

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 11-0146

AWARD PROFESSIONAL SERVICES AGREEMENT FOR CONTRACT NO. 9024.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE INTERNATIONAL TERMINAL AND BOARDING AREA F CHECKED BAGGAGE INSPECTION SYSTEM MODERNIZATION PROGRAM, AND THE INTERNATIONAL TERMINAL BAGGAGE HANDLING SYSTEM IMPROVEMENTS PROJECT IN AN AMOUNT NOT TO EXCEED \$585,805.

WHEREAS, on March 1, 2011, by Resolution No. 11-0045, the Commission authorized the Director to execute an Other Transaction Agreement with the Transportation Security Administration (TSA) for 90% reimbursement of design costs, including construction management services during design, for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program under the TSA's Recapitalization Program, in an amount not to exceed \$3,279,870; and

WHEREAS, on March 1, 2011, by Resolution No. 11-0047, the Commission authorized Staff to issue a request for proposal (RFP) to provide construction management services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements Project (Project); and

WHEREAS, on June 7, 2011, by Resolution No. 11-0150, the Commission accepted the Selection Panel's recommendation of CAGE Inc. (Consultant) as the highest ranked construction management consultant for the Project, and authorized Staff to enter into negotiations and prepare a professional services contract for Commission consideration and award; and

WHEREAS, the initial award of Contract 9024.9 provides for Task 1: Construction Management Services during Design of the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program (Program); and

WHEREAS, the TSA's intent is to issue a separate follow-on OTA for the construction phase of the Program, once the construction estimate has been developed and approved, and 90% funding for the CM services during the construction phase will be included in the follow-on OTA; and

WHEREAS, the Airport's BHS Improvements are integrated with the TSA Program, and should be installed concurrently, and by the same contractor to avoid issues with coordination, phasing and potential scope gap; and

WHEREAS, Staff will return to the Commission for award of Tasks 2 and 3 related to the construction phase services following approval by the Commission of the OTA with the TSA for the construction phase of the Program; now, therefore be it

RESOLVED, that the Commission hereby awards a Professional Services Agreement, Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvements Project, to CAGE Inc., for an amount not to exceed \$585,805, for a contract duration of six months, for the Task 1 scope of services.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

*at its meeting of* \_\_\_\_\_

JUN 30 2011

  
Secretary



San Francisco International Airport

**MEMORANDUM**

June 30, 2011

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenlime  
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Award Professional Services Agreement, Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvement Project, to CAGE, Inc., in an amount not to exceed \$585,805.

DIRECTOR'S RECOMMENDATION: AWARD PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 9024.9, CONSTRUCTION MANAGEMENT SERVICES FOR THE INTERNATIONAL TERMINAL AND BOARDING AREA F CHECKED BAGGAGE INSPECTION SYSTEM MODERNIZATION PROGRAM, AND THE INTERNATIONAL TERMINAL BAGGAGE HANDLING SYSTEM IMPROVEMENT PROJECT, TO CAGE, INC., IN AN AMOUNT NOT TO EXCEED \$585,805.

**Executive Summary**

On June 7, 2011, by Resolution No. 11-0150, the Commission approved the selection of CAGE, Inc. as the highest ranked firm to provide construction management services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvement Project (Project), and authorized the Director to enter into negotiations and prepare a professional services agreement.

Transmitted herewith for your approval, is a proposed Resolution to award Contract No. 9024.9, to CAGE Inc. for Construction Management Services for the Project. The proposed award amount is \$585,805, with a contract duration of six months, for the Task 1 scope of services to be provided under this initial award.

**Background**

On March 1, 2011, by Resolution No. 11-0045, the Commission authorized the Director to execute an Other Transaction Agreement with the Transportation Security Administration (TSA) for 90% reimbursement of design costs, including construction management support services during design only, for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program under the TSA's Recapitalization Program, in an amount not to exceed \$3,279,870.

THIS PRINT COVERS CALENDAR ITEM NO. 5

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE MAYOR LARRY MAZZOLA PRESIDENT LINDA S. CRAYTON VICE PRESIDENT ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN JOHN L. MARTIN AIRPORT DIRECTOR

The Airport will pay for 10% of the total design cost of \$3,644,300 for the Program from existing FY 10/11 capital funds, in the amount not to exceed \$364,430. The Airport has an existing Board of Supervisors authorization to enter into the OTA with the TSA for the design of the Program.

On March 1, 2011, by Resolution No. 11-0047, the Commission authorized Staff to issue a request for proposal (RFP) to provide construction management (CM) services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvement project (Project). Two firms responded with proposals and a selection panel was convened to review and score the proposals. CAGE Inc. was determined to be the highest ranking respondent.

On June 7, 2011, by Resolution No. 10-0150, the Commission approved the selection of CAGE Inc., and authorized staff to enter into negotiations and prepare a professional services agreement. Staff and Consultant have reached agreement on the scope and fee, and have developed an appropriate staffing plan.

The proposed Contract 9024.9 would include the following tasks:

#### Task 1

TSA and SFO staffs agreed that the OTA for the design of the Program would include the scope and funding for CM support services during design only. These CM support services will include estimating, scheduling, phasing alternatives development, constructability analysis, project controls and reports. The estimated cost is in an amount not to exceed \$585,805, for six months of services.

#### Task 2

The TSA's intent is to issue a separate follow-on OTA for the construction phase of the Program, once the construction estimate has been developed and approved. The 90% funding for the CM services during the construction phase will be included in the follow-on OTA. The CM will provide for a construction manager, resident engineers, project controls personnel, construction administration support, materials testing and special inspection and any other specialty construction management services required. The CM will not be authorized by the Airport to proceed with Task 2 unless the Airport first enters into an OTA with the TSA for the construction phase of the Program. The estimated cost is in an amount not to exceed \$3,237,597, for twenty four months of services.

#### Task 3

The Airport has budgeted for the International Terminal Baggage Handling System (BHS) Improvements under the Airport's capital plan to replace equipment and systems that are beyond their useful life and impact the reliability of the BHS. These improvements include mechanical equipment, as well as computer equipment and programming that are outside the Checked Baggage Inspection System (CBIS) area and are not included in the TSA Program. However, the Airport's BHS Improvements are integrated with the TSA Program, and should be installed concurrently, and by the same

contractor to avoid issues with coordination, phasing and potential scope gap. The proposed RFP for CM services would include the Airport's BHS Improvements, and will require separate cost accounting. The CM scope for Task 3 is similar to Tasks 1 and 2. The estimated cost is in an amount not to exceed \$1,175,512, for twenty-four months of services, concurrently with Task 2.

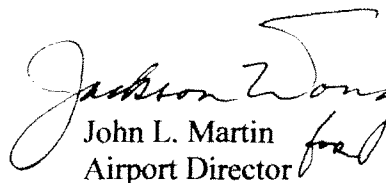
This initial award is for the Task 1 scope of services only. Staff will return to the Commission to award Tasks 2 and 3 to Cage at the appropriate time, following approval of the construction OTA for the Program.

The estimated total value of the construction to be managed by Airport staff and Consultant, including contingency, is \$60,800,000. The total project budget for construction management services, including materials testing and special inspection, is \$4,998,914. The construction management services budget for the Project is 8.2% which is not within the Airport's overall goal of achieving 15% for project "soft cost" performance (design, construction management, administrative, and materials testing/special inspection). However, Staff has determined that the scope of CM services for this Project should include 24 hour CM oversight to cover the various work areas, which will likely require double or triple shifting to minimize the impact on operations during construction.

Due to the federal funding component for these services, there are no HRC LBE subconsultant participation goals for the contract. The Airport encouraged proposers to utilize "best efforts" to subcontract at least 10% of the work to certified small and disadvantaged businesses (SDB). There is no specific DBE subconsultant goal for this contract, but the Airport's overall 3-year DBE goal is 12%. Due to the specialized nature of the services, CAGE Inc. was able to achieve 5.8% SDB and DBE subconsultant participation.

### **Recommendation**

Based upon the foregoing, I recommend your approval of the proposed resolution to award a professional services agreement to CAGE Inc., for Contract No. 9024.9, Construction Management Services for the International Terminal and Boarding Area F Checked Baggage Inspection System Modernization Program, and the International Terminal Baggage Handling System Improvement Project, in the amount not to exceed \$585,805, for a contract duration of six months, for the Task 1 scope of services.

  
John L. Martin  
Airport Director

Prepared by: Ivar Satero  
Deputy Airport Director  
Design and Construction