

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 17-0155

APPROVAL OF MODIFICATION NO. 10 (ANNUAL RENEWAL) TO PROFESSIONAL SERVICES CONTRACT NO. 9024.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE INTERNATIONAL TERMINAL CHECKED BAGGAGE INSPECTION SYSTEM MODERNIZATION PROGRAM AND BAGGAGE HANDLING SYSTEM IMPROVEMENTS PROJECT, WITH CAGE PROFESSIONAL SERVICES, INC. DBA CAGE, INC., IN AN AMOUNT NOT TO EXCEED \$750,000 FOR A NEW CONTRACT AMOUNT OF \$10,695,000 AND FOR AN ADDITIONAL YEAR OF SERVICES THROUGH SEPTEMBER 30, 2018

WHEREAS, the International Terminal Building (ITB) Checked Baggage Inspection System (CBIS) Modernization Program and Baggage Handling System Improvements Project (Project) provides for the upgrade and replacement of the CBIS and Checked Baggage Resolution Area (CBRA) for the ITB under the TSA's Recapitalization Program. In addition, the Project provides for BHS control upgrades and improvements to the ITB baggage handling system; and

WHEREAS, on March 1, 2011, by Resolution No. 11-0045, the Commission authorized the Director to execute an Other Transaction Agreement (OTA) with the TSA for 90% reimbursement of design costs, including construction management services during construction, for the ITB and Boarding Area F (BAF) CBIS Modernization Program; and

WHEREAS, on June 30, 2011, by Resolution No. 11-0146, the Commission awarded this Contract 9024.9 to CAGE Professional Services, Inc. dba CAGE, Inc. for Construction Management (CM) Services for Project; and

WHEREAS, by various resolutions, the Commission has approved Modification Nos. 1 through 8 to provide for contract renewals tied to the schedule of the design-build contracts, for services through September 30, 2017, and for a not to exceed contract amount of \$9,945,000. Administrative Modification No. 9 was issued with no change to the contract amount or duration; and

WHEREAS, Staff and CAGE Inc., have reached agreement on scope, staffing and fee for an additional year of services; and

WHEREAS, the total budget for this Contract will be \$14,221,000 for services through September 30, 2020 to provide general contract administration and construction management support services for the full duration of the new design-build contract; and

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WHEREAS, this Modification No. 10 to Contract No. 9024.9 with CAGE, Inc. increases the contract by \$750,000 for a new contract not to exceed amount of \$10,695,000 for another year of services through September 30, 2018; and

WHEREAS, due to the federal funding component for these services, the Airport encouraged proposers to utilize "best efforts" to subcontract at least 10% of the work to certified Federal Small Business Enterprises (SBE). Due to the specialized nature of the services, CAGE, Inc. has so far achieved a 7.0% SBE sub-consultant participation; now, therefore, be it

RESOLVED, that the Commission hereby approves Modification No. 10 to Professional Services Contract No. 9024.9, Construction Management Services for the International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project, with CAGE Professional Services, Inc. dba CAGE, Inc. in an amount of \$750,000 for a new contract amount not to exceed \$10,695,000 for an additional year of services through September 30, 2018; and, therefore, be further

RESOLVED, that this Commission directs the Commission Secretary to seek Board of Supervisors approval for Airport Contract No. 9024.9, Construction Management Services for the International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project, with CAGE Professional Services, Inc. dba CAGE, Inc. in conformance with San Francisco Charter Section 9.118(b).

Page 2 of 2

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of _____

 JUN 20 2017


Secretary



San Francisco International Airport

MEMORANDUM

June 20, 2017

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: Approval of Modification No. 10 (Annual Renewal) to Professional Services Contract No. 9024.9, Construction Management Services for the International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 10 TO PROFESSIONAL SERVICES CONTRACT NO. 9024.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE INTERNATIONAL TERMINAL CHECKED BAGGAGE INSPECTION SYSTEM MODERNIZATION PROGRAM AND BAGGAGE HANDLING SYSTEM IMPROVEMENTS PROJECT, WITH CAGE PROFESSIONAL SERVICES, INC. DBA CAGE, INC., IN AN AMOUNT OF \$750,000 FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$10,695,000, AND FOR AN ADDITIONAL YEAR OF SERVICES THROUGH SEPTEMBER 30, 2018.

Executive Summary

Transmitted herewith for your approval is a proposed Resolution approving Modification No. 10 to Professional Services Contract No. 9024.9, Construction Management (CM) Services for the International Terminal Checked Baggage Inspection System (CBIS) Modernization Program and Baggage Handling System (BHS) Improvements Project (Project), with CAGE Professional Services, Inc. dba CAGE, Inc., in a new Contract amount not to exceed \$10,695,000 for an additional year of services through September 30, 2018.

As part of the Airport's 5-year Capital Improvement Program, the CBIS Modernization Program provides for the upgrade and replacement of the CBIS and Checked Baggage Resolution Area (CBRA) for the International Terminal Building (ITB) under the TSA's Recapitalization Program. In addition, the Project provides for BHS control upgrades and improvements to the ITB baggage handling system.

This Contract provides CM support services for the Project. This Modification will provide for the programming and design phases, along with early construction services, for the new Contract No. 11002.66 Design-Build Services for completion of the Project.

This Modification provides for the yearly renewal of CM support services.

THIS PRINT COVERS CALENDAR ITEM NO. 5

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 IVAR C. SATERO AIRPORT DIRECTOR

Background

On March 1, 2011, by Resolution No. 11-0045, the Commission authorized the Director to execute an Other Transaction Agreement (OTA) with the TSA for 90% reimbursement of design costs, including CM services, for the ITB and Boarding Area F (BAF) CBIS Modernization Program under the TSA's Recapitalization Program, which funds the modernization of the TSA's Explosive Detection Systems equipment within the CBIS and CBRAs.

On June 30, 2011, by Resolution No. 11-0146, the Commission awarded this Contract No. 9024.9, CM Services for the ITB and BAF CBIS Modernization Program and Baggage Handling System Improvements Project, to CAGE, Inc.

By various resolutions, the Commission has approved Modification Nos. 1 through 8 for this Contract to provide for contract renewals tied to the design and construction schedule of the Project. The current contract is \$9,945,000 for services through September 30, 2017. Please refer to Attachment A for a Summary of Commission Actions to date for this Contract.

Administrative Modification No. 9 was executed on January 20, 2017 to update sub-consultants labor calculations and made no changes to the Contract amount or duration.

The Commission originally awarded a design-build contract for this Project on January 17, 2012, by Resolution No. 12-0002. However, the Airport put this Project on hold due to ongoing issues with the TSA-furnished screening equipment and its effect on Airport and airline operational capacity. The original design-build contract was closed out effective March 31, 2015.

After successful discussions with the TSA, this Project resumed. On May 2, 2017, by Resolution No. 17-0094, the Commission awarded Contract No. 11002.66 to Skanska Building USA Inc. for Design-Build Services for the completion of the Project.

This Modification No. 10 extends the CM contract duration for another year of services and proposes to increase the not-to-exceed contract amount by \$750,000, for a new contract amount of at \$10,695,000 for services through September 30, 2018. In the next year, CAGE, Inc. will provide services to support the programming and design phases as well as construction management services to support early construction activities. The total budget for this contract is \$14,221,000, with an estimated duration through September 30, 2020. Staff will return to the Commission to request approval for the remaining years of services needed to complete the Project. This Project is funded from the Airport's 5-year Capital Improvement Program. Staff continues to work with the TSA to determine the portion of the Project costs that may be reimbursed by the TSA.

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

Due to the federal funding component for these services, there are no Local Business Enterprise sub-consultant participation goals for the Contract. Staff encouraged proposers to utilize "best efforts" to subcontract at least 10% of the work to certified federal Small Business Enterprise

(SBE). Due to the specialized nature of the services, CAGE, Inc. has so far achieved a 7.0% SBE sub-consultant participation.

Recommendation

Based on the above, I recommend the Commission approve Modification No. 10 to Contract No. 9024.9, Construction Management Services for the International Terminal Building Check Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project, with CAGE Professional Services, Inc. dba CAGE, Inc. in an amount of \$750,000, for a new Contract amount not to exceed \$10,695,000, for services through September 30, 2018.



Ivar C. Satero
Airport Director

Prepared by: Geoffrey W. Neumayr
Chief Development Officer
Planning, Design & Construction

Attachments