



MEMORANDUM

November 1, 2016

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. 3 to Contract No. 8838 with Bombardier Transportation (Holdings) USA, Inc.

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 3 TO CONTRACT NO. 8838 WITH BOMBARDIER TRANSPORTATION (HOLDINGS) USA, INC. FOR AIRTRAIN OPERATIONS AND MAINTENANCE SERVICES IN THE AMOUNT OF \$14,901,134 TO EXERCISE THE FIRST OF TWO 1-YEAR OPTIONS AND COVER THE REPLACEMENT OF OBSOLETE AIRTRAIN PARTS AND EQUIPMENT, FOR A NEW TOTAL NOT TO EXCEED CONTRACT AMOUNT OF \$115,444,968.

Executive Summary

Transmitted herewith for your approval, is a proposed resolution to authorize Modification No. 3 to Contract No. 8838, increasing the not to exceed amount by \$14,901,134 to exercise the first 1-year option (March 1, 2017 through February 28, 2018) and cover the replacement cost of obsolete or worn out AirTrain parts and equipment.

Background

On September 16, 2008, this Commission adopted Resolution No. 08-0173, which awarded Contract No. 8838, AirTrain Operations and Maintenance (O&M), to Bombardier Transportation (Holdings) USA, Inc. for a five-year contract (March 1, 2009 to February 28, 2014) with one (1) three-year option, and two (2) one-year options, in the amount of \$56,500,000, and approved a contingency budget of \$500,000 for payment of incentive bonuses and other changes during year one of the new contract. On November 18, 2008, the Board of Supervisors (BOS) passed Ordinance No. 080942, which granted the Airport Commission a waiver of the competitive bidding requirements, and adopted Resolution No. 266-08 for award of the contract.

On July 23, 2013, this Commission adopted Resolution No. 13-0156, which approved Modification No. 1 for a three-year contract extension (March 1, 2014 through February 28, 2017) for AirTrain O&M and, also to cover a shortfall of \$3,200,000 over the initial five-year term, in the amount of \$42,200,000, for a new not to exceed total contract amount of

\$98,700,000. On December 10, 2013, the BOS adopted Resolution No. 429-13 approving Modification No. 1.

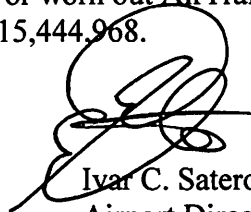
On May 19, 2014, this Commission adopted Resolution No. 14-0104, which approved Modification No. 2 in the amount of \$1,848,174 for a new not to exceed total contract amount of \$100,548,174. On September 9, 2014, the BOS adopted Resolution No. 328-14, which approved Modification No. 2 for the AirTrain System but reduced the not to exceed amount by \$4,340 for a revised not to exceed amount of \$100,543,834.

Modification No. 3 in the amount of \$14,901,134 includes the one-year contract extension and the provisions for the replacement of parts, materials, tools and equipment associated with the operation of the AirTrain that are either worn beyond repair or obsolete and can no longer be serviced. This modification will provide for the replacement of the following items identified by the contractor as either obsolete or worn beyond repair as follows:

- Installation of tri-handle stanchions in each AirTrain vehicle providing additional hand hold area for passengers at a cost of \$291,659.38.
- The automatic station door close and lock switches used at each station door has exceeded their expected life span and requires replacement with new units at a cost of \$213,953.93.
- Due to the age of the AirTrain, it is expected that additional materials, tools and equipment will require replacement over the one-year contract term at a cost not to exceed \$100,000.

Recommendation

Based on the above, I recommend the Commission approve Modification No. 3 to Contract No. 8838 with Bombardier Transportation (Holdings) USA, Inc. in the amount not to exceed \$14,901,134, to exercise the first 1-year option (March 1, 2017 through February 28, 2018) and cover the replacement cost of obsolete or worn out AirTrain parts and equipment for a new total contract amount not to exceed \$115,444,968.



Ivar C. Satero
Airport Director

Prepared by: Jeff Littlefield
Chief Operating Officer

Attachment