

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 20-0112

**APPROVE MODIFICATION NO. 2 TO CONTRACT NO. 50030.01 WITH VANDERLANDE INDUSTRIES, INC., TO OPERATE, MAINTAIN AND REPAIR AIRPORT-OWNED BAGGAGE HANDLING SYSTEMS AND PASSENGER BOARDING BRIDGES IN THE DOMESTIC TERMINALS, EXERCISE THE SECOND AND FINAL 1-YEAR OPTION TO EXTEND THE TERM THROUGH SEPTEMBER 30, 2021 AND INCREASE THE CONTRACT AMOUNT BY \$3,852,617, FOR A NEW NOT-TO-EXCEED CONTRACT AMOUNT OF \$13,646,492**

WHEREAS, the Airport owns four baggage handling systems (BHS) and 21 passenger boarding bridges (PBB) in the Domestic Terminals; and

WHEREAS, on July 19, 2016, by Resolution No. 16-0222, the Commission awarded Contract No. 50030.01, for the operation and maintenance of Airport-owned BHSs and PBBs to Vanderlande Industries, Inc. for three years at a not-to-exceed amount of \$5,397,000; and

WHEREAS, on August 27, 2019, by Resolution No. 19-0180 the Commission approved Modification No. 1 to Contract No. 50030.01, exercising the first of two 1-year options to extend the term of the Agreement through September 30, 2020, and increase the Contract amount by \$4,396,875, for a new not-to-exceed Contract amount of \$9,793,875; and

WHEREAS, the Airport desires to exercise the second and final 1-year option to extend the term of Contract No. 50030.01 through September 30, 2021, and increase the Contract amount by \$3,852,617, for a new not-to-exceed Contract amount of \$13,646,492; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 2 to Contract No. 50030.01 to operate, maintain and repair Airport-owned BHS and PBB in the Domestic Terminals with Vanderlande Industries, Inc., exercise the second of two, 1-year options to extend the term of this Agreement through September 30, 2021, and increase the Contract amount by \$3,852,617, for a new not-to-exceed Contract amount of \$13,646,492; and, be it further

RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors approval of Modification No. 2 to Contract No. 50030.01 pursuant to San Francisco Charter Section 9.118(b).

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

JUN 16 2020

  
Secretary



**MEMORANDUM**

June 16, 2020

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Eleanor Johns, Vice President  
Hon. Richard J. Guggenlime  
Hon. Everett A. Hewlett, Jr.  
Hon. Malcolm Yeung

20-0112

JUN 16 2020

FROM: Airport Director

SUBJECT: Approval of Modification No. 2 to Professional Services Contract No. 50030.01 with Vanderlande Industries Inc., to Operate, Maintain and Repair Airport-Owned Baggage Handling Systems and Passenger Boarding Bridges in the Domestic Terminals

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 2 TO CONTRACT NO. 50030.01 WITH VANDERLANDE INDUSTRIES INC., TO OPERATE, MAINTAIN AND REPAIR AIRPORT-OWNED BAGGAGE HANDLING SYSTEMS AND PASSENGER BOARDING BRIDGES IN THE DOMESTIC TERMINALS, EXERCISE THE SECOND AND FINAL 1-YEAR OPTION TO EXTEND THE TERM THROUGH SEPTEMBER 30, 2021 AND INCREASE THE CONTRACT AMOUNT BY \$3,852,617, FOR A NEW NOT-TO-EXCEED CONTRACT AMOUNT OF \$13,646,492.

**Executive Summary**

Vanderlande Industries Inc. provides operation and maintenance services for baggage handling systems (BHS) and passenger boarding bridges (PBB) in various locations in the Airport. The existing Contract is set to expire on September 30, 2020. Staff seeks Commission authorization to exercise a one-year option to extend the Contract.

In light of the COVID-19 crisis and its impact on Airport finances, Staff has considered the financial implications of the proposed contract modification and has determined that the services are necessary for the continued safe and secure Airport operations. The proposed Contract accounts for appropriate fee reductions to assure the financial feasibility of the procurement of the services specified in the Contract.

**Background**

The Airport owns four BHS in the Domestic Terminals. Two are located in Harvey Milk Terminal 1 (HMT1), one is located in Terminal 2 (T2), and one is located in Terminal 3 (T3). The outbound and inbound BHS in Terminal 2 are operated and maintained through this Contract. The Airport also provides on-call services for all BHS, including those operated and maintained by the airlines.

THIS PRINT COVERS CALENDAR ITEM NO. 10

There are 40 PBBs in the Domestic Terminals. Most of these systems are under permit to the airlines, which are responsible for operations and maintenance. Of the 40 PBBs, the Airport currently maintains and repairs 21 common use PBBs, 19 of which are located in HMT1 and two in T2. Vanderlande Industries, Inc. maintains these 21 PBB on the Airport's behalf. This Contract modification will also cover any potential additional common use gates in Boarding Areas C and D resulting from airline relocations.

On July 19, 2016, by Resolution 16-0222, Vanderlande Industries, Inc. was awarded Contract No. 50030.01 to operate, maintain and repair Airport-owned PBB and BHS in the Domestic Terminals for an initial period of three years, at a not-to-exceed amount of \$5,397,000. The Contractor is required to provide scheduled preventative maintenance and repairs, as well as on-call services to both PBB and BHS under permit to the airlines if necessary.


On August 27, 2019, by Resolution No. 19-0180, the Commission approved Modification No. 1 exercising the first of two 1-year options to extend the term of the Agreement through September 30, 2020, and increase the Contract amount by \$4,396,875, for a new not-to-exceed Contract amount of \$9,793,875.

Vanderlande Industries, Inc. has met operations and maintenance requirements during the initial 3-year period and the 1-year extension. Staff seeks to exercise the second and final 1-year option to continue services and increase the Contract amount by \$3,852,617, for a new not-to-exceed Contract amount of \$13,646,492.

Because the Contract amount exceeds \$10,000,000, approval of the Board of Supervisors is required for Modification No. 2 to Contract No. 50030.01 pursuant to San Francisco Charter Section 9.118(b).

### Recommendation

I recommend the Commission approve Modification No. 2 to Contract No. 50030.01 to operate, maintain, and repair Airport-owned Baggage Handling Systems and Passenger Boarding Bridges in the Domestic Terminals with Vanderlande Industries, Inc. This Modification will exercise the second and final 1-year option to extend the term of the Contract to September 30, 2021, and increase the Contract amount by \$3,852,617, for a new not-to-exceed Contract amount of \$13,646,492.



Ivar C. Satero  
Airport Director

Prepared by: Jeff Littlefield  
Chief Operating Officer

Attachments

Attachment A

T2 Baggage Handling Systems &  
Common Use Passenger Boarding Bridges  
*Maintained by Vanderlande*

