

**MEMORANDUM**

November 12, 2013

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

FROM: Airport Director

SUBJECT: Assignment of Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Projects and Modification No. 3

**DIRECTOR'S RECOMMENDATION:** APPROVE ASSIGNMENT OF THE PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 9048.9, CONSTRUCTION MANAGEMENT SERVICES FOR TERMINAL 3 IMPROVEMENT PROJECTS FROM URS/ECS, A JOINT VENTURE, TO T3 EAST, A JOINT VENTURE, AND APPROVE MODIFICATION NO. 3 FOR AN ANNUAL RENEWAL, IN AN AMOUNT NOT TO EXCEED \$2,300,000 FOR A NEW CONTRACT AMOUNT OF \$7,884,000, AND WITH A TIME EXTENSION TO NOVEMBER 11, 2014.

**Executive Summary**

Transmitted herewith for your approval is a proposed Resolution authorizing Modification No. 3 to Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Projects. This modification provides for an annual renewal of Contract 9048.9, in an amount not to exceed \$2,300,000 for a new contract amount not to exceed \$7,884,000, for services through November 11, 2014.

In addition, URS/ECS, a Joint Venture (URS/ECS) has requested approval to assign its rights and obligations under Contract No. 9048.9 to a new joint venture, T3 East, a Joint Venture. T3 East is a joint venture of Cooper Puga Management, Inc. (CPM) and Environmental & Construction Solutions (ECS). CPM is currently a subconsultant to URS/ECS.

**Background**

On June 30, 2011, by Resolution No. 11-0145, the Commission awarded a construction management contract to URS/ECS, a Joint Venture, to provide construction management services for the proposed \$25 million Terminal 3 Improvements project for the expansion of the existing central checkpoint and a building expansion of approximately 10,000 square feet. The contract included services to develop a Request for Qualifications and Request for Proposal (RFQ/RFP) "bridging document" for the procurement of a design-build team, as well as full construction management (CM) services during implementation.

Based on the results of the Programming and Planning Study and Report, further analysis of the existing infrastructure, and a review of program requirements with Airport and Airline Stakeholders, it was determined that re-scoping of the Terminal 3 project was required. Specifically, the Airport re-visioned the Terminal 3 project to meet the standard set in Terminal 2, to provide for a renewed facility with a 40-year useful life, including seismic upgrade, and to provide for sufficient capacity to meet the anticipated passenger forecast demand by year 2025. As a result, the total project budget was increased to \$208 million, and the CM budget was increased to \$8,200,000.

The previous Modification No. 2 authorized six (6) months of services while URS/ECS restructured the team to provide services necessary for the expanded project. URS Corporation has since requested that it be able to assign the Contract in order to align expectations of required services with the Airport. Staff is agreeable to this and is requesting approval of the assignment of Contract No. 9048.9 to CPM and ECS, hereafter referred to as T3 East, a Joint Venture. ECS is an original member of the URS/ECS joint venture. CPM is a subconsultant under the URS/ECS joint venture. T3 East has provided Airport staff with its Joint Venture Agreement. The effective date of the new T3 East joint venture is estimated to be November 12, 2013; however, the assignment is conditional on T3 East, a Joint Venture providing the necessary business registration and insurance certificates as required under the contract. A transition period is proposed for November 1, 2013 through November 12, 2013 so that pertinent project information can be provided to the new team. The subconsultant team minus CPM will be unaffected by this assignment.

For services under T3 East, a Joint Venture, Staff proposes to increase the contract by an amount not to exceed \$2,300,000, for a new contract amount of \$7,884,000, based on providing appropriate staffing levels through November 11, 2014.

The Project Management/Construction Management Team will continue to be comprised of both Consultant staff and Airport staff. The Airport is providing project managers and construction inspectors. T3 East, a Joint Venture, will provide a construction manager, resident engineer, design manager, MEP coordinator, office engineers and administrative staff, and other specialty construction management staffing as required.

The City's Contract Monitoring Division (CMD) approved an 18% LBE subconsultant participation goal for this contract. T3 East, a Joint Venture, is committed to meeting the approved goal.

#### **Recommendation**

Based on the above, I recommend that the Commission approve this Modification No. 3 to the professional services agreement, Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Projects, increasing the not-to-exceed amount by \$2,300,000, for a new total contract amount not to exceed \$7,884,000, and extending the contract duration to November 11, 2014. I further recommend that the Commission approve the assignment of Contract No. 9048.9 to T3 East, a Joint Venture.

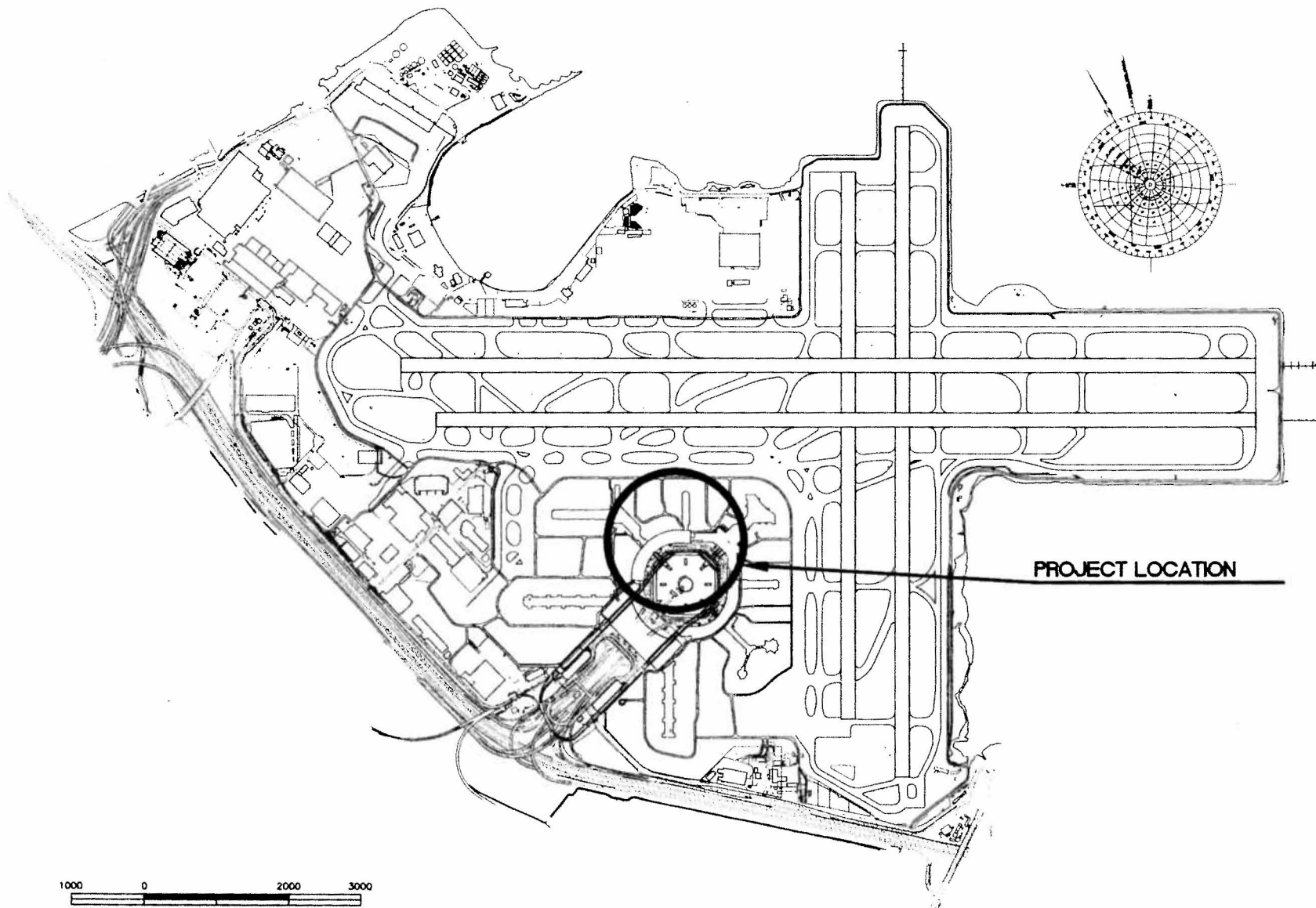


John L. Martin  
Airport Director

Prepared by: Ivar Satero  
Deputy Airport Director  
Design, Construction & Technology

Attachments

AIRPORT CONTRACT No. 9048.9  
TERMINAL 3 IMPROVEMENTS PROJECTS



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----- GRAPHICAL SCALE (FEET) -----

Prepared by: Airport Development and Technology Division  
Ivar Satero - Deputy Airport Director  
July 2013

SAN FRANCISCO INTERNATIONAL AIRPORT  
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION  
John L. Martin - Airport Director

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 13-0231

**ASSIGNMENT OF THE PROFESSIONAL SERVICES AGREEMENT, CONTRACT NO. 9048.9, CONSTRUCTION MANAGEMENT SERVICES FOR TERMINAL 3 IMPROVEMENT PROJECTS, TO T3 EAST, A JOINT VENTURE, AND MODIFICATION NO. 3 IN AN AMOUNT NOT TO EXCEED \$2,300,000 FOR A NEW CONTRACT AMOUNT NOT TO EXCEED \$7,884,000, AND WITH A TIME EXTENSION TO NOVEMBER 11, 2014.**

WHEREAS, on June 30, 2011, by Resolution No. 11-0145, the Commission awarded Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Projects, to URS/ECS, a Joint Venture, in an amount not to exceed \$2,221,000 for the first year of services, from August 2011 to August 2012; and

WHEREAS, on July 17, 2012, by Resolution No. 12-0164, the Commission amended Contract No. 9048.9 for an amount not to exceed \$2,163,000 for the second year of services, from August 2012 to August 2013; and

WHEREAS, on July 23, 2013, by Resolution No. 13-0158, the Commission amended Contract No. 9048.9 for an amount not to exceed \$1,200,000 for an additional six (6) months of services through February 28, 2014; and

WHEREAS, Staff is recommending that Contract No. 9048.9 be assigned to T3 East, a Joint Venture, made up of Cooper Pugeda Management, Inc. and Environmental & Construction Solutions, Inc. effective November 12, 2013, allowing for a transition period from November 1, 2013 to November 12, 2013; and

WHEREAS, Staff and T3 East, a Joint Venture, have reached an agreement regarding scope, staffing and fee, and Staff proposes to increase the not-to-exceed amount by \$2,300,000 for a new total contract amount not to exceed \$7,884,000 and to extend the contract duration to November 11, 2014; now, therefore be it

RESOLVED, that the Commission approves the assignment of Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Projects, to T3 East, a Joint Venture, effective November 12, 2013 or as soon thereafter as T3 East, a Joint Venture is able to comply with the business registration and insurance requirements of the contract; and, be it further

RESOLVED, that the Commission authorizes Modification No. 3 to the professional services agreement, Contract No. 9048.9, Construction Management Services for Terminal 3 Improvement Projects, increasing the not-to-exceed amount by \$2,300,000, for a new total contract amount not to exceed \$7,884,000, and extending the contract duration to November 11, 2014.

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

NOV 12 2013

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

  
Secretary