

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14_0068

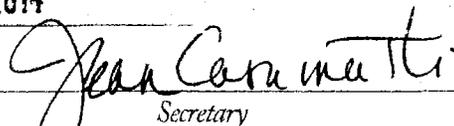
MODIFICATION NO. 3 TO PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 8974.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE TERMINAL 3, BOARDING AREA E REFURBISHMENT PROJECT, WITH PGH WONG ENGINEERING, INC., IN AN AMOUNT NOT TO EXCEED \$2,835,000 FOR ADMINISTRATIVE CONSTRUCTION MANAGEMENT SERVICES THROUGH JUNE 30, 2015, FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$12,000,000.

- WHEREAS, on August 3, 2010, by Resolution No. 10-0265, the Commission awarded the professional services Contract No. 8974.9 entitled, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project to PGH Wong Engineering, Inc. (Consultant), in an amount not to exceed \$1,757,250 and with a duration of twenty-two months; and
- WHEREAS, on February 21, 2012, by Resolution No. 12-0034, the Commission authorized Modification No. 1 to Contract No. 8974.9 increasing the total not to exceed amount to \$5,223,000, and extending the duration of the Contract to June 30, 2015. This Modification No. 1 provided for the expanded scope of work and increased staffing levels required to provide the proper oversight of the increased estimated value of construction from \$23,800,000 to \$115,000,000; and
- WHEREAS, on August 12, 2013, by Resolution No. 13-0172, the Commission authorized Modification No. 2 to this Contract No. 8974.9 increasing the contract to a total not to exceed amount to \$9,165,000 for Administrative Construction Management (ACM) services through June 30, 2014. This Modification No. 2 provided ACM services of the Terminal 3 Program, including management of both the Boarding Area E Refurbishment Project and the Terminal 3 Improvements Project, to maintain consistency of report, coordinate the project, provide overall program oversight, and to realize cost savings for both projects; and
- WHEREAS, Staff and Consultant have reached an agreement on scope, staffing and fee for an additional year of ACM services and an increase to the not-to-exceed amount of Contract No. 8974.9 by \$2,835,000 for ACM services through June 30, 2015, for a new contract amount not to exceed \$12,000,000; and
- WHEREAS, Staff estimates that the total budget for this Contract will be \$13,700,000 for services through February 1, 2017; now, therefore be it
- RESOLVED, the Commission authorizes Modification No. 3 to the professional services agreement, Contract No. 8974.9 entitled, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project, with PGH Wong Engineering, Inc., in an amount not to exceed \$2,835,000 for Administrative Construction Management services through June 30, 2015, for a total contract amount not to exceed \$12,000,000; and, therefore, be it further
- RESOLVED, that this Commission directs the Commission Secretary to seek Board of Supervisors approval for Airport Contract No. 8974.9, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project, with PGH Wong Engineering, Inc. in conformance with 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 22 2014


Secretary



San Francisco International Airport

MEMORANDUM

April 22, 2014

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Authorize Modification No. 3 to Contract No. 8974.9, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project

DIRECTOR'S RECOMMENDATION: AUTHORIZE MODIFICATION NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 8974.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE TERMINAL 3, BOARDING AREA E REFURBISHMENT PROJECT, WITH PGH WONG ENGINEERING, INC., IN AN AMOUNT NOT TO EXCEED \$2,835,000 FOR ADMINISTRATIVE CONSTRUCTION MANAGEMENT SERVICES THROUGH JUNE 30, 2015, FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$12,000,000.

Executive Summary

The Commission awarded this Contract No. 8974.9 entitled, Construction Management Services for the Terminal 3, Boarding Area E Refurbishment Project to PGH Wong Engineering, Inc. (PGH Wong) on July 20, 2010, by Resolution No. 10-0242. The original contract was for an amount not to exceed \$1,757,250 and was for twenty-two (22) months duration.

The Commission authorized Modification No. 1 to the contract for a total contract amount not to exceed \$5,223,000 and extended the duration of the contract to June 30, 2015 by Resolution No. 12-0034 on February 21, 2012.

The Commission authorized Modification No. 2 to the contract for a total contract amount not to exceed \$9,165,000 for Administrative Construction Management (ACM) services through to July 31, 2014 by Resolution No. 13-0172 on August 13, 2013.

Transmitted herewith for your authorization, is a proposed resolution for Modification No. 3 to Contract No. 8974.9 to increase the not to exceed amount by \$2,835,000 for a new contract amount not to exceed \$12,000,000 for ACM services through June 30, 2015.

Background

The original contract was for an amount not to exceed \$1,757,250 and duration of twenty-two (22) months for construction management (CM) services for the Boarding Area E Refurbishment Project. After Notice-to-Proceed was given, the original expiration date of the contract was June 30, 2012. The scope of services was to support an original design build estimated contract amount of \$23,000,000.

As a result of reprogramming of the Boarding Area E Refurbishment Project, the Commission awarded a significantly larger design-build contract to Hensel Phelps Construction Company for an anticipated contract amount of \$115,000,000. Modification No. 1 to this construction management services Contract No. 8974.9 was authorized to address the need for increased CM services for the increased scope of the underlying construction project, Boarding Area E Refurbishment Project.

THIS PRINT COVERS CALENDAR ITEM NO. 2

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN
AIRPORT DIRECTOR

As part of the T3 Improvement Program a second design-build contract for the Terminal 3 East Improvements Project was awarded by the Commission to Hensel Phelps Construction Co. for an estimated contract value of \$187,000,000. Construction Management services for the Terminal 3 East Improvements Project is currently being provided by T3 East, a Joint Venture.

The Boarding Area E and the Terminal 3 East projects are directly adjacent to each other. Both projects are interrelated and require a high degree of coordination. For this reason the Airport Staff selected resources from both construction management firms to create a joint ACM team to lower CM costs, and to maintain consistency of reporting, overall program oversight, and coordination. The joint ACM team included one program manager replacing two project managers, and a shared special systems manager, shared MEP manager, and shared administrative and document control support. The Commission authorized Modification No. 2 to this CM contract for increased services through June 31, 2014.

This Modification No. 3 to Contract No. 8974.9 with PGH Wong provides for the following staffing positions in the shared ACM team for services through June 30, 2015:

- Administrative Construction Manager, Project Controls Manager, Tenant Improvements Manager, Assistant Resident Engineer/Field Scheduler, Office Engineer, and personnel for Materials Testing and Special Inspections.

Staff and PGH Wong have reached an agreement regarding scope, staffing, and fees for ACM services through June 30, 2015. Staff will assess the need for extended ACM services prior to June 2015, and return to the Commission to request approval for the remaining services needed to complete the T3 Program. The total estimated contract budget for ACM and construction management services for this contract is \$13,700,000 with an estimated duration through February 1, 2017.

Since the contract will exceed \$10 million, pending Commission authorization, the Airport will seek Board of Supervisors' approval as required by San Francisco Charter Section 9.118(b) for the full estimated costs of the contract and duration.

Under this Modification No. 3, Staff proposes to increase the not to exceed amount of Contract 8974.9 by \$2,835,000, for a new contract amount of \$12,000,000 for services through June 30, 2015. The total budget continues to be within the Airport's overall goal for soft cost performance of 15% of the construction costs.

The City's Contract Monitoring Division (CMD) approved an 18% LBE subconsultant participation goal for this Contract No. 8974.9. PGH Wong has committed to meeting this goal, and is currently projecting 21% participation.

Recommendation

Based on the above, I recommend that the Commission authorize this Modification No. 3 to Contract No. 8974.9, Construction Management Services for the Terminal 3 Boarding Area E Refurbishment Project, in an amount not to exceed \$2,835,000, for Administrative Construction Management services through June 30, 2015, for a new total contract amount not to exceed \$12,000,000, contingent upon approval by the San Francisco Board of Supervisors.

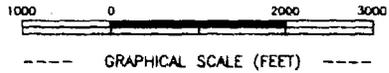
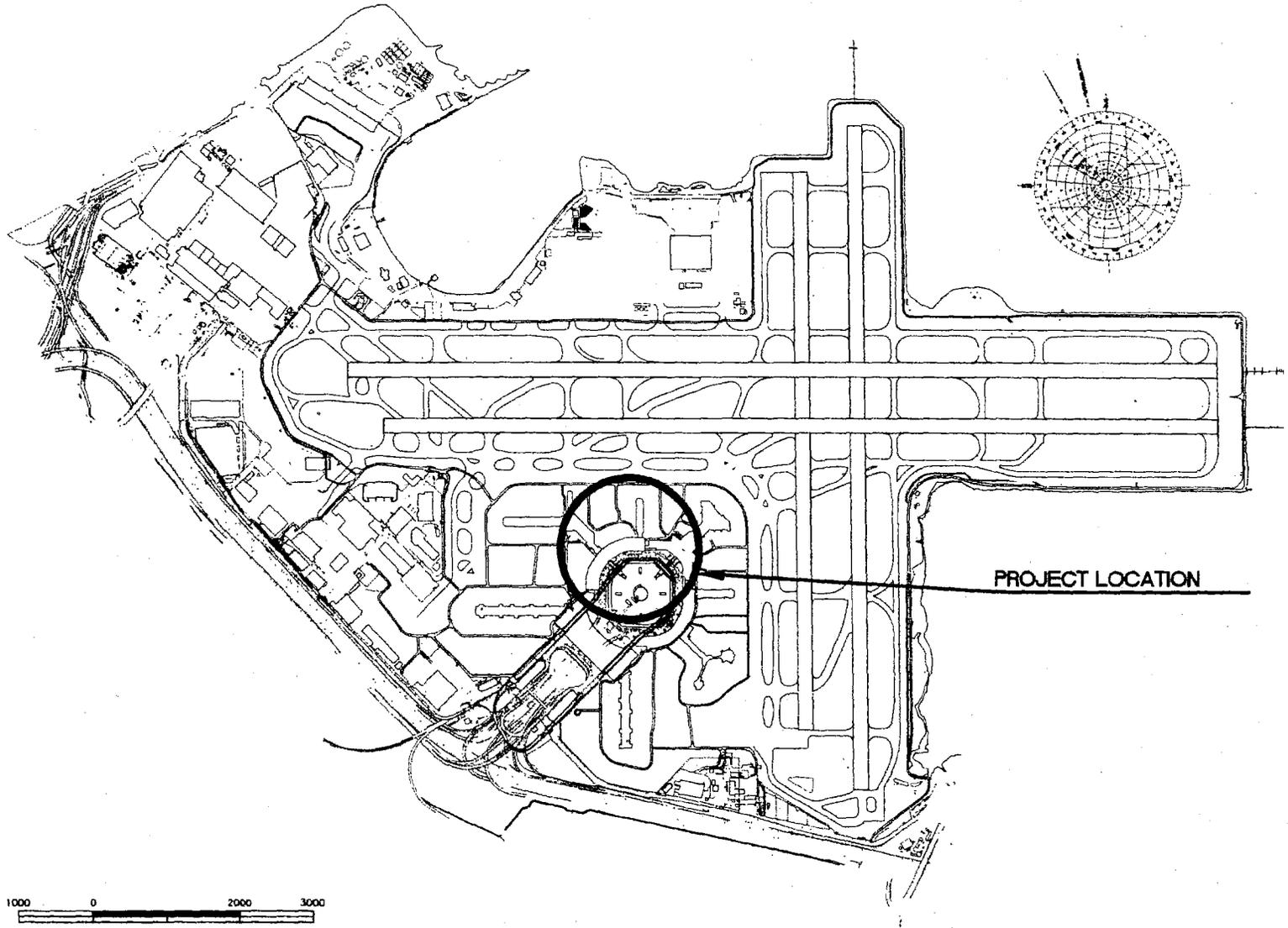


John L. Martin
Airport Director

Prepared by: Geoffrey W. Neumayr
Deputy Airport Director
Design & Construction

Attachment

AIRPORT CONTRACT No. 8974.9
TERMINAL 3, BOARDING AREA E REFURBISHMENT PROJECT



Prepared by: Airport Design & Construction
Geoff Neumayr - Deputy Airport Director
April 2014

SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO
AIRPORT COMMISSION
John L. Martin - Airport Director