

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. ~~11-0221~~

AUTHORIZE MODIFICATION NO. 1 TO CONTRACT NO. 9024.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE INTERNATIONAL TERMINAL AND BOARDING AREA F CHECKED BAGGAGE INSPECTION SYSTEM MODERNIZATION PROGRAM, AND THE INTERNATIONAL TERMINAL BAGGAGE HANDLING SYSTEM IMPROVEMENTS PROJECT IN AN AMOUNT NOT TO EXCEED \$4,823,109.

- WHEREAS, on March 1, 2011, by Resolution No. 11-0045, the Commission authorized the Director to execute an Other Transaction Agreement with the Transportation Security Administration (TSA) for 90% reimbursement of design costs, including construction management services during design, for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program under the TSA's Recapitalization Program, in an amount not to exceed \$3,279,870; and
- WHEREAS, on June 30, 2011, by Resolution No. 11-0146, the Commission authorized the initial award of Contract No. 9024.9, to CAGE Inc. for the Project in an amount not to exceed \$585,805, with a contract duration of six months, for the Task 1 CM support services during design only; and
- WHEREAS, on August 16, 2011, by Resolution No. 11-0177, the Commission authorized the Director to execute an OTA with the TSA for 90% reimbursement of construction costs, including Task 2 CM support services during construction, for the Program under the TSA's Recapitalization Program, in an amount not to exceed \$40,456,890; and
- WHEREAS, the estimated cost for Task 2 CM support services is in an amount not to exceed \$3,237,597, for thirty months of services; and
- WHEREAS, the Airport has budgeted for the International Terminal Baggage Handling System (BHS) Improvements under the Airport's capital plan to replace equipment and systems that are beyond their useful life and impact the reliability of the BHS; and
- WHEREAS, the RFP for CM services included the Task 3 Airport's BHS Improvements, which Staff has negotiated with Cage for an amount not to exceed \$1,175,512, for thirty months of services, to be performed concurrently with Task 2; and
- WHEREAS, Staff has determined that BHS transfer line conveyors are required to allow for flexibility to direct bags from all Terminal 3 ticket counters to Boarding Areas E and F; and
- WHEREAS, these improvements are integrated with the Boarding Area F elements of the Modernization Program and should be installed concurrently, and by the same contractor to avoid issues with coordination, phasing and potential scope gaps; and
- WHEREAS, Staff recommends including CM support services for the BHS transfer line conveyors as Task 4 under this proposed Modification No. 1, in an amount not to exceed \$410,000, for thirty months of services, concurrently with Tasks 2 and 3; and
- WHEREAS, the total estimated cost for Tasks 2, 3 and 4 is in an amount not to exceed \$4,823,109; and

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WHEREAS, due to the federal funding component for these services, there are no HRC LBE subconsultant participation goals for the contract; and

WHEREAS, there is no specific DBE subconsultant goal for this contract, but the Airport's overall 3-year DBE goal is 12%; and

WHEREAS, due to the specialized nature of the services, CAGE Inc. was able to achieve 5.8% SDB and DBE subconsultant participation; now, therefore be it

RESOLVED, that the Commission hereby authorizes Modification No. 1 to Professional Services Agreement, Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements Project, to CAGE Inc., for an amount not to exceed \$4,823,109, for a contract duration of thirty months, for the Task 2, 3 and 4 scope of services.

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

at its meeting of OCT 04 2011

JEAN CARMINATI
Secretary



San Francisco International Airport

MEMORANDUM

October 4, 2011

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. 1 to Professional Services Agreement, Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvement Project, with CAGE, Inc., in an amount not to exceed \$4,823,109.

DIRECTOR'S RECOMMENDATION: AUTHORIZE MODIFICATION NO. 1 TO PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 9024.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE INTERNATIONAL TERMINAL AND BOARDING AREA F CHECKED BAGGAGE INSPECTION SYSTEM MODERNIZATION PROGRAM, AND THE INTERNATIONAL TERMINAL BAGGAGE HANDLING SYSTEM IMPROVEMENT PROJECT, WITH CAGE, INC., IN AN AMOUNT NOT TO EXCEED \$4,823,109.

Executive Summary

Transmitted herewith for your approval is a proposed Resolution to authorize Modification No. 1 to Contract No. 9024.9, with CAGE Inc. for Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvement Project. The proposed Modification No. 1 awards Tasks 2, 3 and 4 to Cage, in an amount not to exceed \$4,823,109, with a contract duration of thirty months.

Background

On March 1, 2011, by Resolution No. 11-0045, the Commission authorized the Director to execute an Other Transaction Agreement with the Transportation Security Administration (TSA) for 90% reimbursement of design costs, including construction management (CM) support services during design only, for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program under the TSA's Recapitalization Program, in an amount not to exceed \$3,279,870.

On March 1, 2011, by Resolution No. 11-0047, the Commission authorized Staff to issue a request for proposal (RFP) to provide CM support services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the

THIS PRINT COVERS CALENDAR ITEM NO. 4

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

JOHN L. MARTIN
AIRPORT DIRECTOR

International Terminal Baggage Handling System Improvement project (Project). CAGE Inc. was determined to be the highest ranking respondent.

On June 7, 2011, by Resolution No. 11-0140, the Commission approved the selection of CAGE, Inc. as the highest ranked firm to provide CM support services for the Project, and authorized Staff to enter into negotiations and prepare a professional services contract for Commission consideration and award.

On June 30, 2011, by Resolution No. 11-0146, the Commission authorized the initial award of Contract No. 9024.9, to CAGE Inc. for the Project in an amount not to exceed \$585,805, with a contract duration of six months, for the Task 1 CM support services during design only.

This Modification No. 1 provides for the award of Tasks 2, 3 and 4 to Cage, in support of the Modernization Program and the Airport's BHS Improvements project.

Task 2

The TSA's intent was to issue a separate follow-on OTA for the construction phase of the Program. The 90% funding for the CM support services during the construction phase was to be included in the follow-on OTA. The RFP for CM services included the construction phase. The Resolution authorizing the initial award of Contract No. 9024.9 for Task 1 CM support services during design stated that Staff would return to the Commission to request authorization to award Tasks 2 and 3 to CAGE, Inc., following approval of the construction OTA for the Program.

On August 16, 2011, by Resolution No. 11-0177, the Commission authorized the Director to execute an OTA with the TSA for 90% reimbursement of construction costs, including Task 2 CM support services during construction, for the Program under the TSA's Recapitalization Program, in an amount not to exceed \$40,456,890.

Under Task 2, the CM will provide for a construction manager, resident engineers, project controls personnel, construction administration support, materials testing and special inspection and any other specialty construction management services required. The estimated cost for Task 2 is in an amount not to exceed \$3,237,597, for thirty months of services.

Task 3

The Airport has budgeted for the International Terminal Baggage Handling System (BHS) Improvements under the Airport's capital plan to replace equipment and systems that are beyond their useful life and impact the reliability of the BHS. The Airport's BHS Improvements are integrated with the TSA Program, and should be installed concurrently, and by the same contractor to avoid issues with coordination, phasing and potential scope gaps. The RFP for CM services included the Airport's BHS Improvements. The CM scope for Task 3 is similar to Tasks 1 and 2. The estimated cost is in an amount not to exceed \$1,175,512, for thirty months of services, concurrently with Task 2.

Task 4

Staff has determined that BHS transfer line conveyors are required to allow for flexibility to direct bags from all Terminal 3 ticket counters to Boarding Areas E and F. These improvements include mechanical equipment, computer equipment, and programming services, which are integrated with the Boarding Area F TSA Program and should be installed concurrently, and by the same contractor to avoid issues with coordination, phasing and potential scope gaps.

The Airport has budgeted for the BHS transfer conveyors under the Airport's capital plan. The estimated construction cost is in the amount of \$5,000,000. Staff recommends including Task 4 CM support services under this proposed Modification No. 1. The CM scope for Task 4 is similar to Tasks 1, 2 and 3. The estimated cost is in an amount not to exceed \$410,000, for thirty months of services, concurrently with Task 2 and 3.

The estimated total value of the construction to be managed by Airport staff and Consultant, including contingency, is \$64,344,000. The total project budget for construction management services, including materials testing and special inspection, is \$5,408,914. The construction management services budget for the Project is 8.4% which is not within the Airport's overall goal of achieving 15% for project "soft cost" performance (design, construction management, administrative, and materials testing/special inspection). However, Airport staff has determined that the scope of CM services for this Project should include 24 hour CM oversight to cover the various work areas, which will likely require double or triple shifting to minimize the impact on operations during construction.

Due to the federal funding component for these services, there are no HRC 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). There is no specific DBE subconsultant goal for this contract, but the Airport's overall 3-year DBE goal is 12%. Due to the specialized nature of the services, CAGE Inc. was able to achieve 5.8% SDB and DBE subconsultant participation.

Recommendation

Based upon the foregoing, I recommend your approval of Modification No. 1 to Professional Services Agreement, Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvement Project, to CAGE, Inc., for Tasks 2, 3 and 4, in an amount not to exceed \$4,823,109.



John L. Martin
Airport Director

Prepared by: Ivar Satero
Deputy Airport Director
Design and Construction

Attachment