

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14-0124

MODIFICATION NO. 4 TO CONTRACT NO. 9024.9, CONSTRUCTION MANAGEMENT (CM) SERVICES FOR THE INTERNATIONAL TERMINAL (IT) AND TERMINAL 3 (T3) BOARDING AREA F (BAF) CHECKED BAGGAGE INSPECTION SYSTEM (CBIS) MODERNIZATION PROGRAM AND THE IT BAGGAGE HANDLING SYSTEM (BHS) IMPROVEMENTS PROJECT, WITH CAGE, INC. TO INCREASE THE NOT-TO-EXCEED AMOUNT BY \$800,000 AND INCREASE THE CONTRACT COMPLETION DATE SIX MONTHS FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$7,800,000 AND ESTABLISH A NEW CONTRACT DURATION ENDING DECEMBER 31, 2014

- WHEREAS, on March 1, 2011, by Resolution No. 11-0045, the Commission authorized the Director to execute an Other Transaction Agreement (OTA) with the Transportation Security Administration (TSA) for 90% reimbursement of design costs, including construction management services during design, for the IT and BAF CBIS Modernization Program under the TSA's Recapitalization Program; and
- WHEREAS, on June 30, 2011, by Resolution No. 11-0146, the Commission awarded the Contract to CAGE, Inc. for CM Services for the IT and T3, BAF CBIS Modernization Program and the IT BHS Improvements Project. In a not to exceed amount of \$585,805, with a contract duration of six months for CM support services for the design-phase ending on December 29, 2011; and
- WHEREAS, on October 4, 2011, by Resolution No. 11-0221, the Commission authorized Modification No. 1 to this Contract in an amount not to exceed \$4,823,109, for CM services during the construction phase through December 29, 2013 for a total Contract Amount not to exceed \$5,408,914; and
- WHEREAS, on July 17, 2012, by Resolution No. 12-0158, the Commission authorized Modification No. 2 to this Contract in an amount not to exceed \$780,800 for a total contract amount not to exceed \$6,189,714, and with no change to the contract duration; and
- WHEREAS, on December 03, 2013, by Resolution No. 13-0248, the Commission authorized Modification No. 3 to this Contract in an amount not to exceed \$810,286 for a total contract amount not to exceed \$7,000,000, and a new contract duration of 36 months, ending June 30, 2014; and
- WHEREAS, per the OTA, the project team has designed, installed and placed into operation four Explosive Detection System (EDS) Screening Machines. The original TSA approved design cannot accommodate the increased screening requirement requiring a final joint solution between the Airport, TSA and other stakeholders is not expected to be reached until October 2014; and
- WHEREAS, CM Services by CAGE Inc. are required for ongoing construction during the time required to develop a final joint solution with the TSA; and now, therefore be it
- RESOLVED, that the Commission hereby approves Modification No. 4 to Contract No. 9024.9, CM Services for the IT and BAF CBIS Modernization Program, BAA CBIS Activation and the IT BHS Improvements Project to increase the not to exceed amount by \$800,000 and a time extension of six-months for a new total contract amount not to exceed \$7,800,000 with a new contract duration of 42 months, ending December 31, 2014.

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

at its meeting of

JUN 17 2014


Secretary



San Francisco International Airport

MEMORANDUM

June 17, 2014

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

FROM: Airport Director

SUBJECT: Modification No. 4 to Contract No. 9024.9, Construction Management (CM) Services for the International Terminal (IT) and Terminal 3 (T3) Boarding Area F (BAF) Checked Baggage Inspection System (CBIS) Modernization Program and the IT Baggage Handling System (BHS) Improvements Project

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 4 TO CONTRACT NO. 9024.9, CM SERVICES FOR THE IT & T3, BAF CBIS MODERNIZATION PROGRAM AND THE IT BHS IMPROVEMENTS PROJECT, WITH CAGE, INC. FOR AN INTERIM PERIOD OF SIX MONTHS (THROUGH DECEMBER 31, 2014) IN THE AMOUNT OF \$800,000, FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$7,800,000

Executive Summary

Transmitted herewith for your approval is a proposed resolution approving Modification No. 4 to Contract No. 9024.9, CM Services for the IT and BAF CBIS Modernization Program, BAA CBIS Activation and the IT Baggage Handling System Improvements Project in the amount of \$800,000. This amendment establishes a new not-to-exceed amount of \$7,800,000 and extends the contract duration by six months for a new contract termination date of December 31, 2014.

Background

The Commission awarded Contract No. 9024.9 on June 30, 2011, by Resolution No. 11-0146. The Commission awarded the Contract to CAGE, Inc. for CM Services for the IT and T3, BAF CBIS Modernization Program, BAA CBIS Activation and the IT Baggage Handling System Improvements Project. The original not-to-exceed amount was \$585,805, with a contract duration of six months for CM support services for the design phase ending on December 29, 2011.

On October 4, 2011, by Resolution No. 11-0221, the Commission authorized Modification No. 1 to this Contract in an amount not to exceed \$4,823,109, for CM services during the construction phase through December 29, 2013, for a total Contract Amount not to exceed \$5,408,914.

On July 17, 2012, by Resolution No. 12-0158, the Commission authorized the Modification No. 2 to this Contract in an amount no to exceed \$780,800 for a total contract amount not to exceed \$6,189,714, and with no change to the contract duration.

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

THIS PRINT COVERS CALENDAR ITEM NO. 7

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
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On December 3, 2013, by Resolution 13-0248, the Commission authorized the Modification No. 3 to this Contract in an amount not to exceed \$810,286 for a total contract amount not to exceed \$7,000,000, and with a contract duration ending June 30, 2014.

CAGE, Inc. provides CM services for the construction Contract No. 9024.A with VanDerLande Industries (VI) with a contract amount of \$83,138,927. The contract is primarily a cost-plus-fee agreement with material bid items. The VI Contract is divided into 4 tasks: Task 1 and Task 2 contain work covered under a reimbursable Other Transaction Agreement (OTA) with the Transportation Security Administration (TSA). Task 3 and Task 4 are associated with non-OTA reimbursable work outside the CBIS/Checked Baggage Resolution Area (CBRA) areas (e.g. BAE improvements, transfer line, etc.).

For Tasks 1 and 2 (under the OTA) the CBIS Project provides for the design and construction services for the recapitalization of the TSA Explosive Detection System (EDS) equipment within the CBIS at the IT Terminal A and G and T3, BAF.

Per the OTA, the design and construction of the project has followed the TSA prepared Planning Guidelines and Design Standards (PGDS). To date, the project team has installed and placed into operation four TSA furnished CTX 9800 Screening Machines, which are producing significantly higher alarm rates than what was forecasted in the TSA PGDS. The higher alarm rates force an increased amount of bags to be sent to the TSA CBRA areas (where bags are searched manually). The original design of the project cannot accommodate these higher alarm rates. Additional CTX machines, recirculation and temporary conveyors were required to be installed as a temporary measure to maintain Airport operations. All of these items were not included in the original OTA Scope of Work but are necessary to install the systems and maintain Airport operations. The Airport is discussing options with the TSA and other stakeholders to reach a final joint solution, but a solution is not expected to be reached until October 2014.

To the extent that the project team cannot reasonably determine how this joint solution will affect the overall program scope and budget, this amendment requests a six-month time extension for CM services with CAGE, Inc. while the joint solution is being developed. The CM services are required for ongoing construction during the interim, as follows:

- 1) to facilitate a joint solution with a possible redesign of the CBRA areas;
- 2) to provide CM Services for the BHS re-control work underway on Task 3;
- 3) to provide CM Services for remaining safety updates on Task 4; and
- 4) to continue the necessary support documentation to seek reimbursement from the TSA under the current OTA agreement, including the possible development of a new or amended OTA for any agreed-upon redesign of the CBRA areas.

This Modification No. 4 to Contract No. 9024.9 with CAGE, Inc. increases the contract time of services by six months, and the contract amount by \$800,000 to allow for reassessment of the program, through to December 31, 2014. This modification will be funded from the Airport's 5-year Capital Improvement Plan, recently approved by the Commission on February 18, 2014.

Depending on the outcome of the joint solution with TSA, Staff will assess the overall program changes needed by November 2014, to complete the intended OTA Scope and return to the Commission to request approval for any changes required to implement this joint solution.

Due to the federal funding component for these services, there are no Local Business Enterprise (LBE) subconsultant participation goals for the contract. The Airport encouraged proposers to utilize "best efforts" to subcontract at least 10% of the work to certified small and disadvantaged businesses (SDB). Due to the specialized nature of the services, CAGE Inc. is committed to achieving a 5.8% SDB subconsultant participation.

Recommendation

Based on the above, I recommend the Commission approve this Modification No. 4 to Contract No. 9024.9, CM Services for the IT and BAF CBIS Modernization Program, BAA CBIS Activation and the IT Terminal BHS Improvements Project with CAGE, In., to increase the not-to-exceed amount by \$800,000 and a time extension of six-months for a new total contract amount not to exceed \$7,800,000 with a new contract duration ending December 31, 2014.



John L. Martin
Airport Director

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

Attachment