

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 19-0076

**AWARD CONTRACT NO. 50175 TO BOMBARDIER TRANSPORTATION (HOLDINGS) USA, INC. FOR AIRTRAIN OPERATIONS AND MAINTENANCE IN AN AMOUNT NOT TO EXCEED \$218,541,698 INCLUDING \$1,000,000 FOR AIRPORT REQUESTED AS-NEEDED SERVICES FOR A TOTAL NOT TO EXCEED AMOUNT OF \$219,541,698 FOR A TERM OF TEN YEARS COMMENCING JULY 1, 2019.**

**WHEREAS**, on September 16, 2008, by Resolution No. 08-0173, the Commission awarded Contract No. 8838 to Bombardier Transportation (Holdings) USA, Inc. (“Bombardier”) for AirTrain Operations and Maintenance (“O&M”); and

**WHEREAS**, O&M services continued from March 2009 and included provisions for a five-year O&M Phase with options for one (1) three-year and two (2) one-year contract extensions. The contract is currently in its final option year; and

**WHEREAS**, Staff has successfully negotiated an agreement with Bombardier and recommends the agreement for award; now, therefore, be it

**RESOLVED**, that this Commission hereby awards Contract No. 50175 to Bombardier for AirTrain O&M, for a ten-year term commencing on July 1, 2019, in the amount of \$218,541,698 for base scope work, and an additional \$1,000,000 for Airport requested as-needed services for a total not-to-exceed amount of \$219,541,698; and, be it further

**RESOLVED**, that the Airport Director is authorized to take the necessary steps to obtain Board of Supervisor’s approval of Contract No. 50175 pursuant to San Francisco Charter Section 9.118(b).

*I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of* \_\_\_\_\_ **APR 02 2019**

\_\_\_\_\_  
*Secretary*



San Francisco International Airport

**REVISED**  
**MEMORANDUM**

April 2, 2019

TO: Members, Airport Commission  
Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenhime  
Hon. Malcolm Yeung

19-0076

APR 02 2019

FROM: Airport Director

SUBJECT: Award Contract No. 50175 for AirTrain Operations and Maintenance to Bombardier Transportation (Holdings) USA, Inc.

DIRECTOR'S RECOMMENDATION: AWARD CONTRACT NO. 50175 AIRTRAIN OPERATIONS AND MAINTENANCE TO BOMBARDIER TRANSPORTATION (HOLDINGS) USA, INC., IN AN AMOUNT NOT TO EXCEED \$218,541,698, INCLUDING \$1,000,000 FOR AIRPORT REQUESTED AS-NEEDED SERVICES, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$219,541,698 FOR A TERM OF TEN YEARS COMMENCING JULY 1, 2019.

**Executive Summary**

Staff recommends award of Contract No. 50175 to Bombardier Transportation (Holdings) USA, Inc. ("Bombardier") which includes \$218,541,698 for base scope work and an additional \$1,000,000 for Airport requested as-needed services for a total not-to-exceed amount of \$219,541,698. The contract shall have an original term of ten years commencing July 1, 2019. In addition, the Airport shall have one option to extend the term for a period of five years with pre-negotiated pricing, which the Airport may exercise in its sole, absolute discretion.

**Background**

On September 16, 2008, by Resolution No. 08-0173, the Commission awarded Contract No. 8838, AirTrain Operations and Maintenance ("O&M"), to Bombardier. On November 18, 2008, the Board of Supervisors passed Ordinance No. 080942, which granted the Airport a waiver of the competitive bidding requirements and adopted Resolution No. 266-08 for award of the contract. The O&M services continued from March 2009 and included provisions for a five-year O&M Phase with options for one (1) three-year and two (2) one-year contract extensions. The contract is currently in its final option year and expires on June 30, 2019.

On March 1, 2019, the Office of Contract Administration waived the solicitation requirement for this transaction under Administrative Code Section 21.5(d) Proprietary Article 12.

THIS PRINT COVERS CALENDAR ITEM NO. 10

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO  
LONDON N. BREED MAYOR    LARRY MAZZOLA PRESIDENT    LINDA S. CRAYTON VICE PRESIDENT    ELEANOR JOHNS    RICHARD J. GUGGENHIME    MALCOLM YEUNG    IVAR C. SATERO AIRPORT DIRECTOR

Staff has successfully negotiated the scope of work, billing rates and fees with Bombardier. The Agreement includes \$218,541,698 for base scope of work, and an additional \$1,000,000 for Airport requested as-needed services, for a total not-to-exceed amount of \$219,541,698. The contract shall have an original term of ten years commencing July 1, 2019. In addition, the Airport shall have one option to extend the term for a period of five years with pre-negotiated pricing, which the Airport may exercise in its sole and absolute discretion. The Agreement includes nonstandard language approved by the City's Risk Manager that limits Bombardier's liability for incidental and consequential damages. Specifically, the Agreement provides for a cap on incidental and consequential damages of \$1,000,000 annually and \$10,000,000 for the term; damages for personal injury, wrongful death, or cost of repair/replacement of property are not subject to the cap.

Prior to negotiating the final scope and cost with Bombardier, Staff enlisted a third party review to compare the costs for O&M agreements with other people mover systems at Airports in the United States. The systems chosen for comparison include those operating at the Atlanta Hartsfield-Jackson International Airport, Denver International Airport, and Dallas/Fort Worth International Airport. The current average annual cost to those airports for the O&M of their systems is \$18,700,000. When adjusted for expenses that uniquely impact the San Francisco Airport system (such as fleet size, labor costs, and staff size), the comparative average increases to \$19,500,000. In contrast, SFO has negotiated a new contract with Bombardier for approximately \$17,500,000 annually, which is a yearly savings of between \$1,200,000 and \$2,000,000.

The Contract Monitoring Division approved a 5% Local Business Enterprise requirement for this contract.

### **Recommendation**

I recommend the Commission award Contract No. 50175 to Bombardier for AirTrain O&M and authorize the Director to seek Board of Supervisor's approval. The contract shall have an original term of ten years commencing July 1, 2019, which includes \$218,541,698 for base scope of work, and an additional \$1,000,000 for Airport requested as-needed services, for a total not-to-exceed amount of \$219,541,698.

  
for Ivar C. Satero  
Airport Director

Prepared by: Jeff Littlefield  
Chief Operating Officer

Attachment