

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO 13_0156

APPROVE MODIFICATION NO. 1 TO CONTRACT NO. 8838 WITH BOMBARDIER TRANSPORTATION (HOLDINGS) USA, INC. FOR AIRTRAIN OPERATIONS AND MAINTENANCE SERVICES IN THE AMOUNT OF \$42,200,000, TO: 1) EXERCISE THE THREE-YEAR CONTRACT EXTENSION BEGINNING MARCH 1, 2014 THROUGH FEBRUARY 28, 2017, AND 2) REQUEST APPROVAL TO FUND THE BUDGET SHORTFALL FROM ESCALATION AND BONUS ADJUSTMENTS FOR THE INITIAL FIVE-YEAR TERM FOR A REVISED NOT TO EXCEED TOTAL CONTRACT AMOUNT OF \$98,700,000.

WHEREAS, on September 16, 2008, this Commission approved Resolution No. 08-0173 awarding Contract No. 8838 AirTrain Operations and Maintenance to Bombardier Transportation (Holdings) USA, Inc. for a five-year contract, with one (1) 3-year option, and two (2) 1-year options, in the amount of \$56,500,000 and approved a one-year contingency budget of \$500,000 for payment of incentive bonuses and other changes, all subject to Board of Supervisors (BOS) approval of the agreement and award of this contract; and

WHEREAS, on November 18, 2008, the BOS of the City and County of San Francisco passed Ordinance No. 080942 in which the BOS granted the Airport Commission a waiver of the competitive bidding requirements found in Administrative Code Chapter 21; and

WHEREAS, in accordance with Ordinance No. 080942, the BOS granted the award of Contract No. 8838 to Bombardier Transportation (Holdings) USA, Inc. for a five-year term in the amount of \$56,500,000 and approved the contingency budget of \$500,000 for payment of incentive bonuses and other changes during Year One of the new contract; and

WHEREAS, the originally approved \$56,500,000 to fund the initial five-year term did not include funding for labor and material escalation and bonuses beyond Year One of the contract, resulting in a shortfall of \$3,200,000 over the initial five (5) year term; and

WHEREAS, the contract includes a renewal of an additional three-year contract extension dependent on the contractor meeting a set of pre-defined performance standards. Based on the contractor's performance to date the contractor will meet these standards; and

WHEREAS, funding for this project will be provided from the Airport's operating budget; and

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WHEREAS, the Human Rights Commission has determined that Bombardier Transportation (Holdings) USA, Inc. is in compliance and responsive to Chapter 14B and its LBE requirements; and

WHEREAS, the San Francisco Administrative Code requires Board of Supervisors approval of all non-construction contracts in excess of \$10M; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 1 to Contract No. 8838, AirTrain Operations and Maintenance, with Bombardier Transportation (Holdings) USA, Inc., in the amount of \$42,200,000, to: 1) exercise the three-year contract extension beginning March 1, 2014 through February 28, 2017 in the amount of \$39,000,000; and 2) request approval to fund the budget shortfall from escalation and bonus adjustments for the initial five-year term in the amount of \$3,200,000, for a revised not to exceed total contract amount of \$98,700,000; and, be it further

RESOLVED, that the Airport Director is authorized to take the necessary steps to obtain Board of Supervisors' approval of the contract modification pursuant to San Francisco Charter Section 9.118(b).

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

JUL 23 2013


Secretary