

MEMORANDUM

July 1, 2025

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

15-0100
JUL 1 2025

FROM: Airport Director

SUBJECT: Approval of Modification No. 5 to Professional Services Contract
No. 11365.41, Project Management Support Services for the International
Terminal Building Phase 2 Project

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 5 TO PROFESSIONAL SERVICES CONTRACT NO. 11365.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE INTERNATIONAL TERMINAL BUILDING PHASE 2 PROJECT, WITH AGS, INC. TO INCREASE THE CONTRACT NOT-TO-EXCEED AMOUNT BY \$2,850,000 FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$12,500,000 AND TO EXTEND THE CONTRACT FOR AN ADDITIONAL 187 CONSECUTIVE CALENDAR DAYS.

Executive Summary

The International Terminal Building (ITB) Phase 2 Project (Project) will renovate the Arrivals Level of the ITB to increase passenger processing through improvements to the Federal Inspection Services primary immigration screening and reconfigure the Customs and Border Protection (CBP) support areas.

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, and field inspections.

Modification No. 5 would increase the Contract not-to-exceed amount by \$2,850,000 for a new Contract amount not to exceed \$12,500,000 and extend the Contract duration for an additional 187 consecutive calendar days.

Background

On October 1, 2019, by Resolution No. 19-0251, the Commission authorized the Director to issue a Request for Qualifications/Request for Proposals for PMSS for the Project. Refer to Attachment A – Summary of Commission Actions for the Contract.

THIS PRINT COVERS CALENDAR ITEM NO. 5

On June 16, 2020, by Resolution No. 20-0108, the Commission awarded the Contract to AGS, Inc., in an amount not to exceed \$4,880,000 for 1,218 days of services.

In October 2020, the Airport suspended most of the original ITB Phase 2 scope of work due to the COVID-19 pandemic's impact on Airport finances. On-going work included the Arrivals Level Federal Inspection Services portal and door vestibules renovation. The Airport ended the suspension, and work resumed on January 30, 2023.

On September 5, 2023, by Resolution No. 23-0221, the Commission approved Modification No. 1 to increase the Contract not-to-exceed amount by \$4,770,000 for a new Contract amount not to exceed \$9,650,000 and extend the Contract duration for an additional 954 consecutive calendar days of services for a total duration of 2,172 days. This accounted for the suspension of work following the onset of the COVID-19 pandemic.

Modification Nos. 2 through 4 were administrative modifications to update contractual provisions, approve changes to subconsultants, and modify labor and overhead rates with no change to the Contract amount or duration.

Modification No. 5 would increase the Contract not-to-exceed amount by \$2,850,000 for a new Contract amount not to exceed \$12,500,000 and extend the Contract duration for an additional 187 consecutive calendar days. Final completion of the Project is anticipated to be achieved in June 2026.

In 2023, when the Project suspension was lifted, Staff estimated the total Contract amount would not exceed \$9,650,000 with a total Contract duration of 2,172 consecutive calendar days. Staff now seeks to increase the Contract amount and duration to accommodate the resources and duration necessary to align with completion of the construction contract. The additional Contract amount fits within the overall Project budget. Staff and AGS, Inc. have agreed on scope, staffing, and fees for the remaining services.

The current budget for the Contract is \$12,500,000. The Contract is funded by the Ascent Program Phase 1.5 under the Airport's Capital Improvement Plan.

Because the Contract will exceed \$10,000,000 with this modification, 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 periodically 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 18% for the Contract. AGS, Inc. has committed to meeting this requirement.

Recommendation

I recommend the Commission approve Modification No. 5 to Professional Services Contract No. 11365.41, Project Management Support Services for the International Terminal Building Phase 2 Project, with AGS, Inc. to increase the Contract not-to-exceed amount by \$2,850,000 for a new Contract amount not to exceed \$12,500,000 and to extend the Contract duration to a total of 2,359 consecutive calendar days.

I also recommend that the Commission direct the Director of Commission Affairs to seek the Board of Supervisors' approval of Modification No. 5 consistent with San Francisco Charter Section 9.118(b).

Sincerely,



Mike Nakornkhet
Airport Director

Prepared by: Judi Mosqueda
Chief Development Officer
Design & Construction

Attachments

ATTACHMENT A
SUMMARY OF COMMISSION ACTIONS
July 1, 2025

Contract No.: 11365.41, Project Management Support Services for the International Terminal Building Phase 2 Project

Consultant: AGS, Inc.

Modification No. 5

Date	Modification No.	Resolution No.	Description	Scope	Amount
10/1/2019	-	19-0251	Issue RFQ/RFP	Authorization to Issue Request for Qualifications/Request for Proposals	\$0
6/16/2020	-	20-0108	Award of Contract	Project Management Support Services	\$4,880,000
9/5/2023	1	23-0221	Contract Increase and Extension	Extension of Contract capacity & duration after unsuspension of base scope	\$4,770,000
4/1/2024	2	-	Administrative Modification	Update of Contract Agreement and approved sub-consultants	\$0
6/1/2024	3	-	Administrative Modification	Update of Labor Rates	\$0
10/1/2024	4	-	Administrative Modification	Update of Overhead Rates	\$0

Authorized Contract Not-To-Exceed Amount to Date	\$9,650,000
Proposed Contract Modification No. 5 Amount	<u>\$2,850,000</u>
Proposed Modified Contract Not-To-Exceed Amount	\$12,500,000

Project Location

Contract No: 11365.41

Project Title: Project Management Support
Services for the International
Terminal Building Phase 2 Project

