service for scopes of work not included within the previous bid packages resulting from further refinement of the design. These scopes of work include protection scaffolding over the Mod. 4 Pedestrian Passageway, temporary HVAC units to allow phased construction to maintain operations, and added terrazzo. Staff forecasts a cost of completion of \$189.5 million, including appropriate cost contingencies for this stage of the project. The current cost forecast is 1.3% over the current budget of \$187.5 million. Staff continues to work with the Design Build team to develop cost reduction measures including value engineering and scope reduction opportunities prior to continuing past the design development phase and will continue with the scope and budget alignment before moving to the construction document phase. The City's Contract Monitoring Division approved a 22% subcontracting goal for these services and 16% LBE subcontracting goal for construction services. Hensel Phelps has committed to meeting both goals on the total contract amount.

Commissioner Guggenhime said that 5% below the estimate is pretty good.

Mr. Neumayr said on the trade packages, especially when we included electrical.

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

4. <u>Modification No. 1 to Contract No. 8594A - Boarding Area 'A' 400 Hertz System</u> <u>Infrastructure Improvements - Schembri Construction Co., Inc. - \$1,153,225</u>

No. 14-0004 Resolution approving Modification No. 1 to Contract 8594A, Boarding Area 'A' 400 Hertz System Infrastructure Improvements, with Schembri Construction Co., Inc., in an amount not-to-exceed \$1,153,225, and a contract time extension of 120 calendar days.

Mr. Ivar Satero, Deputy Airport Director, Design, Construction and Technology said this item incorporates an additional seven gates into the scope of work and provides for replacement of the gate boxes at those gates. There's a total of 16 gates in International Terminal Boarding Area A that have these systems and to date under this contract we've already replaced the major equipment ... the motor generator units. There's two pieces to this system, the motor generator units and the gate box and we propose to include the scope for those seven remaining gates which are now under the Airport's maintenance responsibility. When we complete the contract, all of Boarding Area A will have a replacement 400 Hertz system. It's been a troublesome system for the Airport and the manufacturer no longer supports the equipment with parts and maintenance, so we are replacing it with a system similar to other Airport systems that we're able to maintain and that has parts that are more readily available. We anticipate that the reliability and maintainability of the system will improve. We are also preparing a follow on contract to replace the gate boxes in Boarding Area G that we'll present for your approval in the next several months. We have negotiated an amount of \$1.15

million for this scope of work in comparison to the Engineer's estimate of \$1.2 million, and we're proposing to extend the contract by 120 additional calendar days to incorporate the scope of work. Schembri is prepared to honor their original 10.5% LBE participation commitment compared to the overall 10% goal.

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

- 5. <u>Award Contract 9242 SAFE Identity Management System Software Upgrade,</u> <u>Maintenance and Support Agreement - Quantum Secure, Inc. - \$1,165,720</u>
 - No. 14-0005 Resolution awarding Contract 9242, SAFE Identity Management System Software Upgrade, Maintenance, and Support Agreement to Quantum Secure, Inc., in an amount not to exceed \$1,165,720 for a period of three (3) years effective February 10, 2014 - February 9, 2017.

Mr. Jeff Littlefield, Deputy Director, Operations and Security said we are seeking award of Contract 9242 to Quantum Secure, Inc. to provide a software upgrade, which includes maintenance and support of the SAFE Identity Management System. This system is a complex database provided by Quantum Secure that the Security Access Office (SAO) uses to efficiently manage approximately 22,000 employee records and ultimately issue ID badges. It is the backbone of the SAO and provides a critical interface between our physical access control system and Federally regulated employee credentialing records. The software upgrade provides a number of modules that will allow the SAO to better manage various reports which include compliance information, financial reports, watch list, visitor badge accountability, and mobile applications. The software upgrade will also ensure SFO remains at the forefront of automating a very complex badging process by streamlining the steps necessary to obtain a badge, improve customer service, and ensure regulatory compliance. Our current version of SAFE is nearing its end of life, and maintenance support agreements will expire this year.

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- H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS: Item No. 6 was removed from the calendar without discussion. The Consent Calendar, Item Nos. 7 through 11, was moved by Commissioner Crayton and seconded by CommissionerStern. The vote to approve was unanimous.
 - 6. <u>Award Contract 9367 Residential Airport Noise Insulation Construction G&G</u> <u>Specialty Contractors, Inc. - \$839,772</u>

Resolution awarding Contract 9367, Residential Airport Noise Insulation Construction to the responsible bidder with the lowest responsive bid, &G Specialty Contractors, Inc., in an amount of \$839,772, and a corresponding contingency of 125,966 for Type 1 Modifications.

7. <u>Modification No. 1 to Smith, Dawson & Andrews Contract No. 8955 - Provide</u> <u>Federal Legislative Advocacy - \$400,000</u>

No. 14-0006 Resolution approving Modification No. 1 to the Airport's Federal Legislative Advocacy contract with Smith, Dawson & Andrews to add \$400,000 through June, 2015.

- 8. <u>Modification No. 1 and Exercise the First Option to Contract 8911 Edelstein,</u> <u>Gilbert, Robson & Smith to Provide State Legislative Advocacy - \$230,000</u>
 - No. 14-0007 Resolution approving Modification No. 1 and the exercise of the first option to the State Legislative Advocacy Contract with Edelstein, Gilbert, Robson & Smith to add \$230,000 and extend the contract through June 2016.

9. <u>Authorization to Issue a Request for Proposals for Contract No. 50001, Safety and Health Assessment</u>

No. 14-0008 Resolution authorizing staff to issue a Request for Proposals for Contract No. 50001, for a safety and health assessment, and authorizing staff to enter into negotiations with the highest ranked proposer.

- 10. <u>Rescission of Resolution No. 13-0244 Adopted on December 3, 2013, Modifying</u> the General Airport Security Services Contract with HSS, Inc.
 - No. 14-0009 Resolution rescinding Resolution 13-0244 adopted by the Commission on Dec. 3, 2013 which increased the scope of work and added funds to Contract 9240 General Airport Security Services with HSS, Inc.

Commissioner Johns said I'm very glad to see this item on the calendar.

11. Modification No. 1 of FAA MOU No. DTFAWA-13-A-80006

No. 14-0010 Resolution modifying the FAA MOU No. DTFAWA-13-A-80006 by changing the completion date of the Automatic Dependent Surveillance-Broadcast (ADS-B) Radio Station installation in Terminal 2.

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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 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 from the public to speak.

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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