

MEMORANDUM

July 15, 2025

TO: AIRPORT COMMISSION
Hon. Malcolm Yeung, President
Hon. Jane Natoli, Vice President
Hon. Jose F. Almanza
Hon. Mark Buell
Hon. Susan Leal

15-0103

= JUL 15 2025

FROM: Airport Director

SUBJECT: Approval of Modification No. 15 to Professional Services Contract
No. 10071.41, Project Management Support Services for the Terminal 3
West Modernization Project

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 15 TO PROFESSIONAL SERVICES CONTRACT NO. 10071.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE TERMINAL 3 WEST MODERNIZATION PROJECT, WITH WCME JV, A JOINT VENTURE OF PGH WONG ENGINEERING, INC., CONSOR PMCM, INC., MCK AMERICAS, INC., AND ENVIRONMENTAL & CONSTRUCTION SOLUTIONS, TO INCREASE THE CONTRACT NOT-TO-EXCEED AMOUNT BY \$76,000,000 FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$126,000,000 AND TO EXTEND THE CONTRACT TERM THROUGH DECEMBER 12, 2030.

Executive Summary

The Terminal 3 West Modernization Project (Project) will renovate and expand portions of Terminal 3, provide a seismic retrofit, upgrade and replace old building systems, increase international operational flexibility by providing three wide-body or four narrow-body swing gates, create a sterile connection to the Customs and Border Protection Federal Inspection Area, implement an expanded concessions program to increase revenue generation, enhance the passenger experience, improve passenger circulation, increase passenger processing, and expand the security checkpoint to increase the capacity to meet forecasted passenger growth. The Project will also construct the core and shell for the Courtyard 4 Connector building, a multi-story building above Courtyard 4 that will accommodate operational functions, operational office space, and airline lounge space.

The Contract provides Project Management Support Services (PMSS) for the Project.

The PMSS consultant provides overall management expertise and oversight of the Project. The scope of work for the Contract includes design and construction management services, project controls, contract administration, cost estimating

THIS PRINT COVERS CALENDAR ITEM NO. 1

services, scheduling services, aircraft and airport systems commissioning, and field inspections.

Background

On April 7, 2015, by Resolution No. 15-0074, the Commission authorized the Airport Director to issue a Request for Proposals for PMSS for the Project.

On February 16, 2016, by Resolution No. 16-0053, the Commission awarded the Contract to WCME JV, a joint venture of PGH Wong Engineering, Inc., Cooper Pugeda Management, Inc., MCK Americas, Inc., and Environmental & Construction Solutions (WCME JV) in an amount of \$8,100,000 for the first year of services.

Through various Resolutions, the Commission approved Modification Nos. 1, 3, 4, 6, and 12, increasing the Contract not-to-exceed amount to \$50,000,000 and extending the Contract term for services through December 31, 2025. Modification Nos. 2, 5, 7, 8, 9, 10, 11, 13, and 14 were administrative modifications to update contract terms and conditions, and to acknowledge an assignment of interest and name change among the joint venture members with no change to the Contract amount or duration. Refer to Attachment A – Summary of Commission Actions for the Contract.

On July 31, 2018, by Resolution No. 284-18, the Board of Supervisors (BOS) approved Modification No. 4, increasing the Contract not-to-exceed amount to \$14,000,000 for services through April 4, 2019.

On February 12, 2019, by Resolution No. 73-19, the BOS approved Modification No. 6, increasing the Contract not-to-exceed amount to \$50,000,000.

On April 7, 2020, the Airport suspended work on the Project due to the COVID-19 pandemic's impact on Airport finances and travel demand. After demand returned, the Airport lifted the suspension and work resumed on January 1, 2023.

After the Project re-commenced, the Airport worked collaboratively with airport and airline stakeholders, and the project team to refine the scope of the Project to align with current operational procedures, policies, and technologies; changes to local code and federal codes and regulations; capitalize on revenue generating opportunities; and to address infrastructure that incurred accelerated deterioration during the Project's suspension. Additionally, the project re-sequenced the schedule and phasing to align with current operational constraints to limit the closure of aircraft parking positions to meet passenger demand. This Modification would accommodate the aligned scope and schedule into the Contract.

Modification No. 15 would increase the Contract not-to-exceed amount by \$76,000,000 for a new Contract amount not to exceed \$126,000,000 and extend the term of the Contract through December 12, 2030, inclusive of the period when the Contract was suspended due to the impacts of the COVID-19 pandemic.

The current budget for the Contract is \$126,000,000. The Contract is funded from the Ascent Program – Phase 1.5 under the Airport's Capital Improvement Plan.

Because the Contract exceeds \$10,000,000, pending Commission authorization, the Airport will seek the Board of Supervisors' approval as required by the San Francisco Charter Section 9.118(b) for this Modification.

Staff will periodically review and adjust the staffing provided by the Contract based on the dynamic needs of the Project. Staff will report to the Commission regularly on the performance of the consultant team through off-calendar memoranda. Staff will evaluate performance based on the retention of key personnel and the proficiency of the team to perform the required tasks.

The City's Contract Monitoring Division approved a Local Business Enterprise sub-consulting participation requirement of 20% for the Contract. WCME JV has committed to meeting this requirement.

Recommendation

I recommend the Commission approve Modification No. 15 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project, with WCME JV, a joint venture of PGH Wong Engineering, Inc., CONSOR PMCM, Inc., MCK Americas, Inc., and Environmental & Construction Solutions, to increase the Contract not-to-exceed amount by \$76,000,000 for a new Contract amount not to exceed \$126,000,000 and to extend the term of the Contract through December 12, 2030.

Sincerely,



Mike Nakornkhet
Airport Director

Prepared by: Judi Mosqueda
Chief Development Officer
Design & Construction

Attachments

ATTACHMENT A
SUMMARY OF COMMISSION ACTIONS
July 15, 2025

Contract No.: 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project

Consultant: WCME JV

Modification No. 15

Date	Modification No.	Resolution No.	Description	Scope	Amount
4/7/2015	-	15-0074	Issue RFQ/RFP and Environmental Review	Commission affirmed Categorical Exemption for the project. This action constitutes the Approval Action pursuant to Section 31.04(h) of the San Francisco Administrative Code.	\$0
2/16/2016	-	16-0053	Award of Contract	Project Management Support Services	\$8,100,000
3/21/2017	1	17-0064	Second Year of Services	Extend contract services for 1 year	\$0
10/1/2017	2	-	Administrative Modification	Update terms of Appendix B to reflect CPI Increase	\$0
3/6/2018	3 and 4	18-0053	Third Year of Services	Extend contract services for 1 year and seek Board of Supervisors' approval to exceed \$10M	\$5,900,000
9/18/2018	5		Administrative Modification	Add sustainability subconsultant	\$0
11/20/2018	6	18-0370	Commission Action	Increase contract amount and extend the term of the Agreement	\$36,000,000
3/20/2019	7		Administrative Modification	Update the overhead rates and Joint Venture member name change and membership assignment	\$0
9/16/2019	8		Administrative Modification	Add new sub-consultants, update the overhead rates, and update the Agreement to maintain consistency with statutory, Code, San Francisco ordinances affecting contracting, and other applicable standard changes to City contracts	\$0
6/1/2020	9		Administrative Modification	Update the Notices to Parties provision, delete and replace Appendix B, Calculation of Charges, and updated standard contractual clauses	\$0
11/14/2022	10		Administrative Modification	Update the terms and conditions set forth herein to delete and replace Appendix B, Calculation of Charges, and updated standard contractual clauses	\$0
2/20/2023	11		Administrative Modification	Joint Venture member name change and membership assignment	\$0
4/4/2023	12	23-0089	Commission Action	Extend the contract duration to 12/31/2025	\$0
9/12/2023	13		Administrative Modification	Add new sub-consultant (Veregy), replacing 1.1 Agreement, 4.2 Qualified Personnel, 11.14 Labor Peace/Card Check Rule, Appendix B 3.5 Direct Labor Rates, Appendix B 3.6 Approved Subcontractors	\$0

ATTACHMENT A
SUMMARY OF COMMISSION ACTIONS
July 15, 2025

Contract No.: 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project

Consultant: WCME JV

Modification No. 15

Date	Modification No.	Resolution No.	Description	Scope	Amount
11/5/2024	14		Administrative Modification	Replacing 1.1 Agreement, 4.2 Qualified Personnel, 11.14 Labor Peace/Card Check Rule, Appendix B 3.5 Direct Labor Rates, Appendix C San Francisco Labor and Employment Code Update	\$0

Authorized Contract Not-To-Exceed Amount to Date **\$50,000,000**

Proposed Contract Modification No. 15 Amount **\$76,000,000**

Proposed Modified Contract Not-To-Exceed Amount **\$126,000,000**

Project Location

Contract No: 10071.41

Project Title: Project Management Support Services
for the Terminal 3 West Modernization Project

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. ~~15-0103~~

**APPROVAL OF MODIFICATION NO. 15 TO PROFESSIONAL SERVICES
CONTRACT NO. 10071.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR
THE TERMINAL 3 WEST MODERNIZATION PROJECT, WITH WCME JV, A JOINT
VENTURE OF PGH WONG ENGINEERING, INC., CONSOR PMCM, INC., MCK
AMERICAS, INC., AND ENVIRONMENTAL & CONSTRUCTION SOLUTIONS, TO
INCREASE THE CONTRACT NOT-TO-EXCEED AMOUNT BY \$76,000,000 FOR A
NEW CONTRACT AMOUNT NOT TO EXCEED \$126,000,000 AND TO EXTEND THE
CONTRACT TERM THROUGH DECEMBER 12, 2030**

WHEREAS, the Terminal 3 West Modernization Project (Project) will renovate and expand portions of Terminal 3, provide a seismic retrofit, upgrade and replace old building systems, increase international operational flexibility by providing three wide-body or four narrow-body swing gates, create a sterile connection to the Customs and Border Protection Federal Inspection Area, implement an expanded concessions program to increase revenue generation, enhance the passenger experience, improve passenger circulation, increase passenger processing, and expand the security checkpoint to increase the capacity to meet forecasted passenger growth; the Project will also construct the core and shell for the Courtyard 4 Connector building, a multi-story building above Courtyard 4 that will accommodate operational functions, operational office space and airline lounge space; and

WHEREAS, the Project Management Support Services (PMSS) consultant provides overall management expertise and oversight of the Project; the scope of work for the Contract includes design and construction management services, project controls, contract administration, cost estimating services, scheduling services, aircraft and airport systems commissioning, and field inspections; and

WHEREAS, on April 7, 2015, by Resolution No. 15-0074, the Commission authorized the Airport Director to issue a Request for Proposals for PMSS for the Project; and

WHEREAS, on February 16, 2016, by Resolution No. 16-0053, the Commission awarded this Contract to WCME JV, a joint venture of PGH Wong Engineering, Inc., Cooper Pugeda Management, Inc., MCK Americas, Inc., and Environmental & Construction Solutions (WCME JV) for an amount not to exceed \$8,100,000 for the first year of services; and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. ~~25-0103~~

WHEREAS, through various Resolutions, the Commission approved Modification Nos. 1, 3, 4, 6, and 12, increasing the Contract not-to-exceed amount to \$50,000,000 and extending the Contract term through December 31, 2025; and

WHEREAS, the Airport Director executed various administrative Modification Nos. 2, 5, 7, 8, 9, 10, 11, 13, and 14 to update contract terms and conditions and to acknowledge an assignment of interest and name change among the joint venture members with no change to the Contract amount or duration; and

WHEREAS, on July 31, 2018, by Resolution No. 284-18, the Board of Supervisors (BOS) approved Modification No. 4, increasing the Contract not-to-exceed amount to \$14,000,000 for services through April 4, 2019; and

WHEREAS, on February 12, 2019, by Resolution No. 73-19, the BOS approved Modification No. 6, increasing the Contract not-to-exceed amount to \$50,000,000; and

WHEREAS, on April 7, 2020, the Airport suspended work on the Project due to the COVID-19 pandemic's impact on Airport finances and travel demand; after demand returned, the Airport lifted the suspension and work resumed on January 1, 2023; and

WHEREAS, Modification No. 15 would increase the Contract not-to-exceed amount by \$76,000,000 for a new Contract amount not to exceed \$126,000,000 and extend the term of the Contract through December 12, 2030; and

WHEREAS, the City's Contract Monitoring Division approved a Local Business Enterprise sub-consulting participation requirement of 20% for the Contract and WCME JV is committed to meeting this requirement; now, therefore, be it

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **15-0103**

RESOLVED, that the Commission hereby approves Modification No. 15 to Professional Services Contract No. 10071.41, Project Management Support Services for the Terminal 3 West Modernization Project, with WCME JV, a joint venture of PGH Wong Engineering, Inc., CONSOR PMCM, Inc., MCK Americas, Inc., and Environmental & Construction Solutions, to increase the Contract not-to-exceed amount by \$76,000,000 for a new Contract amount not to exceed \$126,000,000 and to extend the term of the Contract through December 12, 2030; and, be it further


RESOLVED, that the Commission hereby directs the Director of Commission Affairs to seek Board of Supervisors approval of Modification No. 15 to the Contract consistent with San Francisco Charter Section 9.118(b).

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I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of

JUL 15 2025


Secretary