

MEMORANDUM

April 1, 2025

25-0047

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

APR 1 2025

FROM: Airport Director

SUBJECT: Approval of Modification No. 2 to Contract No. 50365 with Hallmark Aviation Services, L.P.

DIRECTOR'S RECOMMENDATION: APPROVAL OF MODIFICATION NO. 2 TO CONTRACT NO. 50365 WITH HALLMARK AVIATION SERVICES, L.P. FOR AIRPORT INFORMATION AND GUEST ASSISTANCE SERVICES TO EXERCISE THE FIRST OF THREE 1-YEAR OPTIONS TO EXTEND THE CONTRACT TERM TO JUNE 30, 2026 AND INCREASE THE CONTRACT AMOUNT BY \$10,701,990 FOR A NEW TOTAL NOT-TO-EXCEED AMOUNT OF \$20,001,419.

Executive Summary

Staff seeks Commission approval of Modification No. 2 to Contract No. 50365 (Contract) with Hallmark Aviation Services, L.P. (Hallmark) for the provision of Airport customer information and support services by managing and staffing information desks, the Federal Inspection Service (FIS) area, and designated landside and airside locations to exercise the first of three 1-year options to extend the Contract term to June 30, 2026 and increase the Contract amount by \$10,701,990 for a new total not-to-exceed amount of \$20,001,419.

Background

On June 4, 2024, by Resolution No. 323-24, the San Francisco Board of Supervisors (Board of Supervisors) concurred with the Controller's certification allowing City and County departments to contract with private companies for specific services that can be performed for a lower cost than similar work by City and County employees (Charter, Section 10.104.15).

THIS PRINT COVERS CALENDAR ITEM NO. 2

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

DANIEL LURIE
MAYORMALCOLM YEUNG
PRESIDENTJANE NATOLI
VICE PRESIDENT

JOSE F. ALMANZA

MARK BUELL

SUSAN LEAL

MIKE NAKORNKHET
AIRPORT DIRECTOR

On June 4, 2024, by Resolution No. 24-0119, the Commission awarded the Contract to Hallmark in an amount not to exceed \$9,299,429 for a term of one year starting July 1, 2024 through June 30, 2025, with three 1-year options to extend the Contract exercisable at the sole discretion of the Commission.

On February 7, 2025, the Airport Director administratively modified the Contract through Modification No. 1 to retroactively correct the hourly rates, benefits, and other direct costs set forth in the Calculation of Charges back to July 1, 2024, and update certain standard contract provisions.

Hallmark continues to provide maximum efficiency and exceptional guest services to meet the Airport's requirements.

Staff is now requesting approval for Modification No. 2 to the Contract to exercise the first of three 1-year options to extend the term to June 30, 2026 and increase the Contract amount by \$10,701,990 for a new total not-to-exceed amount of \$20,001,419.

As the Contract exceeds \$10,000,000, upon Commission approval, the Airport will request the approval for Modification No. 2 from the Board of Supervisors pursuant to Section 9.118(b) of the Charter of the City and County of San Francisco.

Recommendation

I recommend the Commission approve Modification No. 2 for Contract No. 50365 with Hallmark Aviation Services, L.P. to exercise the first of three 1-year options to extend the Contract term to June 30, 2026 and increase the Contract amount by \$10,701,990 for a new total not-to-exceed amount of \$20,001,419 and direct the Director of Commission Affairs to seek approval of Modification No. 2 from the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

Sincerely,



Mike Nakornkhet
Airport Director

Prepared by: Jeff Littlefield
Chief Operating Officer

Attachment