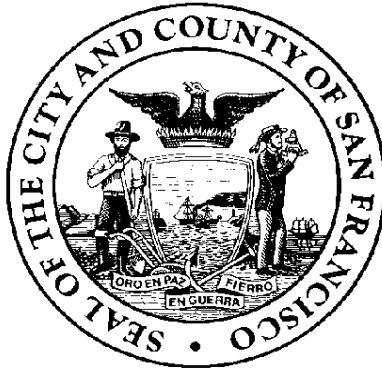


SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**January 29, 2014
Special Meeting
9:00 A.M.**

**Room 416 - 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 29, 2014

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AIRPORT COMMISSION SPECIAL MEETING MINUTES
January 29, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 416, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

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

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C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 14, 2014 were adopted unanimously.

No. 14-0011

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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 removed from the calendar.

1. Award of Contract No. 9111A - Ground Transportation and Taxi Management System Infrastructure - Galliera, Inc. dba Trico Construction - \$7,719,577

Resolution awarding Contract No. 9111A, Ground Transportation and Taxi Management System Infrastructure, to the responsible bidder with the lowest responsive bid, Galliera, Inc., dba Trico Construction, in the amount of \$7,719,577.

Mr. Ivar Satero, Deputy Director, Design, Construction & Technology said we're in the process of implementing a new Ground Transportation and Taxi Management Revenue System to replace the existing obsolete technology and integrate them into a single technology solution. The system allows us to track the movement of the four larger operators at the Airport as well as to manage revenue collection. The program is essential to insure that we're able to collect revenues and that we don't have any disruption due to the obsolescence of the existing system. This contract provides for infrastructure work ... all of the conduit and cabling, the structural supports for installation of the field equipment, installation of the CCTV

cameras and procurement of those systems as well as computer and networking systems. We received two bids, with the low bid by Trico Construction at about 18% above the Engineer's estimate. A debrief determined that the higher than anticipated bid is likely the result of inefficiencies with mobilizing and demobilizing 35 different locations. Also, almost 75% of the work will be accomplished at night, requiring setup and takedown of detours. Looking at the numbers we think it's a fair representation of the value of the work and not a high bid just because there were only two bidders. Trico committed to achieving 66.5% LBE participation, well in excess of the 17% goal. We recommend approval.

Commissioner Johns asked to be reminded of the software part of the program and how it integrates into what they're doing now. I recall issues with that end of it. I don't feel the infrastructure will work unless we have a proper program to implement it. I would like some background on it and a reminder of where it is.

Mr. Jeff Littlefield, Deputy Director, Operations & Security said that we're currently working with the contractor to roll out the software piece of it.

Commissioner Johns asked who the contractor is.

Mr. Littlefield replied TransCore is our contractor. They developed the software and we're working on the billing system and some elements of the software that will be integrated with the infrastructure piece of it prior to rolling it out.

Commissioner Johns did not feel the infrastructure could be done until we're absolutely certain of what we're implementing. I recall having questions about this program. They're building the software program for us, correct? It's not an off the shelf software system because it has to be tailored to our needs.

Mr. Littlefield said that TransCore is our software integrator. They're bringing all the pieces of the puzzle together.

Commissioner Johns asked if the pieces of the puzzle are put together. Have we integrated everything? Is the software piece done before we start digging up the ground to put the infrastructure in to make this happen?

Mr. Littlefield replied yes. The software piece of it is developed and we've looked at how it's going to work. We've looked at the piece that will track all of the modes of transportation associated with this and we are ready to align that with the infrastructure piece of it in order to roll this out.

Commissioner Johns said she would like to know more about it before signing off.

Mr. Littlefield said that we can provide more detail.

Commissioner Johns said she wants to feel certain we're not missing something.

Mr. John Martin, Airport Director said that we will remove this from the calendar and provide you with a report prior to calendaring it for the next meeting. I know that Commissioner Mazzola has questions and we can address those as well.

Commissioner Stern asked how many systems like this have been developed that are similar to the one we're proposing to roll out, because that's going to create precedent for the project that we're working on today.

Mr. Littlefield said there's one in Minneapolis that's not identical but it's similar, and they've had some success with it. We took a look at that a while back and there were some lessons learned from that visit that we're incorporating.

Commissioner Stern said I would like to learn more about that.

Mr. Littlefield said we will get you more detailed information.

Commissioner Crayton noted that Phoenix Electric had a 51.72% participation and asked what that looks like

Mr. Satero replied a large proportion of that is through the electrical subcontractor so they're getting the majority of that piece through the electrical work.

Commissioner Crayton asked if it was women participation.

Mr. Satero replied they are an Asian-owned firm.

Commissioner Mazzola said that you and I discussed this a but I want some answers here. Phoenix is a subcontractor for Trico. Phoenix is also the same contractor that was here on a bid that we threw out. He came to the microphone stating that although he bids electrical work he uses laborers at a different rate to do the work. I lectured him and told him that these are skilled trades and we expect to have skilled workers. We don't want your entire crew trained on the job. An apprentice is alright here or there. The Laborers Union Rep, Dave, stood in front of us and said that they all belong to the Laborers union, but none of them are electricians. So here's the deal. I don't understand why we would approve a contract from Trico ... or, Galliera, dba Trico. Why do they have dbas. What are they hiding from the first company? I know we use Trico. We might be Trico's only employer. That's okay if he makes a living from us, providing we get what we pay for. But if we're not getting electrical skill for electrical work, I can't vote for this. I have to vote to throw it out. Trico is the general contractor, but the guys who do the work ... plumber, electrician, steel worker, iron worker, those are crafts that require a certain skill. If you have no training, apprenticeship or anything, you're going to be taught on the job. Phoenix said they take unemployed kids from minority neighborhoods and train them on the job. Okay, but not at the expense of prevailing rate jobs that are supposed to have skill. I can't vote for this. I think we need to throw this out or have Trico tell us who Phoenix is going to use and what their bid was, as well as the bid of the electrical contractor that bid against Phoenix. How much did he get beat by because he couldn't pay the rate that Phoenix will pay? I've been told that we'll do prevailing wage sheets on them, but prevailing wage sheets are only as good as the paper their written on. If you ask some of the workers out there they won't tell you the truth because they'll get fired. I've been in this business over 40 years, so I get it. What I'm saying here today is I've been asked to maybe make amendments to this, that we ask someone to monitor Phoenix. But I think it's all just a lot of smoke and mirrors, so

I'm going to vote no and I'm going to ask the Airport to please ask Trico what are they doing. Are they going to give us skilled work, or do they always give us people who aren't skilled? I've been told that we've never had problems with quality work at the Airport. Who are our inspectors. Who knows about quality work? If you're using unskilled workers, you're not getting quality work.

Commissioner Crayton said it would be useful to have these questions answered. If there are labor issues, we want to deal with them in a straightforward manner

Commissioner Guggenhime wants to do this quickly because this is a very important system. Hopefully, you can answer the questions.

Mr. Satero said the item will be removed from the calendar and we'll work to answer all the questions and return with a recommendation.

Commissioner Johns hoped that the comments won't just be about Trico.

Mr. Martin replied that they won't just be about Trico.

Commissioner Johns said our Chairman has brought this up many times and is a lot more knowledgeable than some of us. I would like to know more about it and make sure that there is monitoring.

Mr. Martin said we'll do a follow up report in between.

Item No. 2 was moved by Commission Cryton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

2. Modification No. 2 to Contract No. 9230.9 - Construction Management Support Services for Runway Safety Area (RSA) - Parsons Brinckerhoff - \$6,000,000

No. 14-0012	Resolution approving Modification No. 2 to Contract 9230.9, Construction Management Support Services for Runway Safety Area Program with Parsons Brinckerhoff, for an increase in the not to exceed amount of \$6,000,000 for a new total contract not to exceed amount of \$9,880,000, and a six-month contract renewal for services through July 31, 2014.
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Mr. Satero said that this item will continue the services being provided by Parsons Brinckerhoff (PB) to support the Runway Safety Area (RSA) program in the amount of \$6,000,000, resulting in a new contract value of \$9.9 million. It will also provide for a six month time extension to get us through July of this year. PB continues to provide a high level of construction management support on this program, both with expertise of their key personnel as well as their understanding of AIP funded programs. This will continue construction management services that are currently under the base contract. It will also provide for the Departure Metering System (DMS), a new system we think is important to be successful in the RSA programs. Essentially, the DMS provides information to pilots and the

FAA about queuing at the ends of the runways and allows the pilots and the FAA to make decisions on when to allow aircraft to pull back from the gate and taxi toward a runway. It will alleviate congestion that would otherwise occur at the take off end of the 28s. Our simulations and modeling suggest that it does help congestion. DMS has been used successfully at other airports. This will be during the period of the 1-19 runway closure for our 10-28 RSA construction. We continue to forecast an overrun of about \$6,000,000, primarily as a result of this Phase II project. It's a complicated, very intense project over a four month 24/7 operation requiring around the clock construction management oversight. PB brings a high level of understanding of FAA documentation requirements on AIP programs and that's what's contributing to much of this. We're coming to you now because in accordance with San Francisco Charter 9118, any contract anticipated to exceed 10 years or \$10,000,000 requires Board of Supervisors approval. We have an urgent need to get the DMS in place. We will return in the next three months with a final modification to this contract which will then require Board of Supervisors approval, in compliance with Charter Section 9118. On the overall program we continue to forecast about a \$12.7 million dollar overrun of the \$214,000,000 program, or around 5%, and we're still working on various ways of bringing that into budget ... cost reduction options with the contractors as well as contingency savings in line with what we've experienced on other contracts. To date, PB has achieved 25% DBE participation against the good faith goal of 10% and against their original commitment of 20%. We recommend approval.

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F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 3 through 9, was moved by Commissioner Stern and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Award Professional Services Agreement, Contract 8872.9 - Consolidated Administration Campus Program Support Services - HKS Architects - \$1,200,000

No. 14-0013	Resolution awarding Professional Services Agreement for Contract No. 8872.9, Consolidated Administration Campus Program Support Services, to HKS Architects, Inc., in an amount not to exceed \$1,200,000 for the first year of services.
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Commissioner Johns wanted to make sure that the executive offices are going to remain in the International Terminal.

Mr. Satero replied, yes Commissioner, that's correct.

Commissioner Johns noted that in the original plan that wasn't the case. We're moving forward with all of the other support services going to the consolidated campus. Correct?

Mr. Satero said the Commission also expressed concern that staff that have a regular interface with tenants and airlines, so we have made adjustments to the staffing that would go into the long range planning in responsive to the concerns

of the Commission. Employees critical to operations, like the Communications center and those folks that relate daily with our tenants would also remain.

Commissioner Johns assumed that there are people in all terminals that are seeing if restrooms are kept clean and how passengers are being served.

Mr. Satero replied, that's correct Commissioner.

4. Modification No. 1 to Contract 8226.9 - Construction Management Services for West Field Cargo Redevelopment Facility, Phase 1 - The Allen Group/Cornerstone, a Joint Venture - \$450,000

No. 14-0014 Resolution approving Modification No. 1 to the Professional Services Agreement, Contract 8226.9, Construction Management Services for West Field Cargo Redevelopment Facility, Phase 1, to The Allen Group/Cornerstone, a Joint Venture, in an amount not to exceed \$450,000.

5. Modification No. 7 to Contract No. 8970 - Closed Circuit Television (CCTV) Advanced Surveillance Program - Siemens Industry, Inc. - \$154,089

No. 14-0015 Resolution approving Modification No. 7 to Contract 8970, CCTV Advanced Surveillance Program, with Siemens Industry, Inc. in the amount of \$154,089 for additional software enhancements, and extending the contract duration by 471 calendar days.

Commissioner Crayton asked when this originally began, as we are now on Modification No. 7?

Mr. Satero said that this has been a long program. The original award was in 2011. The technology part of it has been challenging for us, specifically the user interface piece, and that's what this is about ... to make it a user friendly interface that our Operations folks can get value out of. The system is operational now, it's just not the graphical user interface that I think works well for our people.

Commissioner Crayton asked if Siemens Industry is the right company to be doing that since CCTV is changing very rapidly. Are we going to have to change in a couple of months because of new innovations that are ready to emerge?

Mr. Satero replied I don't think so. This system is pretty advanced and will provide so much more flexibility. It has a lot of the features we've been looking for in camera tracking. Technologically, it will last us for a while.

6. Request for Proposals for Contract 50000 - Zero Waste Solid Waste Management Plan

No. 14-0016 Resolution authorizing the Director to issue a Request for Proposals for Contract No. 50000, Zero Waste Solid Waste Management Plan.

Commissioner Johns said that zero waste will be great. I remember when we bid this last time we were stuck with a carrier who had to do the separation issue. Is that something the consultants are going to take into consideration?

Mr. Satero replied they will.

Commissioner Johns recalled that we weren't doing separation so we had to go with the current collectors, is that true?

Mr. Martin said they do off-site separation. They've been doing off-site separation for a long time.

Commissioner Johns said that the point is that we should try to do more on-site separation. I know it's hard because of the passengers.

Mr. Martin said that we're always going to want to do off-site as well, but we're going to do as much on-site as we can.

Commissioner Johns wanted to make sure the consultants are aware of these issues.

Mr. Martin ... and the challenges.

7. Exercise the Second and Final One-Year Option Under Bank of America, N.A.'s International Terminal Automated Teller Machines Lease No. 08-0017, for an Option Term from June 24, 2014 through June 23, 2015

No. 14-0017 Resolution exercising the second and final one-year option under Bank of America, N.A.'s International Terminal Automated Teller Machines Lease No. 08-0017, for an option term of June 24, 2014 thru June 23, 2015.

Commissioner Johns asked if the ATM machine fees are the same.

Mr. Leo Fermin, Deputy Director, Business and Finance said the fees remain the same at \$1.50 ... well below market.

Mr. Martin ... the lowest around.

8. Modification No. 2 to Continental Airlines, Inc. 2011 Lease and Use Agreement No. L10-0275 to Terminate the Lease

No. 14-0018 Resolution approving Modification No. 2 to the

Continental Airlines, Inc. 2011 Lease and Use Agreement No. L10-0275 which grants an early termination of the lease.

9. Amendment (Name Change) to Resolution 10-0328 - Award of Professional Services Agreement for Contract 9015.1 - Master Architect for Air Traffic Control Tower/ Terminal 1 Complex Redevelopment - Howard, Needles, Tammen & Bergendoff (HNTB)

No. 14-0019

Resolution approving amendment to Resolution No. 10-0328, Award of Professional Services Agreement for Contract 9015.1, Master Architect for Air Traffic Control Tower/Terminal 1 Complex Redevelopment Program from Howard, Needles, Tammen & Bergendoff (HNTB) to Howard, Needles, Tammen & Bergendoff California Architects, P.C.

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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 from the public to speak.

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H. CORRESPONDENCE:

There was no discussion by the Commission.

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I. CLOSED SESSION:

(a) Public comment on all matters pertaining to this agenda item.

(b) Discussion and vote in open session pursuant to the Brown Act (California Government Code Section 54956.9 and the Sunshine Ordinance (San Francisco Administrative Code Section 67.10(d)) on whether to invoke the attorney-client privilege and conduct a closed session to confer with legal counsel. ACTION ITEM.

(c) [PROSPECTIVE CLOSED SESSION]
CONFERENCE WITH LEGAL COUNSEL regarding existing litigation (Government Code Section 54956.9(a), and San Francisco Administrative Code Section 67.8(a)(3): *City and County of San Francisco v. AMBAC Financial Group Inc.*, et al., San Francisco Superior Court Case No. 08-480708. Discussion of

possible proposed settlement with defendant Syncora Guarantee, Inc. (formerly known as XL Capital Assurance, Inc.) and resolution recommending approval by the Board of Supervisors. ACTION ITEM.

There are no other planned agenda items for the closed session. 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).

(d) [RECONVENE IN OPEN SESSION]

- (i) [IF APPLICABLE] Report on action taken in closed session required by the Brown Act (Government Code Section 54957.1(a)) and the Sunshine Ordinance (San Francisco Administrative Code Section 67.12(b)).
- (ii) Discussion and vote where to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12(a)). ACTION ITEM.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:44 AM.

(Original signed by: Jean Caramatti)

Jean Caramatti
Commission Secretary