

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 21-0132

APPROVAL OF MODIFICATION NO. 3 TO CONTRACT NO. 50030.01 WITH VANDERLANDE INDUSTRIES INCORPORATED, TO OPERATE, MAINTAIN AND REPAIR AIRPORT-OWNED BAGGAGE HANDLING SYSTEMS AND PASSENGER BOARDING BRIDGES IN THE DOMESTIC TERMINALS, TO EXTEND THE TERM THROUGH SEPTEMBER 30, 2022 AND INCREASE THE CONTRACT AMOUNT BY \$4,262,816, FOR A NEW NOT-TO-EXCEED CONTRACT AMOUNT OF \$17,010,647

WHEREAS, the Airport owns three baggage handling systems (BHSs) and 60 passenger boarding bridges (PBBs) in the Domestic Terminals; and

WHEREAS, on July 19, 2016, by Resolution No. 16-0222, the Commission awarded Contract No. 50030.01, for operation and maintenance of certain Airport-owned BHSs and PBBs to Vanderlande Industries Incorporated (Vanderlande) for three years in a not-to-exceed amount of \$5,397,000; and

WHEREAS, on August 27, 2019, by Resolution No. 19-0180 the Commission approved Modification No. 1 to Contract No. 50030.01, to exercise the first of two 1-year options to extend the term of the Agreement through September 30, 2020, and increase the contract amount by \$4,396,875, for a new not-to-exceed contract amount of \$9,793,875; and

WHEREAS, on June 16, 2020, by Resolution No. 20-0112, the Commission approved Modification No. 2 to exercise the second of two 1-year options to extend the term of the Agreement through September 30, 2021, and increase the contract amount by \$3,852,617, for a new not-to-exceed contract amount of \$13,646,492; and

WHEREAS, on July 21, 2020, by Resolution No. 344-20, the Board of Supervisors approved Modification No. 2 under San Francisco Charter Section 9.118, in a reduced amount of \$2,953,956 for a new not-to-exceed amount of \$12,747,831; and

WHEREAS, the Airport desires to extend the term of Contract No. 50030.01 through September 30, 2022, and increase the contract amount by \$4,262,816 for a new not-to-exceed contract amount of \$17,010,647; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 3 to Contract No. 50030.01 to operate, maintain and repair Airport-owned baggage handling systems and passenger boarding bridges in the Domestic Terminals with Vanderlande Industries Incorporated to extend the term of this Agreement through September 30, 2022, and increase the contract amount by \$4,262,816 for a new not-to-exceed contract amount of \$17,010,647; and, be it further

RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors approval of Modification No.3 to Contract No. 50030.01 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

JUN 1 2021


Secretary



MEMORANDUM

June 1, 2021

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Eleanor Johns, Vice President
Hon. Richard J. Guggenlime
Hon. Everett A. Hewlett, Jr.
Hon. Malcolm Yeung

21-0132

JUN 1 2021

FROM: Airport Director

SUBJECT: Approval of Modification No. 3 to Professional Services Contract No. 50030.01 with Vanderlande Industries Incorporated, to Operate, Maintain and Repair Airport-Owned Baggage Handling Systems and Passenger Boarding Bridges in the Domestic Terminals

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 3 TO CONTRACT NO. 50030.01 WITH VANDERLANDE INDUSTRIES INCORPORATED TO OPERATE, MAINTAIN AND REPAIR AIRPORT-OWNED BAGGAGE HANDLING SYSTEMS AND PASSENGER BOARDING BRIDGES IN THE DOMESTIC TERMINALS, TO EXTEND THE TERM THROUGH SEPTEMBER 30, 2022, AND INCREASE THE CONTRACT AMOUNT BY \$4,262,816, FOR A NEW NOT-TO-EXCEED CONTRACT AMOUNT OF \$17,010,647.

Executive Summary

Vanderlande Industries Incorporated (Vanderlande) provides operation and maintenance services for baggage handling systems (BHS) and passenger boarding bridges (PBB) in various locations in the Airport. The existing contract is set to expire on September 30, 2021 with no remaining extension options. Staff seeks Commission authorization to extend the contract term through September 30, 2022. Due to the operational uncertainties resulting from the recent pandemic and procedural processing during this time, Staff requests this extension to maintain operational continuity. The additional time will allow Staff to adequately define the scope for a new procurement and ask for a Request for Proposals (RFP), obtain Civil Service Commission approval, address labor concerns, and complete the procurement process, including approvals from the Commission and the Board of Supervisors. The term of this extension may be shortened provided a new contract is successfully negotiated and a transition plan is defined within a lesser timeframe.

Background

The Airport owns three BHSs and 60 PBBs in the Domestic Terminals. Some of these systems are under permit to the airlines, who are responsible for their operation, maintenance, and repair. The exceptions are the BHSs in Harvey Milk Terminal 1 (HMT1), Terminal 2, and Baggage Carousel 10 in Terminal 3, as well as 26 PBBs in Boarding Area B, five in Boarding Area C, and three in Boarding Area D. Except for the BHS in HMT1, these systems are currently operated and maintained through a contract with Vanderlande. The BHS in HMT1 is a new system and is maintained under a separate contract with Beumer Lifecycle Management LLC (Beumer).

THIS PRINT COVERS CALENDAR ITEM NO. 3

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR LARRY MAZZOLA PRESIDENT ELEANOR JOHNS VICE PRESIDENT RICHARD J. GUGGENHIME EVERETT A. HEWLETT, JR. MALCOLM YEUNG IVAR C. SATERO AIRPORT DIRECTOR

On July 19, 2016, by Resolution 16-0222, the Commission awarded Contract No. 50030.01 to Vanderlande, to operate, maintain and repair Airport-owned PBBs and BHSs in the Domestic Terminals for an initial period of three years, and a not-to-exceed amount of \$5,397,000.

On August 27, 2019, by Resolution No. 19-0180, the Commission approved Modification No. 1 to exercise the first of two 1-year options to extend the term of the Agreement through September 30, 2020, and increase the contract amount by \$4,396,875, for a new not-to-exceed contract amount of \$9,793,875.

On June 16, 2020, by Resolution No. 20-0112, the Commission approved Modification No. 2 to exercise the second of two 1-year options to extend the term of the Agreement through September 30, 2021, and increase the contract amount by \$3,852,617, for a new not-to-exceed contract amount of \$13,646,492.

On July 21, 2020, by Resolution No. 344-20, the Board of Supervisors approved Modification No. 2 under San Francisco Charter Section 9.118 in the reduced amount of \$2,953,956 for a new not-to-exceed amount of \$12,747,831.

Because the contract amount exceeds \$10,000,000, approval from the Board of Supervisors is required for this contract pursuant to San Francisco Charter Section 9.118(b). We will also need approval from the Civil Service Commission for this modification.

Recommendation

I recommend the Commission approve Modification No. 3 to Contract No. 50030.01 to operate, maintain, and repair Airport-owned Baggage Handling Systems and Passenger Boarding Bridges in the Domestic Terminals with Vanderlande Industries Incorporated, to extend the contract through September 30, 2022, and increase the contract amount by \$4,262,816 for a new not-to-exceed contract amount of \$17,010,647.



Ivar C. Satero
Airport Director

Prepared by: Jeff Littlefield
Chief Operating Officer

Attachment