

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 15-0006

APPROVAL OF MODIFICATION NO. 1 TO INTERNATIONAL TERMINAL EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT NO. 12-0064 WITH SAN FRANCISCO TERMINAL EQUIPMENT COMPANY, LLC

WHEREAS, on March 20, 2012, by Resolution No. 12-0064, the Airport Commission (the "Commission") awarded International Terminal Equipment Maintenance and Operating Agreement No. 12-0064 (the "Agreement") to San Francisco Terminal Equipment Company, LLC ("SFOTEC") commencing July 1, 2012 and expiring June 30, 2021; and

WHEREAS, on July 31, 2012, by Resolution No. 313-12, the Board of Supervisors approved the Agreement for an amount not to exceed \$18,000,000; and

WHEREAS, the Airport seeks to improve passenger wait times during peak operational hours and support Customs and Border Protection's (CBP) ongoing initiatives to transform its operations into a more efficient and streamlined process for arriving international passengers; and

WHEREAS, the self-service Automated Passport Control ("APC") Kiosks will serve to improve the international passengers' experience at their first point of entry into the United States; and

WHEREAS, this new technology allows travelers to effectively complete required travel documentation electronically that transmits their passport and flight information thereby increasing efficiency of passenger processing; and

WHEREAS, the Airport recognizes a key element to implement and make this new technology successful is customer service assistance and passenger facilitation; and

WHEREAS, the addition of the APC Kiosks will expand SFOTEC's existing Patron Assistance and Document Verification Services, under Section 8.03 of the Agreement, to include the Federal Inspection Services (FIS) areas; and

WHEREAS, staff desires to modify the Agreement to increase funding for Patron Assistance and Document Verification Services from \$350,000 to \$3,350,000 to support the APC Kiosk Customer Service Assistance, Document Verification and Queue Management Services; and

WHEREAS, staff desires to modify the Agreement with a total not to exceed amount of \$21,000,000; and

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WHEREAS, SFOTEC will contract a firm to perform the services required by the City under the proposed Modification; and, therefore, be it

RESOLVED, that the Airport Commission hereby approves and authorizes the Airport Director to execute Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement No. 12-0064 with San Francisco Terminal Equipment Company, LLC; and, be it further

RESOLVED, that the Commission Secretary is hereby directed to request approval of the Modification of the Agreement by resolution of the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

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

at its meeting of _____

JAN 20 2015



Secretary



MEMORANDUM

January 13, 2015

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

FROM: Airport Director

SUBJECT: Approval of Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement No. 12-0064 with San Francisco Terminal Equipment Company, LLC

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 1 TO INTERNATIONAL TERMINAL EQUIPMENT MAINTENANCE AND OPERATING AGREEMENT NO. 12-0064 WITH SAN FRANCISCO TERMINAL EQUIPMENT COMPANY, LLC

Executive Summary

Staff seeks the Airport Commission's ("Commission") approval of Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement No. 12-0064 (the "Agreement") with San Francisco Terminal Equipment Company, LLC ("SFOTEC") to increase "Patron Assistance and Document Verification Services" funding by \$3,000,000, for the remainder of the Agreement Term, which expires June 30, 2021, to effectively implement the self-service Automated Passport Control ("APC") Kiosks and other related patron assistance and document verification services that may be required by the Commission.

Background

SFOTEC is a limited liability company formed in 1998 by Air Carriers to maintain, operate, and use Airport-owned equipment ("Equipment") for the handling of flights and passengers in the International Terminal ("IT").

The 2011 Lease and Use Agreement, which commenced July 1, 2011, authorized IT Air Carriers to select a "Terminal Company" to carry out their contractual responsibilities regarding the use, maintenance, and operation of Airport-owned equipment. The Air Carriers selected SFOTEC as

THIS PRINT COVERS CALENDAR ITEM NO. 5

their desired Terminal Company, leading the Airport to commence negotiations with SFOTEC. Following negotiations, the Commission awarded the Agreement to SFOTEC on March 20, 2012, by Resolution No. 12-0064, commencing on July 1, 2012 and expiring on June 30, 2021. The Agreement was subsequently approved by the Board of Supervisors, by Resolution No. 313-12 adopted on July 31, 2012, retroactively to July 1, 2012, for an amount not to exceed \$18,000,000.

Proposal

The Airport seeks to improve passenger wait times during peak operational hours and support Customs and Border Protection's (CBP) ongoing initiatives to transform its operations into a more efficient and streamlined process for arriving international passengers. New technology, along with customer service assistance, allows travelers to effectively complete required travel documentation electronically, including passport and flight information, which increases the efficiency of passenger processing. The APC Kiosks serve to improve the international passengers' experience at their first point of entry into the United States.

Modification No. 1 increases the funding for Airport patrons with special needs, such as mobility and other assistance, to transition between various Airport locations. Document verification and validation services at the Federal Inspection Services (FIS) area will expand SFOTEC's Patron Assistance and Document Verification Services to effectively implement this service at San Francisco International Airport. Staff proposes increasing funding for this section from \$350,000 to \$3,350,000.

The Airport anticipates full implementation of the APC Kiosks in early 2015. The increased funding for Patron Assistance and Document Verification Services will allow staff time to initiate a future Request for Proposal (RFP) and contract for these services.

Recommendation

I recommend adoption of the accompanying Resolution approving Modification No. 1 to International Terminal Equipment Maintenance and Operating Agreement No. 12-0064 with San Francisco Terminal Equipment Company, LLC, to increase Patron Assistance and Document Verification Services funding by \$3,000,000, with a total amount not to exceed \$21,000,000 for the remainder of the Agreement Term, which expires June 30, 2021.



John L. Martin
Airport Director

Prepared by: Leo Fermin
Chief Business and Finance Officer

Attachment