

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 24-0211

**APPROVE MODIFICATION NO. 3 TO CONTRACT NO. 50240 WITH PROFESSIONAL BUSINESS PROVIDERS, INC. TO OPERATE, MAINTAIN, AND REPAIR AIRPORT-OWNED BAGGAGE HANDLING SYSTEMS AND PASSENGER BOARDING BRIDGES IN THE DOMESTIC TERMINALS TO INCREASE THE CONTRACT AMOUNT BY \$13,349,549 FOR A NEW CONTRACT AMOUNT OF \$26,464,164 AND TO EXTEND THE TERM BY TWO YEARS THROUGH JULY 31, 2027**

WHEREAS, on May 17, 2022, by Resolution No. 22-0080, the Commission awarded Contract No. 50240 to Professional Business Providers, Inc. to operate, maintain, and repair Airport-owned passenger boarding bridges and baggage handling systems in the Domestic Terminals for an initial period of three (3) years with one 2-year option to extend and a not-to-exceed amount of \$13,114,615; and

WHEREAS, on July 19, 2022, by Resolution No. 330-22, the San Francisco Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118(b); and

WHEREAS, on February 1, 2023, the Airport Director administratively modified the Agreement to amend Appendix B, Calculation of Charges, to update overtime language and to update standard contractual language; and

WHEREAS, on July 1, 2024, the Airport Director administratively modified the Agreement to increase the annual not-to-exceed amount allowed for parts and materials with no change to the total not-to-exceed amount, increase staffing due to additional passenger boarding bridges added to the scope, and update standard contractual language; and

WHEREAS, the current Contract with Professional Business Providers, Inc. is set to expire on July 31, 2025; and

WHEREAS, the Contractor has satisfactorily met the performance standards in the scope of work and staff requests exercising the option to extend the term two (2) years through July 31, 2027; and

WHEREAS, the Airport desires to exercise the 2-year option to extend the term of Contract No. 50240 through July 31, 2027 and to increase the Contract amount by \$13,349,549; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 3 to Contract No. 50240 with Professional Business Providers, Inc. to exercise the 2-year option to extend the term through July 31, 2027 and increase the Contract amount by \$13,349,549 for a new total Contract amount not to exceed \$26,464,164; and, be it further

RESOLVED, that as the Modification exceeds \$500,000, pending Commission approval, the Commission will direct the Commission Secretary to seek Board of Supervisors approval as required for this Modification pursuant to San Francisco Charter Section 9.118(b).

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*  
= **OCT 1 2024**  
*at its meeting of*

  
Secretary

**MEMORANDUM**

October 1, 2024

TO: AIRPORT COMMISSION  
Hon. Malcolm Yeung, President  
Hon. Everett A. Hewlett, Jr., Vice President  
Hon. Jane Natoli  
Hon. Jose F. Almanza  
Hon. Mark Buell

24-0211

OCT 1 2024

FROM: Airport Director

SUBJECT: Approval of Modification No. 3 to Professional Services Contract No. 50240 with Professional Business Providers, Inc. to Provide Operation, Maintenance, Repair, and On-Call Service of Airport-Owned Baggage Handling Systems and Passenger Boarding Bridges in the Domestic Terminals

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 3 TO CONTRACT NO. 50240 WITH PROFESSIONAL BUSINESS PROVIDERS, INC. TO OPERATE, MAINTAIN, AND REPAIR AIRPORT-OWNED BAGGAGE HANDLING SYSTEMS AND PASSENGER BOARDING BRIDGES IN THE DOMESTIC TERMINALS TO INCREASE THE CONTRACT AMOUNT BY \$13,349,549 FOR A NEW CONTRACT AMOUNT OF \$26,464,164 AND TO EXTEND THE TERM BY TWO YEARS THROUGH JULY 31, 2027.

**Executive Summary**

Professional Business Providers, Inc. (PBP), provides operation and maintenance services for the Baggage Handling System (BHS) in Terminal 2 and Passenger Boarding Bridges (PBB) in various locations in the Airport. The existing Contract is set to expire on July 31, 2025. Staff seeks Commission authorization to exercise the 2-year option to extend the Contract term through July 31, 2027 and increase the Contract amount by \$13,349,549 for a new total Contract amount not to exceed \$26,464,164.

**Background**

The Airport currently owns three BHSs and 64 passenger boarding bridges in the Domestic Terminals. Some of these systems are under permit to the airlines, who are responsible for their operation, maintenance, and repair. The current exceptions are the BHS in Harvey Milk Terminal 1 (HMT1) and Terminal 2, as well as 27 passenger boarding bridges in Boarding Areas B, 10 in Boarding Area C, and 14 in Boarding Area D.

On May 17, 2022, by Resolution No. 22-0080, the Commission awarded Contract No. 50240 to Professional Business Providers, Inc., to operate, maintain, and repair 51 Airport-owned passenger boarding bridges in Boarding Areas B, C, and D and the BHS in the Domestic Terminal 2 for an initial period of three (3) years and a not-to-exceed amount of \$13,114,615.



On July 19, 2022, by Resolution No. 330-22, the San Francisco Board of Supervisors approved the Agreement under San Francisco Charter Section 9.118(b).

On February 1, 2023, the Airport Director administratively modified the Agreement to amend Appendix B, Calculation of Charges, to update overtime language and standard contractual language.

On July 1, 2024, the Airport Director administratively modified the Agreement to increase the annual not-to-exceed amount allowed for parts and materials with no change in the total not-to-exceed amount, increase staffing due to additional passenger boarding bridges added to the scope, and update standard contractual language.

The current Contract with PBP is set to expire on July 31, 2025. The Contractor has satisfactorily met the performance standards in the scope of work, and Staff requests exercising the option to extend the term for two years through July 31, 2027.

Modification No. 3 will exercise the 2-year option to extend the Contract term through July 31, 2027 and increase the Contract amount by \$13,349,549, bringing the new total not-to-exceed contract amount to \$26,464,164. The increase in the not-to-exceed amount includes costs associated with the 2-year extension and additional PBBs added to the scope of work, as well as higher-than-expected costs incurred in prevailing wage shift differentials, overtime, and holiday shift coverage during the initial 2-year term that were not contemplated in the original agreement.

Because the proposed contract modification exceeds \$500,000, the Board of Supervisors must approve Modification No. 3 to Contract No. 50240 pursuant to San Francisco Charter Section 9.118(b).

### **Recommendation**

I recommend the Commission approve Modification No. 3 to Contract No. 50240 with Professional Business Providers, Inc. to exercise the 2-year option to extend the term through July 31, 2027 and increase the Contract amount by \$13,349,549 for a new total Contract amount not to exceed \$26,464,164, and direct the Commission Secretary to seek Board of Supervisors approval of Modification No. 3 to Contract No. 50240 pursuant to San Francisco Charter Section 9.118(b).



Ivar C. Satero  
Airport Director

Prepared by: Jeff Littlefield  
Chief Operating Officer

Attachment