San Francisco International Airport

MEMORANDUM

January 16, 2024

24-0005

JAN 16 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

FROM: Airport Director

SUBJECT: Approval of Modification No. 11 to Professional Services Contract No. 10072.41, Project Management Support Services for the Courtyard 3 Connector Project

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 11 TO PROFESSIONAL SERVICES CONTRACT NO. 10072.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE COURTYARD 3 CONNECTOR PROJECT WITH PGH WONG & PARTNERS JV, A JOINT VENTURE OF PGH WONG ENGINEERING, INC., AND AVILA AND ASSOCIATES CONSULTING ENGINEERS, INC. TO INCREASE THE CONTRACT AMOUNT BY $20,400,000 FOR A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED $45,400,000, AND TO EXTEND THE CONTRACT FOR AN ADDITIONAL TWO YEARS OF SERVICES.

Executive Summary

The Courtyard 3 Connector Project (Project) will construct a new pre-security and post-security connector between Terminal 2 and Terminal 3 and an adjacent building for office space and passenger amenities. In November 2020, the Airport suspended construction of the building's interior as a cost-saving measure in light of COVID-19's impact on Airport revenue. In August 2022, Staff lifted the suspension and directed the team to proceed with the completion of the building interiors, including the new Integrated Operations Center.

The Project Management Support Services (PMSS) consultant provides overall management expertise and oversight of the Project. The Contract's scope of work includes design and construction management services, project controls, contract administration, cost estimating services, field inspection, and subject matter expertise.

Proposed Modification No. 11 would increase the Contract amount by $20,400,000 and extend the Contract duration through January 25, 2027. Upon approval, the Commission will direct the Commission Secretary to seek the Board of Supervisors' approval of Modification No. 11 of this Contract consistent with San Francisco Charter Section 9.118(b).

Background

The Project has constructed a new pre-security and post-security connector between Terminal 2 and Terminal 3 and continues construction of office and tenant spaces.

On December 19, 2017, by Resolution No. 17-0321, the Commission awarded this Contract to PGH Wong & Partners JV in a not-to-exceed amount of $3,250,000 for the initial year of services. At that time, the joint venture consisted of three member firms, including PGH Wong Engineering, Inc., CFWright Consulting, LLC, and Avila and Associates Consulting Engineers, Inc.

The Commission previously approved Modification Nos. 2, 4, 5, 7, and 9, increasing the Contract not-to-exceed amount to $27,850,000 and extending the Contract duration through January 25, 2025.

Modification Nos. 1, 3, 6, 8, and 10 were administrative modifications adjusting labor rates and acknowledging that CFWright Consulting, LLC was no longer a member of the joint venture PGH Wong & Partners JV and adding new sub-consultants. See Attachment A - Summary of Commission Actions.

On June 23, 2020, by Resolution No. 279-20, the Board of Supervisors (BOS) approved Modification No. 5, increasing the Contract amount by $7,500,000.

On November 5, 2020, the Airport suspended for convenience the construction of the interior of the building under this Contract due to the COVID-19 pandemic's impact on Airport finances and travel demand. The construction of the core and shell of the building, including the pre- and post-security connectors, was completed on June 27, 2022. The need for office space has returned with the recent recovery of air traffic, and the Airport ended the suspension in August 2022. Additionally, the Airport determined that construction of the new Airport Integrated Operations Center (AIOC) would be included as part of this Contract. The AIOC will be a new 24/7 customer-centric nerve center to better support operations, safety, and security.

On February 7, 2023, by Resolution No. 045-23, the BOS approved Modification No. 9 increasing the Contract amount by $7,750,000 for a new total Contract amount not to exceed $25,000,000. The BOS approved Modification No. 9 for a not-to-exceed amount of $25,000,000 which was lower than the Commission's approval for a not-to-exceed amount of $27,850,000 because the Airport had yet to extend the Contract term beyond January 2025.

Modification No. 11 would increase the Contract not-to-exceed amount by $20,400,000 for a new Contract not-to-exceed amount of $45,400,000 and extend the Contract duration through January 25, 2027. This amount includes the capacity for the full estimated Project Management Support Services for three years of services for completion of the interior of the Courtyard 3 Connector building, state of the art AIOC, and associated technology.

Modification No. 11 includes $10,000,000 for services in 2024 to facilitate the completion of the AIOC design, procurement, and start of construction; $7,600,000 for services in 2025 to facilitate on-going construction, commissioning, testing and move-in support; and $2,800,000 for

services in 2026 to facilitate completion of Staff moves, punch list, contract close out, and on-going technology support.

This Contract includes highly specialized Subject Matter Experts (SMEs) to provide guidance on the implementation of the AIOC including recommendations for resource planning, process mapping, operations, technology, and data processing. SMEs work with stakeholders to research and analyze feasibility of the Airport's systems and data infrastructure to develop a common operating picture. SMEs also work with stakeholders to develop future functions and change management, to streamline integration of processes within the AIOC.

Because the Contract amount has exceeded $10,000,000 and the cost of this modification exceeds $500,000 pending Commission authorization, Staff will seek the BOS's approval to increase the authorized not-to-exceed amount as required by San Francisco Charter Section 9.118(b) for the full estimated Contract amount of $45,400,000.

The proposed full Contract not-to-exceed amount is within the budget for this Contract and funded from the Ascent Program – Phase 1.5 under the Airport's Capital Improvement Plan.

The City's Contract Monitoring Division (CMD) approved a Local Business Enterprise (LBE) sub-consulting participation requirement of 21% for this Contract. However, PGH Wong & Partners JV forecasts achieving 17% LBE subcontracting participation due to the inclusion of Subject Matter Experts to support the AIOC. PGH Wong & Partners JV continues to make good-faith efforts to maximize LBE participation and is working with CMD to understand all available opportunities to further improve participation.

Environmental Review

On July 28, 2017, the San Francisco Planning Department issued the Final Negative Declaration (San Francisco Planning Department File No. 2016-000857ENV) for the Courtyard 3 Connector Project. Through the Final Negative Declaration analysis, the San Francisco Planning Department determined that the project could not have a significant effect on the environment. On August 15, 2017, by Resolution No. 17-0188, the Airport Commission adopted the Final Negative Declaration and related California Environmental Quality Act (CEQA) findings.

Recommendation

I recommend the Commission approve Modification No. 11 to Professional Services Contract No. 10072.41, Project Management Support Services for the Courtyard 3 Connector Project to PGH Wong & Partners JV, a joint venture between PGH Wong Engineering, Inc. and Avila and Associates Consulting Engineers, Inc. to increase the Contract amount by $20,400,000 for a new Contract not-to-exceed amount of $45,400,000 and extend the Contract for an additional two years of services.

I also recommend that the Commission direct the Commission Secretary to seek the Board of Supervisors' approval of Modification No. 11 to this Contract consistent with San Francisco Charter Section 9.118(b).

Ivar C. Satero
Airport Director

Prepared by: Judi Mosqueda
Chief Development Officer
Design & Construction

Attachments

ATTACHMENT A
SUMMARY OF COMMISSION ACTIONS
January 16, 2024

Contract No.: 10072.41 Project Management Support Services for the Courtyard 3 Connector Project
Consultant: PGH Wong & Partners JV
Modification No. 11

Date	Modification No.	Resolution No.	Description	Scope	Amount
8/15/2017		17-0188	Environmental Review	Adoption of the Final Negative Declaration, adoption of CEQA findings, and determination to proceed with the project	
12/19/2017	-	17-0321	Award of Contract	Project Management Support Services	$3,250,000
9/1/2019	1	-	Administrative Modification	Amendment of overhead rates	$0
2/19/2019	2	19-0030	Annual Renewal	Annual renewal for the second year of services	$5,000,000
10/18/2019	3	-	Administrative Modification	Amendment of base labor rates	$0
11/5/2019	4	19-0273	Renewal through end of Services	NOT EXECUTED	N/A
2/18/2020	4	20-0028	Renewal through end of Services	Renewal of services through June 30, 2022, amendment of Contract Amount, and acknowledgment that CFWright Consulting, LLC is no longer a member of PGH Wong & Partners Joint Venture	$1,500,000
2/18/2020	5	20-0029	Budget increase	Amendment of Contract Amount	$7,500,000
11/23/2020	6	-	Administrative Modification	Amendment of base labor rates	$0
4/5/2022	7	22-0055	Contract Extension / Administrative Modification	Extend Contract through December 31, 2023, add subconsultant STOK LLC and amendment of rates	$0

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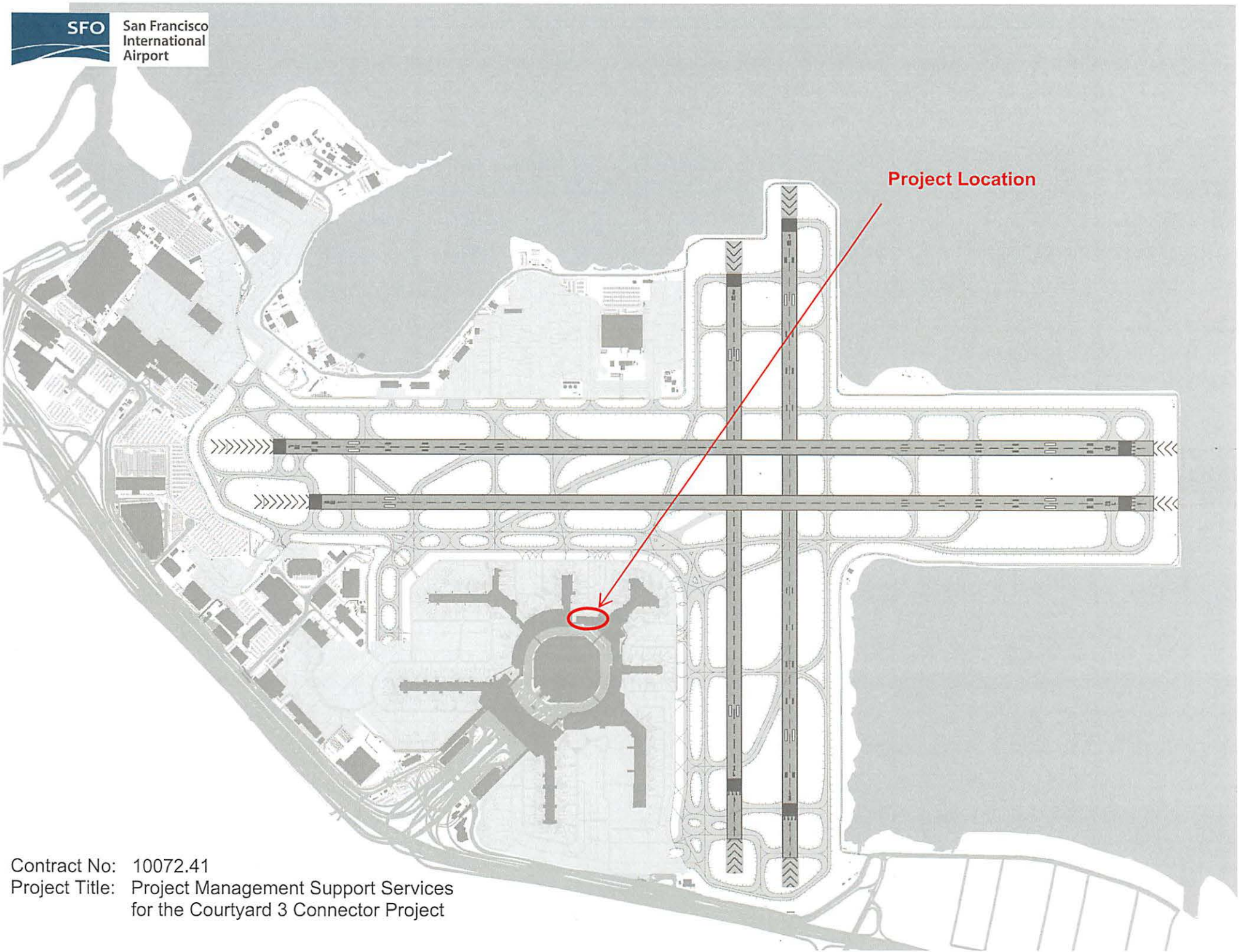
Contract No.: 10072.41 Project Management Support Services for the Courtyard 3 Connector Project
Consultant: PGH Wong & Partners JV
Modification No. 11

Date	Modification No.	Resolution No.	Description	Scope	Amount
11/21/2022	8	-	Administrative Modification	Add subconsultant Helton Ventures	$0
12/6/2022	9	22-0182	Budget Increase	Amendment of Contract Amount	$7,750,000
6/1/2023	10	-	Administrative Modification	Add subconsultant M2P	$0

Contract As-Modified to Date	**$25,000,000**
Proposed Contract Modification No. 11 Amount	$20,400,000
Proposed Modified Contract Amount	**$45,400,000**

SFO San Francisco International Airport



Contract No: 10072.41
Project Title: Project Management Support Services for the Courtyard 3 Connector Project