

1 [Airport Professional Services Agreement Modification No. 10 - CAGE Professional Services,
2 Inc. dba CAGE, Inc. - International Terminal Checked Baggage Handling Projects - Not to
3 Exceed \$10,695,000, and Further Modifications Not to Exceed \$14,500,000]

4 **Resolution retroactively approving Modification No. 10 to Airport Contract No. 9024.9,**
5 **Construction Management Services for the International Terminal Checked Baggage**
6 **Inspection System Modernization Program and Baggage Handling System**
7 **Improvements Project, with CAGE Professional Services, Inc. dba CAGE, Inc., for a**
8 **total amount not to exceed \$10,695,000 for services from September 30, 2017, through**
9 **September 30, 2018, pursuant to Charter, Section 9.118(b); and approving an amount**
10 **for further modifications to increase the total amount not to exceed \$14,500,000 for**
11 **services through December 31, 2020.**

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13 WHEREAS, The International Terminal Checked Baggage Inspection System (“CBIS”)
14 Modernization Program (“Modernization Program”) is a \$134,000,000 project to upgrade and
15 replace the CBIS and Checked Baggage Resolution Area (“CBRA”) for the Airport’s
16 International Terminal Building (“ITB”); the Baggage Handling System (“BHS”) Improvements
17 Project is a \$43,000,000 project to provide BHS control upgrades and improvements to the
18 ITB BHS; and

19 WHEREAS, The Modernization Program is reimbursable under the Transportation
20 Security Agency’s (“TSA’s”) Recapitalization Program; the original Other Transaction
21 Agreement with the TSA for reimbursement through the Recapitalization Program included
22 construction management services; and

23 WHEREAS, On June 30, 2011, by Resolution No. 11-0146, the Commission awarded
24 Contract No. 9024.9, Construction Management Services for the International Terminal and
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1 Terminal 3, Boarding Area F Checked Baggage Inspection Systems Modernization Program
2 and Internal Terminal Baggage Handling System Improvements Project (“Contract”) to CAGE
3 Professional Services, Inc. dba CAGE, Inc. (“CAGE”), in the not to exceed amount of
4 \$585,805 and a term of six months for initial services; and

5 WHEREAS, In January 2012, the Commission awarded a design-build agreement to
6 VanDerLande Industries, Inc. in an amount not to exceed \$64,344,000 for the Modernization
7 Program, the ITB BHS Project, Boarding Area F BHS improvements, and a BHS transfer line
8 connecting Boarding Areas E and F; and

9 WHEREAS, By various resolutions, the Commission authorized Modification Nos. 1
10 through 3 to the Contract with CAGE, increasing the not to exceed amount to \$7,000,000 and
11 extending the term through June 30, 2014, for management of the design-build agreement;
12 and

13 WHEREAS, Due to ongoing issues with the operational performance of the TSA-
14 furnished screening equipment and its effect on Airport and airline operational capacity, in
15 June 2014, the Airport and the TSA agreed to put the Modernization Program on hold; for this
16 reason, the Airport determined to close out the design-build agreement with VanDerLande
17 Industries, Inc. effective March 31, 2015, and re-scope the agreement’s components; and

18 WHEREAS, The original Other Transaction Agreement (“OTA”) with the TSA was
19 successfully closed out on September 26, 2016; the TSA and the Airport agreed to include the
20 Modernization Program in another OTA for Terminal 1 BHS work; the new OTA does not
21 contain enough funds for reimbursement of the remainder of this Contract, so it will be funded
22 by the Airport; and

23 WHEREAS, The Airport ultimately determined to solicit a new design-build agreement
24 for the Modernization Program and ITB BHS upgrades, and separately solicit the Boarding
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1 Area F BHS work as part of the Airport’s Terminal 3 West Improvements Project; the other
2 components were completed under the VanDerLande agreement; and

3 WHEREAS, By various resolutions, the Commission authorized Modification Nos. 4, 5,
4 6, and 8 to the Contract with CAGE, increasing the not to exceed amount to \$9,945,000 and
5 extending the term through September 30, 2017; these modifications included support of the
6 re-scoping of the BHS projects and the solicitation of a new design-builder for the ITB work;
7 and

8 WHEREAS, On May 2, 2017, the Commission awarded a design-build agreement for
9 the ITB BHS work to Skanska USA Building, Inc.; because construction management services
10 for the Terminal 3 BHS work is no longer provided under the Contract with CAGE, the
11 Contract title was amended through Modification No. 8 to “International Terminal Checked
12 Baggage Inspection System Modernization Program and Baggage Handling System
13 Improvements Project”; and

14 WHEREAS, The Airport Director executed Modifications No. 7 and 9 to the Contract
15 with CAGE to add sub-consultants and update labor rates with no changes to the Contract
16 amount or term; and

17 WHEREAS, By Resolution No. 17-0155 dated June 20, 2017, the Commission
18 approved Modification No. 10 to the Contract with CAGE, increasing the not to exceed
19 amount to \$10,695,000 and extending the term through September 30, 2018; and

20 WHEREAS, The Airport Staff estimates the total amount of construction management
21 services required under the Contract with CAGE to support the delivery of the design-build
22 project will not exceed \$14,500,000 for a term through December 31, 2020; and

23 WHEREAS, San Francisco Charter Section 9.118(b) provides that the agreements
24 entered into by a department, board, or commission requiring anticipated expenditures by the
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1 City and County of ten million dollars or more, shall be subject to approval by the Board of
2 Supervisors by resolution; now, therefore, be it

3 RESOLVED, That the Board of Supervisors hereby retroactively approves Modification
4 No. 10 to Airport Contract No. 9024.9, Construction Management Services for the
5 International Terminal Checked Baggage Inspection System Modernization Program and
6 Baggage Handling System Improvements Project, with CAGE Professional Services, Inc. dba
7 CAGE, Inc. for a total amount not to exceed \$10,695,000 for services from September 30,
8 2017, through September 30, 2018, a copy of which is contained in Board of Supervisors' File
9 No. 171078 along with the Contract and all previously executed modifications; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes further
11 modifications to the Contract, upon Airport Commission approval, up to a not-to-exceed
12 amount of \$14,500,000 for services through December 31, 2020, provided any future
13 modification does not change other material terms of the Contract; and, be it

14 FURTHER RESOLVED, That within thirty (30) days of Modification No. 10 being fully
15 executed by all parties, the Commission shall provide the a copy to the Clerk of the Board for
16 inclusion in the official file.

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