

File No. 101294

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: November 10, 2010

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126 |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report * |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement * |
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OTHER

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Completed by: Victor Young

Date: November 5, 2010

Completed by: Victor Young

Date: _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Airport Professional Services Agreement - Curbside Management Program - Not to Exceed
2 \$26,000,000]

3
4 **Resolution approving the Professional Services Agreement, Airport Contract 8994 to**
5 **manage and staff the Curbside Management Program between FSP PPM Management,**
6 **LLC and the City and County of San Francisco, acting by and through its Airport**
7 **Commission, in an amount not to exceed \$26,000,000, pursuant to San Francisco**
8 **Charter Section 9.118(b).**

9
10 WHEREAS, The Airport Commission authorized the issuance of a Request for
11 Proposals and to enter into final negotiations with the highest ranked proposer to Manage and
12 Staff the Airport's Curbside Management Program; and

13 WHEREAS, A three-member selection panel reviewed the two qualifying proposals and
14 conducted interviews with key staff of the proposed teams in accordance with the Commission
15 approved selection criteria; and,

16 WHEREAS, FSP PPM Management, LLC was determined to be the highest ranked
17 proposer; and,

18 WHEREAS, Staff negotiated the business terms of the Professional Services
19 Agreement (PSA) with FSP PPM Management, LLC, including scope, staffing, billing rates,
20 and management fee; and,

21 WHEREAS, On July 6, 2010, pursuant to Resolution 10-0228, the Airport Commission
22 awarded the PSA to FSP PPM Management, LLC for a 30-month initial term with three (3)
23 additional one-year renewal options to be exercised at the discretion of the Airport
24 Commission, at an initial not-to-exceed amount of \$10,450,000; and
25

1 WHEREAS, The Airport anticipates the contract duration to be up to five and one-half
2 (5 ½) years, in a total amount not-to-exceed \$26,000,000; and

3 WHEREAS, The Board of Supervisors through the approval of this resolution also
4 approves the contract modifications for the designated option years if the total overall not-to-
5 exceed amount of \$26,000,000 is not exceeded; and

6 WHEREAS, San Francisco Charter Section 9.118(b) provides that the agreements
7 entered into by a department, board or commission requiring anticipated expenditures by the
8 City and County of ten million dollars, shall be subject to approval by the Board of Supervisors
9 by resolution; and

10 WHEREAS, The Agreement is on file with the Clerk of the Board of Supervisors in File
11 No. 101294, which is hereby declared to be a part of this resolution as if set forth fully
12 herein, therefore, be it

13 RESOLVED, That the Board of Supervisors hereby approves the Professional Services
14 Agreement for Airport Contract 8994 – to Manage and Staff the Curbside Management
15 Program between FSP PPM Management, LLC and the City and County of San Francisco,
16 acting by and through its Airport Commission, for a 30-month initial term, with three (3)
17 additional one-year options, in an amount of \$10,450,000, with an anticipated total contract
18 value not-to-exceed \$26,000,000, copies of which are contained in Board of Supervisors' File
19 Number 101294.

Item 1 File 10-1294	Department(s): San Francisco International Airport (Airport)
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EXECUTIVE SUMMARY**Legislative Objective**

- The proposed resolution would approve a not-to-exceed \$26,000,000 over a five-year and six-month period for a new Curbside Management Program Agreement between the City and County of San Francisco, acting on behalf of the San Francisco International Airport (Airport), and FSP PPM Management, LLC (FSP PPM Management) for a not-to-exceed period of two years and six months, from January 1, 2011 through June 30, 2013, with three optional one-year extensions through June 30, 2016.

Key Points

- The Airport has an existing Curbside Management Program Agreement with DAJA International, LLC (DAJA) totaling \$8,500,000 for two years and six months, from July 1, 2008 through December 31, 2010. The purpose of the Airport's Curbside Management Program is to (a) consolidate the management and monitoring of the Airport's ground transportation services and (b) increase the utilization of ground transportation services through improved customer service. Ground transportation services include shared van, limousine and taxicab operations for passengers at the Airport.
- On February 1, 2010, the Airport issued a Request for Proposal (RFP) for a new Curbside Management Program Agreement. Two bids were received and FSP PPM Management was the highest scored bidder.

Fiscal Impact

- The proposed \$26,000,000 Curbside Management Program Agreement over a five-year and six-month period would be funded with Airport revenue-generated Ground Transportation Trip Fees, which are trip fees charged by the Airport to all taxis, limousines, charter buses, shared vans, hotel shuttles, and off-airport parking lot shuttles that are permitted to pick up passengers at the Airport.
- The Curbside Management Program Agreement's actual not-to-exceed amount is \$10,450,000 for the initial two-year and six-month period, from January 1, 2011 through June 30, 2013, which is \$15,550,000 less than the proposed not-to-exceed agreement amount of \$26,000,000 identified in the proposed resolution. The \$26,000,000 pertains to the five-year and six-month period, from January 1, 2011 through June 30, 2016, which includes the three optional one-year extensions. Since the \$15,550,000 is for the three one-year option years and the extension of such option years would not be determined until the end of the initial two-year and six-month period, the proposed resolution should be amended from a not-to-exceed amount of \$26,000,000 to a not-to-exceed amount of \$10,450,000.
- The overall proposed Curbside Management Program Agreement's average monthly costs are approximately 41.4 percent higher than the existing Curbside Management Program Agreement's average monthly costs during the period of July 1, 2008 through September 30, 2010 under the existing Agreement with DAJA, which is primarily due to (a) the opening of a new Domestic Terminal 2 in April of 2011, (b) the required purchase of a new Paperless Shared Ride Van Passenger and Vehicle Database System, and (c) an increased as-need contingency for the opening of the new Domestic Terminal 2 and other unanticipated costs.

Recommendations

- Amend the proposed resolution to state the Curbside Management Program Agreement's correct not-to-exceed amount is \$10,450,000 for the initial two-year and six-month period, instead of \$26,000,000 for the five-year and six-month period if the three one-year options are exercised. Approve the proposed resolution, as amended.

BACKGROUND/MANDATE STATEMENT**Background**

In 1999, the San Francisco International Airport (Airport) established the Curbside Management Program to (a) consolidate the management and monitoring of the Airport's ground transportation services and (b) increase the utilization of ground transportation services through improved customer service. Ground transportation services include shared van, limousine and taxicab operations for passengers at the Airport. According to Mr. Abubaker Azam, Landside Operations Manager for the Airport, the Airport contracts out the Curbside Management Program because (a) the City does not have Civil Service classifications that include curbside dispatch as a responsibility and (b) a contract allows the Airport maximum flexibility to make changes to the Curbside Management Program as changes in Airport operations are implemented.

Based on a competitive Request for Proposal (RFP) process, on May 27, 2008, the Airport Commission approved the existing Curbside Management Program Agreement between the Airport and DAJA International, LLC (DAJA), a private firm, for one year, from July 1, 2008 through June 30, 2009 for \$3,290,508. Since the existing Curbside Management Program Agreement had a term period of less than ten years and did not exceed \$10,000,000, the existing Agreement was not subject to approval by the Board of Supervisors.

On March 3, 2009, the Airport Commission amended the existing Curbside Management Program Agreement to (a) extend the term period by one year, from July 1, 2009 through June 30, 2010 and (b) increase the not-to-exceed agreement amount by \$3,270,000, from \$3,290,508 to \$6,560,508. On July 6, 2009, the Airport Commission retroactively amended the existing Curbside Management Program Agreement to further (a) extend the term period by six months, from July 1, 2010 through December 31, 2010 and (b) increase the not-to-exceed agreement amount by \$1,939,492, from \$6,560,508 to \$8,500,000. The Budget and Legislative Analyst notes that the current total not-to-exceed amount of \$8,500,000 of the existing Curbside Management Program Agreement is \$5,209,492 or 158.3 percent more than the original Curbside Management Program Agreement amount of \$3,290,508. The two amendments of the existing Curbside Management Program Agreement were not subject to approval by the Board of Supervisors.

On February 1, 2010, the Airport issued a RFP for a new Curbside Management Program Agreement. On March 19, 2010, the Airport received two written proposals from (a) DAJA, the existing contractor, and (b) FSP PPM Management¹. The Airport Evaluation Panel² evaluated and scored the two written proposals and invited DAJA International and FSP PPM Management for oral interviews. As shown in Table 1 below, FSP PPM Management received the highest combined score with a total of 1,527, compared to 1,504 points for DAJA, out of 1,800 points.

¹ FSP PPM Management is a limited liability company created by Five Star Parking and Pacific Park Management.

² The Airport Evaluation Panel consisted of three Airport employees, which included the Airport Duty Manager, the Landside Operations Superintendent, and the Government Affairs Manager.

Table 1: Curbside Management Program Agreement Proposals

Bidders	Written Score	Oral Interview Score	Total
Total Possible Score	1,500	300	1,800
DAJA International	1,263	241	1,504
FSP PPM Management	1,251	276	1,527

Source: Airport

Ms. Cathy Widener, Governmental Affairs Manager at the Airport, advises that on May 14, 2010, DAJA International submitted a protest letter contesting the Airport's decision to award the contract to FSP PPM Management. DAJA International believed that (a) not enough consideration was given to their experience of managing the existing Curbside Management Program and (b) the scoring of one of the panelists was unfair. The Airport, with the advice of the City Attorney's Office, concluded that DAJA's protest was unfounded.

On July 6, 2010, the Airport Commission approved the subject Curbside Management Program Agreement with FSP PPM Management (Airport Commission Resolution No. 10-0228).

Mandate Statement

In accordance with Charter Section 9.118(b), any contracts or agreements with a term of ten years or more and/or over \$10,000,000 are subject to Board of Supervisors approval.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a not-to-exceed \$26,000,000 over a five-year and six month period for a new Curbside Management Program Agreement between the City and County of San Francisco, acting on behalf of the San Francisco International Airport (Airport), and FSP PPM Management. The initial period of the proposed Agreement would be for two years and six months, from January 1, 2011 through June 30, 2013, with three optional one-year extensions, from July 1, 2013 through June 30, 2016, resulting in a total term of five years and six months if the three options are exercised.

Contractual Services Provided: Under the proposed Curbside Management Program Agreement, the scope of work includes:

- (a) **Shared Van Operations and Paperless Shared Ride Van Passenger and Vehicle Database System Operations:** FSP PPM Management would manage and monitor Shared Van Operations by (a) ensuring that shared vans wait in the designated van lots (Lot DD on the North Side of East San Bruno Avenue), (b) grouping passengers going to similar destinations at each of the nine van curb zones (three van curb zones at Domestic Terminal 1, three van curb zones at Domestic Terminal 3, and two van curb zones at the International Terminal), (c) dispatching vans from the van lots to the van curb zones to ensure that van companies are rotating, (d) providing van operation information to air passengers, and (e) arranging appropriate ground transportation services for people with special needs (physically disabled, visually impaired or elderly).

In addition, FSP PPM Management is required to provide and operate a Paperless Shared Ride Van Passenger and Vehicle Database System, which would replace the existing shared van coordinator paper logs that are used at the curb zones and van lots to log the number of passengers using shared vans. Providing and operating a Paperless Shared Ride Van Passenger and Vehicle Database System consists of (a) providing the Airport a proposal, quote and procedure plan for a new database system and handheld equipment, (b) developing and testing the new database system and handheld equipment, (c) purchasing a new database system and handheld equipment once the system is approved by the Airport, and (f) operating the new database system and handheld equipment. The Paperless Shared Ride Van Passenger and Vehicle Database System would allow FSP PPM Management to automatically (a) calculate the number of vehicles and passengers using shared vans from the Airport and (b) summarize such data on an hourly, daily, weekly, monthly and annual basis.

(b) Limousine Operations: FSP PPM Management would manage and monitor Limousine Operations by (a) monitoring and documenting the departure times of non-stretch and stretch limousines that enter the limousine loading zones³, (b) providing ground transportation information to air passengers, and (c) arranging appropriate ground transportation services for people with special needs (physically disabled, visually impaired or elderly).

(c) Taxi Operations, Taxi Smartcard Based Revenue System Operations and Taxi Cashier Operations: FSP PPM Management would manage and monitor Taxi Operations by (a) ensuring that taxis wait in the designated Main Taxicab Holding Lot or the Taxicab Overflow lot (both lots are located near the Short-Term Parking Garage in the Domestic Terminals Arrival level), (b) dispatching taxis from the designated Main Taxicab Holding Lot and the Taxicab Overflow lot to the four taxi curb zones (two taxi curb zones at Domestic Terminal 1, one taxi curb zone at Domestic Terminal 3, and one taxi curb zone at the International Terminal) and a new taxi curb zone at Domestic Terminal 2 to ensure that taxi companies are rotating, (d) providing taxi operation information to air passengers, and (e) arranging appropriate ground transportation services for people with special needs (physically disabled, visually impaired or elderly).

In addition, FSP PPM Management would also operate the Taxi Smartcard Based Revenue System. The Airport requires that taxi drivers pay a flat fee⁴ to the Airport to pick up passengers at the Airport. The Taxi Smartcard Based Revenue System automatically collects these fees from individual taxi drivers using smartcards such that taxi drivers are able to load money on their individual smartcards and then insert the smart cards into card readers located at various points at the Airport, which will deduct the required fees from the card prior to the taxi driver picking up passengers. Operating the Taxi Smartcard Based Revenue System includes (a) inputting taxi driver information into the Taxi Smartcard Based Revenue

³ Limousine loading zones include any of the white zones in Domestic Terminal 1 and Domestic Terminal 3 (for non-stretch limousines only), one limousine curb zone in the Domestic Terminal 2 (all limousines) and one limousine curb zone in the International Terminal (all limousines).

⁴ The flat fee consists of \$4.00 for a regular trip (a trip that is over 30 minutes). If the trip is less than 30 minutes, then when the taxi comes back to pick up passengers, the 2nd trip is free. If the 2nd trip is less than 30 minutes, then when the taxi comes back to pick up passengers, the 3rd trip is \$2.00. The less than 30-minute fees will rotate (i.e. 2nd trip is free, 3rd trip is \$2.00, 4th trip is free, 5th trip is \$2.00) until the taxi driver gets another regular trip in which they would have to pay another \$4.00.

database, (b) issuing new or replacement smartcards to taxi drivers, (c) collecting unused or returned smartcards from taxi drivers, and (d) filing and maintaining the collected taxi driver information.

If the Taxi Smartcard Based Revenue System has a failure, FSP PPM Management is required to manually collect trip fees from taxi drivers at designated cashier terminals (in the Domestic Parking Garage near the Main Taxicab Holding Lot).

(d) **Security Services:** As stated in the proposed Curbside Management Program Agreement, FSP PPM Management would provide security guard services at Courtyard #2 and Courtyard #3 upon the opening of Domestic Terminal 2. However, according to the Airport, FSP PPM Management will not provide such security services and the security services description should be removed from the Agreement. As of the writing of this report, it is unknown when the Airport will remove the security services description from the Agreement. The removal of the security services description from the Agreement will not change the total amount needed for the Agreement.

Funding Source: The Airport will fund the proposed \$26,000,000 Curbside Management Program Agreement over a five-year and six-month period with Ground Transportation Trip Fees. Of the \$26,000,000, the Airport anticipates that \$10,450,000 will be expended for the Curbside Management Program Agreement’s initial two-year and six-month period, from January 1, 2011 through June 30, 2013, as shown in Table 2 below. Ground Transportation Trip Fees consist of trip fees charged by the Airport to all taxis, limousines, charter buses, shared vans, hotel shuttles, and off-airport parking lot shuttles that are permitted to pick up passengers at the Airport.

Table 2: Curbside Management Program Agreement 2.5 Year Budget

	January 1, 2011 - June 30, 2011	July 1, 2011 - June 30, 2012	July 1, 2012 - June 30, 2013	Total
Curbside Management Program	\$1,900,000	\$4,225,000	\$4,325,000	\$10,450,000

Source: Airport

The Board of Supervisors previously appropriated \$1,900,000 in the Airport’s FY 2010-2011 budget and \$4,225,000 in the Airport’s FY 2011-2012 budget for the proposed Curbside Management Program Agreement. The remaining \$4,325,000 for FY 2012-2013 and \$15,550,000 for the three one-year option years (from July 1, 2013 through June 30, 2016) would be subject to future Board of Supervisors appropriation approval in the Airport’s annual budgets.

As stated in the proposed Curbside Management Program Agreement, the Agreement’s actual not-to-exceed amount is \$10,450,000 for the initial two-year and six-month period, from January 1, 2011 through June 30, 2013, which is \$15,550,000 less than the proposed not-to-exceed agreement amount of \$26,000,000 stated in the proposed resolution. Since the \$15,550,000 is for the three one-year option years and the extension of such option years would not be determined until the end of the initial two-year and six-month period, the Budget and Legislative Analyst recommends amending the proposed resolution to state the Curbside Management Program Agreement’s not-to-exceed amount is \$10,450,000 for the initial two-year and six-month period instead of \$26,000,000 for the five-year and six-month period including the three one-year options.

In accordance with Charter Section 9.118(b), any modifications to an agreement with an increase of \$500,000 or more are subject to Board of Supervisors approval. Since each of the three one-year options would increase the Curbside Management Program Agreement by more than \$500,000, the Airport should submit subsequent legislation for the three one-year options for approval by the Board of Supervisors.

FISCAL ANALYSIS

Breakdown of the Curbside Management Program Agreement

The proposed Curbside Management Program Agreement's not-to-exceed budget totaling \$10,450,000 for the initial two-year and six-month period, payable to FSP PPM Management, includes \$3,957,082 in salaries, \$2,248,704 in fringe benefits, \$2,436,579 in other direct costs⁵, and \$1,807,635 in management fees, as shown in Table 3 below. Table 3 below also shows the salaries and fringe benefits for the shared van coordinators that are not paid by the Airport to FSP PPM Management, but paid by 11 shared van companies⁶ permitted to pickup air passengers at the Airport to FSP PPM Management. According to Mr. Azam, to reduce the costs of the Curbside Management Program Agreement, the Airport requires the 11 permitted shared van companies to pay for the shared van coordinators' salaries and benefits costs directly to FSP PPM Management through a separate Agreement. However, through negotiations with the 11 permitted shared van companies, the Airport will pay for the associated management fees and other direct costs of the shared van coordinators.

⁵ Other direct costs include (a) Airport photo and name badges, (b) background checks, (c) telephone, internet and fax, (d) postage, (e) customer feedback, (f) computer software, (g) office equipment, (h) radio equipment and maintenance, (i) recruitment, (j) printing, (k) uniforms, (l) vehicle leases, operations and maintenance, (m) employee incentive program, (n) Paperless Shared Van Passenger and Vehicle Database System, (o) training, (p) revenue system management contract, and (q) taxi revenue equipment contracts.

⁶ The 11 permitted shared van companies include (a) Advanced Airporter, (b) Airport Express, (c) American Airporter Shuttle, (d) Bay Shuttle, (e) Go Lorrie's Shuttle, (f) Pacific Airport Shuttle, (g) Peter's Airport Shuttle, (h) Quake City Shuttle, (i) San Francisco City Shuttle, (j) South and East Bay Airport Shuttle, and (k) SuperShuttle.

Table 3: Curbside Management Program Agreement Budget and Shared Van Coordinators Salaries and Fringe Benefits Budget for the Initial 2.5 Year Period

	FY 2010-2011 (6 Months)	FY 2011- 2012	FY 2012- 2013	Total
Salaries				
Assistant General Manager	\$35,063	\$70,127	\$70,127	\$175,317
Curbside Managers	76,636	153,272	153,272	383,180
Taxi Supervisors	77,425	153,310	153,310	384,045
Limousine/Van Supervisors	78,027	154,875	154,875	387,777
Taxi Dispatchers	402,050	849,162	849,162	2,100,374
Limousine Monitors	23,384	55,944	55,944	135,272
Administrative Assistants	41,637	83,273	83,273	208,183
Cashier Supervisors*	13,660	13,660	13,660	40,980
Cashiers*	<u>47,318</u>	<u>47,318</u>	<u>47,318</u>	<u>141,954</u>
<i>Salaries subtotal</i>	<i>\$795,200</i>	<i>\$1,580,941</i>	<i>\$1,580,941</i>	<i>\$3,957,082</i>
Fringe Benefits**	\$410,769	\$912,133	\$925,802	\$2,248,704
Other Direct Costs				
Other Direct Costs***	\$251,122	\$360,918	\$486,396	\$1,098,436
As-Needed Contingency	<u>100,523</u>	<u>645,253</u>	<u>592,367</u>	<u>1,338,143</u>
<i>Other Direct Costs subtotal</i>	<i>\$351,645</i>	<i>\$1,006,171</i>	<i>\$1,078,763</i>	<i>\$2,436,579</i>
Management Fees				
General Manager Salary	\$47,500	\$95,000	\$95,000	\$237,500
General Manager Fringe Benefits	15,705	20,764	20,764	57,233
Insurance Premiums	104,843	216,353	216,353	537,549
Profit and Overhead****	<u>174,338</u>	<u>393,638</u>	<u>407,377</u>	<u>975,353</u>
<i>Management Fees Subtotal</i>	<i>\$342,386</i>	<i>\$725,755</i>	<i>\$739,494</i>	<i>\$1,807,635</i>
Payable by the Airport to FSP PPM Management Total	\$1,900,000	\$4,225,000	\$4,325,000	\$10,450,000
	FY 2010-2011 (6 Months)	FY 2011- 2012	FY 2012- 2013	Total
Salaries and Fringe Benefits				
Shared Van Coordinators	\$764,884	\$1,887,036	\$1,902,056	\$4,553,976
Payable by the Shared Van Companies to FSP PPM Management Total	\$764,884	\$1,887,036	\$1,902,056	\$4,553,976

Source: Airport

* Cashier Supervisors and Cashiers are only budgeted in the Curbside Management Program Agreement for one month of service in the event that there is a failure with the Smartcard Based Revenue System.

** Fringe Benefits include (a) payroll taxes, (b) health insurance, (c) life/accidental insurance, (d) compensated leave, and (e) pension costs.

*** See Footnote 5 for details

**** Profit and overhead equals approximately seven percent of Airport and Shared Van Companies costs. See Table 4 below for calculation breakdown and percent.

According to Mr. Azam, while FSP PPM Management will submit invoices to the Airport for the actual costs of salaries, fringe benefits, and other direct costs, the Management Fees are a fixed amount that is equally divided and paid on a monthly basis. As shown in Table 3 above, the General Manager's salary and fringe benefits are included in the fixed Management Fees. In the event that the General Manager position becomes vacant for more than three weeks or 15 days, whichever is less, Section 13c of the proposed Curbside Management Program Agreement states that the Management Fees will be reduced accordingly until the position is filled.

The proposed Curbside Management Program Agreement states that the Profit and Overhead cannot exceed seven percent in the initial two-year and six-month period. The proposed Profit and Overhead amount totaling \$975,353 for the initial two-year and six-month period is 6.95 percent⁷ of the total costs of (a) the proposed Curbside Management Program Agreement and (b) the salaries and benefits of the shared van coordinators. The proposed Curbside Management Program Agreement states that in (a) option year one the profit and overhead percent can not exceed six percent, (b) option year two the profit and overhead percent can not exceed five percent, and (c) option year three the profit and overhead percent can not exceed 4 percent.

The proposed other direct costs also include an as-needed contingency amount totaling \$1,338,143 (see Table 3 above), which is approximately 14.7 percent⁸ of the Curbside Management Program Agreement. According to Mr. Azam, the as-needed contingency amount is for unanticipated costs due to the opening of Domestic Terminal 2.

Comparison of the Existing and Proposed Curbside Management Program Agreement

Table 4 below compares the total and monthly costs of the existing Curbside Management Program Agreement with DAJA with the proposed Curbside Management Program Agreement with FSP PPM Management.

Table 4: Comparison of Costs between the existing and proposed Curbside Management Program Agreement

	Existing Agreement's 27-Month Costs from July 1, 2008 through September 30, 2010	Existing Agreement's Average Monthly Costs* (A)	Proposed Agreement's 30-Month Costs from January 1, 2011 through June 30, 2013 (Two years and six months)	Proposed Agreement's Average Monthly Costs** (B)	Amount of Difference (B-A) = C	Percent Difference (C)/(A)
Salaries	\$2,987,988	\$110,666	\$3,957,082	\$131,903	\$21,236	19.2%
Fringe Benefits	\$1,664,339	\$61,642	\$2,248,704	\$74,957	\$13,315	21.6%
Other Direct Costs	\$505,353	\$18,717	\$1,958,617	\$65,287	\$46,570	248.8%
Management Fees	\$1,493,425	\$55,312	\$1,807,635	\$60,255	\$4,942	8.9%
Total	\$6,651,105	\$246,337	\$10,450,000	\$348,333	\$101,996	41.4%

* Divided by 27 months

** Divided by 30 months

** \$2,436,579 less \$477,962 for the one-time cost of the Paperless Shared Ride Van Passenger and Vehicle Database System

As shown in Table 4 above, the monthly cost comparisons between the existing Curbside Management Program Agreement and the proposed Curbside Management Program Agreement reflect (a) increases of 19.2 percent in salaries, (b) increases of 21.6 percent in fringe benefits, (c) increases of 248.8 percent in other direct costs, and (d) increases of 8.9 percent in management fees, with an overall increase of 41.4 percent, or \$101,996 per month.

⁷ 6.95 percent equals \$975,353 divided by \$14,028,623 ((a) \$10,450,000 of the total amount of the Curbside Management Program Agreement less \$975,353 of the total amount of the profit and overhead, PLUS (b) \$4,553,976 of the total amount of the salaries and benefits of the shared van coordinators)

⁸ 14.7 percent equals \$1,338,143 divided by \$9,111,857 (\$10,450,000 of the total amount of the Curbside Management Program Agreement less \$1,338,143 of the total amount of the as-needed contingency)

Salaries and Fringe Benefits Comparison: According to Mr. Azam, the 19.2 percent increase in salaries and 21.6 percent increase in fringe benefits is primarily due to the anticipated opening of Domestic Terminal 2 in April 2011⁹, which will require an increase in staff. In addition, Mr. Azam advises that a new Assistant General Manager position was created from an existing Curbside Manager position to help manage the new staff. According to Mr. Mingle, the staffing level for the Curbside Managers, Taxi Supervisors, and Limousine/Van Supervisors will remain at existing levels until the Airport fully assesses the required staffing for Domestic Terminal 2 in FY 2011-2012.

Other Direct Costs Comparison: As shown in Table 4 above, the average monthly other direct costs of \$65,287 is \$46,570 or 248.8 percent more than the \$18,717 average monthly other direct costs from July 1, 2008 through September 30, 2010. According to Ms Mingle, the increase of 248.8 percent for the other direct costs is due to the opening of Domestic Terminal 2. Since the required purchase of a new Paperless Shared Ride Van Passenger and Vehicle Database System totaling \$477,962 is a one-time cost, the amount was not included in the comparison.

Management Fees Comparison: As shown in Table 4 above, the average monthly Management Fees of \$60,255 is \$4,942 or 8.9 percent more than the \$55,312 average monthly Management Fees from July 1, 2008 through September 30, 2010. According to Ms Mingle, the 8.9 percent increase in Management Fees is due to increased insurance costs and Profit and Overhead due to the opening of Domestic Terminal 2.

POLICY CONSIDERATION

Evaluation of Proposed Curbside Management Program

The proposed Curbside Management Program will be evaluated by the Airport on a quarterly basis to ensure that specified benchmarks and goals of the Curbside Management Program are met. As shown in Table 5 below, the Airport will review the following performance measures on a scale from one point to five points with five points being excellent and one point being poor. FSP PPM Management will need to score an overall average of three to five points. If FSP PPM Management receives an overall average score of less than three points, they are required to submit a written improvement plan to the Airport within 15 days of receiving the evaluation results.

⁹ Since 1954, Terminal 2 at the Airport operated as the International Terminal. Due to an increase in both domestic and international passenger traffic, the Airport constructed a new International Terminal in 2000, and in the fall of 2000 closed Terminal 2 to be renovated into a new domestic terminal. Renovations of Terminal 2 began in September 2008.

Table 5: Performance Measures

1. Operate the Curbside Management Program with zero lost time due to injuries
2. Maintain an active Safety Committee by conducting quarterly meetings, report and document safety hazards and document the resolution of all hazards
3. Provide excellent customer service resulting in minimal complaints
4. Provide initial and service training to new employees
5. Provide ongoing training for all employees
6. Conduct and document weekly supervisory and management meetings
7. Provide initial communication training to both Curbside Management Program staff and management
8. Provide on-going annual refresher communication training to both Curbside Management Program staff and management
9. Provide training on preparing and/or reviewing incident reports that are submitted to the Airport
10. Monitor the Curbside Management Program budget to ensure that funds are properly expended

Source: Airport

RECOMMENDATIONS

1. Amend the proposed resolution to state the Curbside Management Program Agreement's correct not-to-exceed amount is \$10,450,000 for the initial two-year and six-month period instead of \$26,000,000 for the five-year and six-month period if the three one-year options are exercised.
2. Approve the proposed resolution, as amended.

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, SF Board of Supervisors	City elective office(s) held: Members, SF Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: FSP PPM Management, LLC	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i> FSP PPM Management is a LLC created by Five Star Parking and Pacific Park Management. The LLC is governed by an Executive Management Group that consists of Mr. Joe Lumer, CEO The L & R Group of Companies (TLRGC), Mr. Scott Hutchison, Senior Vice President TLRGC and Mr. Sam Tadesse, Managing Director and CEO of Pacific Park Management. Five Star Parking is a wholly owned operating division of TLRGC. Pacific Park Management is also privately held by founders Sam Tadesse and Behailu Mekbib.	
Contractor address: 465 California Street, San Francisco, CA 94104	
Date that contract was approved (By Airport Commission): July 6, 2010	Amount of contract: \$26,000,000
Describe the nature of the contract that was approved: Manage and staff the Airport's Curbside Management Program Contract	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this for.

a board on which the City elective officer(s) serves San Francisco Board of Supervisors

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244 1 Dr. Carlton B. Goodlett Pl., SF CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed



San Francisco International Airport

October 7, 2010

P.O. Box 8097
San Francisco, CA 94128
Tel 650.821.5000
Fax 650.821.5005
www.flysfo.com

Angela Calvillo
Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

File 101294

Dear Ms. Calvillo:

Attached please find an original and four copies of proposed resolution for Board of Supervisors approval to Manage and Staff the Curbside Management Program at the San Francisco International Airport, Airport Contract 8994, between FSP PPM Management, LLC and the City and County of San Francisco, acting by and through its Airport Commission, in an amount not to exceed \$26,000,000, pursuant to San Francisco Charter Section 9.118(b).

AIRPORT
COMMISSION
CITY AND COUNTY
OF SAN FRANCISCO

GAVIN NEWSOM
MAYOR

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

CARYL ITO

ELEANOR JOHNS

RICHARD J. GUGGENHIME

JOHN L. MARTIN
AIRPORT DIRECTOR

The following is a list of accompanying documents (five sets):

- Airport Commission Resolution
- Request for Proposals
- Contract
- Form 126

The following person may be contacted regarding this matter:

Cathy Widener, Governmental Affairs Manager
(650) 821-5023

Sincerely,

Jean Caramatti
Jean Caramatti
Airport Commission Secretary

Attachments

BY _____

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 OCT - 7 PM 2:24

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0228

**AWARD OF CONTRACT TO FSP PPM, LLC TO MANAGE AND STAFF
THE CURBSIDE MANAGEMENT PROGRAM AT SAN FRANCISCO
INTERNATIONAL AIRPORT**

WHEREAS, pursuant to Airport Commission Resolution No. 10-0010 adopted on January 12, 2010, Airport staff issued a Request for Proposals (RFP) on February 1, 2010 to staff and manage the Airport's Curbside Management Program upon the expiration of the current agreement; and

WHEREAS, two (2) proposals were received by the March 19, 2010 deadline and were found to be responsive; and

WHEREAS, Five Star Parking/Pacific Park Management, LLC was the highest-ranked proposer at the conclusion of the RFP's evaluation process; and

WHEREAS, pursuant to Airport Commission Resolution No. 10-0010 adopted on January 12, 2010, Airport staff was successful in negotiating acceptable contract terms with Five Star Parking/Pacific Park Management, LLC to provide staffing and management services required to operate the Airport's Curbside Management Program effective January 1, 2011; and

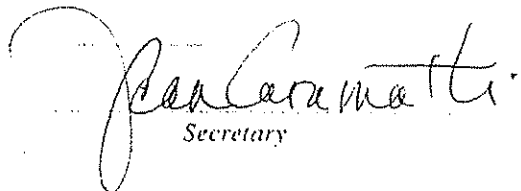
WHEREAS, the Airport Director was requested to return to this Commission for approval of the terms and to award the contract; now, therefore, be it

RESOLVED, that this Commission awards the contract to Five Star Parking/Pacific Park Management, LLC to provide staffing and management services required to operate the Airport's Curbside Management Program for a 30-month term, with three (3) additional one-year renewal options to be exercised at the sole and complete discretion of this Commission, at a cost not-to-exceed \$10,450,000.00 for the 30-month term beginning January 1, 2011 and concluding on June 30, 2013, and be it further

RESOLVED, that this contract be submitted to the San Francisco Board of Supervisors for approval pursuant to San Francisco Charter Section 9.118.

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

JUL 06 2010


Secretary

**City and County of San Francisco
Request for Proposals for
San Francisco International Airport**

**Staffing and Managing the Curbside Management Program
at San Francisco International Airport**

Airport Contract #8994



Date issued:	FEBRUARY 1, 2010
Pre-Proposal conference:	10:00 a.m., February 12, 2010
Proposal due:	3:00 p.m., March 19, 2010

Request for Proposals for Staffing and Managing the Curbside Management Program at San Francisco International Airport

Airport Contract #8994

Table of Contents

	Page
I. Introduction and Schedule.....	1
II. Scope of Work.....	3
III. Submission Requirements.....	11
IV. Evaluation and Selection Criteria.....	17
V. Pre-Proposal Conference and Contract Award	20
VI. Terms and Conditions for Receipt of Proposals.....	21
VII. City Contract Requirements.....	25
VIII. Protest Procedures.....	27

Appendices:

- A. Form 5 – HRC Employment Form
- B. Standard Forms: Listing and Internet addresses of Forms related to Taxpayer Identification Number and Certification, to Business Tax Declaration, and to Chapters 12B and 12C, and 14B of the S.F. Administrative Code.
- C. Draft Agreement (Form AIR-500)
- D. Ground Transportation Loading Zones and Staging Areas
- E. Airport Limousine Standard Operating Procedures
- F. Airport Door-to-Door Standard Operating Procedures
- G. Airport Taxicab Standard Operating Procedures
- H. Airport Taxicab Smartcard Revenue System & Contingency Cashiering Operating Procedures
- I. Cost Proposal Forms
- J. Brief Statistical Summary of the Curbside Management Program as of December 31, 2009
- K. Initial Performance Measures and/or Standards
- L. Current Door-to-Door Van Coordinator Log Forms
- M. Statement of Business and Financial Qualifications
- N. Airport Commission Resolution No. 01-0205 – Worker Retention Policy Applicable to Certain Service Providers
- O. Airport Commission Resolution No. 00-0049 – Labor Peace/Card Check Rule