

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 16-0277

**APPROVE MODIFICATION NO. 3 TO CONTRACT NO. 8838 WITH BOMBARDIER
TRANSPORTATION (HOLDINGS) USA, INC. FOR AIRTRAIN OPERATIONS AND
MAINTENANCE SERVICES**

WHEREAS, on September 16, 2008, this Commission approved Resolution No. 08-0173 awarding Contract No. 8838 AirTrain Operations and Maintenance (O&M) to Bombardier Transportation (Holdings) USA, Inc. (BT USA) for a five-year contract, with one (1) three-year option, and two (2) one-year options, in the amount of \$56,500,000 and approved a one-year contingency budget of \$500,000 for payment of incentive bonuses and other changes, subject to the Board of Supervisors (BOS) approval of the agreement and award of this contract; and

WHEREAS, on November 18, 2008, the BOS passed Ordinance No. 080942, which granted the Airport Commission a waiver of the competitive bidding requirements, adopted Resolution No. 266-08 for award of Contract No. 8838 to BT USA for a five-year term in the amount of \$56,500,000, and approved the contingency budget of \$500,000 for payment of incentive bonuses and other changes during Year One of the new contract; and

WHEREAS, the originally approved \$56,500,000 to fund the initial five-year term did not include funding for labor and material escalation and bonuses beyond year one of the contract, resulting in a shortfall of \$3,200,000 over the initial five-year term; and

WHEREAS, on July 23, 2013, this Commission adopted Resolution No. 13-0156, which approved Modification No. 1 for a three-year contract extension (March 1, 2014 through February 28, 2017) to Contract No. 8838, to BT USA, for AirTrain O&M, in the amount \$42,200,000; and

WHEREAS, on December 10, 2013, the BOS adopted Resolution No. 429-13, which approved Modification No. 1 to the contract; and

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WHEREAS, on May 19, 2014 this Commission adopted Resolution No. 14-0104, which approved Modification No. 2 to Contract No. 8838, AirTrain O&M, with BT USA, increasing the not to exceed amount by \$1,848,174 to cover the replacement cost of obsolete or worn out AirTrain equipment and to provide funding for the replacement of any additional materials, tools and equipment that may become obsolete or worn beyond repair over the three-year contract term, for a revised not to exceed total contract amount of \$100,548,174; and

WHEREAS, on September 19, 2014, the BOS adopted Resolution No. 328-14, which approved Modification No. 2 for the AirTrain System but reduced the not to exceed amount by \$4,340, for a revised not to exceed amount of \$100,543,834; and

WHEREAS, Staff proposes to further modify this contract to exercise the first of two (2) one-year options (March 1, 2017 through February 28, 2018) and to provide additional funding for the replacement cost of obsolete or worn out AirTrain parts and equipment; and

WHEREAS, funding for this project will be provided from both the Airport's Operating and Capital funds; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 3 to Contract No. 8838, AirTrain Operations and Maintenance, with Bombardier Transportation (Holdings) USA, Inc., in an amount not to exceed \$14,901,134, to exercise the first one-year option (March 1, 2017 through February 28, 2018) and cover the replacement cost of obsolete or worn out AirTrain parts and equipment for a new total contract amount not to exceed \$115,444,968; and, be it further

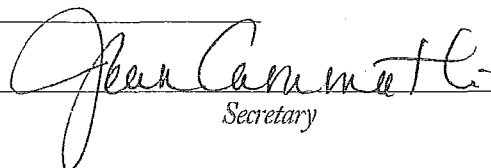
RESOLVED, that the Airport Director is authorized to take the necessary steps to obtain BOS approval of Modification No. 3 pursuant to San Francisco Charter Section 9.118(b).

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

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at its meeting of _____


Secretary