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•	oy: Linda Wong oy: Linda Wong	Date_ Date_	April 8, 2016

[Emergency Contract - Pilot Construction Management, Inc. - Superbay Hangar Emergency Fire Watch and Interim Foam Fire Suppression System Retrofit - Not to Exceed \$4,366,164]

Resolution approving an emergency public work contract between the Airport Commission and Pilot Construction Management, Inc. under Administrative Code, Section 6.60, for the Superbay Hangar Emergency Fire Watch and Interim Foam Fire Suppression System Retrofit Project in an amount not to exceed \$4,366,164.

WHEREAS, The fire suppression system within the Superbay Hangar at San Francisco International Airport failed on December 18, 2015; and

WHEREAS, The Superbay Hangar was constructed in 1969 and is one of only four hangars in the Unites States that can house four 747 aircraft; and

WHEREAS, The Superbay Hangar is currently occupied and used 24 hours a day, seven days a week, by American Airlines and United Continental Airlines to perform critical and necessary aircraft safety and maintenance checks; and

WHEREAS, Due to multiple leaks in an underground transit pipe, the fire suppression system cannot achieve the minimum water pressure necessary to generate fire suppression foam to address a fire; and

WHEREAS, The Superbay Hangar is currently under temporary fire watch by order of the Airport Fire Marshal, and the fire watch is being provided by an Airport Job Ordering Contract contractor; and

WHEREAS, Airport Staff and the Airport Fire Marshall have determined that the following work, at the designated not-to-exceed price, is required to be performed over the next year under an emergency contract in order to secure the Fire Marshal's approval to continue operations in the Superbay Hangar: (1) Provide 24/7 fire watch through January 31, 2017 - \$1,184,634; (2) Integration of the ultraviolet infrared detection system into release

mechanisms - \$726,330; (3) Perform fire main bypass to address one of the major water leaks - \$347,820; (4) Modify the fire pump control system to respond to manual control initiation - \$593,340; (5) Provide 12 high-expansion high-trajectory foam hose reels and temporary portable pump stations to provide supplemental firefighting foam - \$971,850; and (6) Modify the domestic water system to provide fire sprinklers for the 1st, 2nd, and 4th floor offices and aircraft parts storage areas - \$542,190; and

WHEREAS, While the emergency work is underway, the Airport will pursue procurement of a design-build contractor, through a competitive procurement process, to provide a replacement high expansion foam fire suppression system, at an estimated cost of \$20,000,000; and

WHEREAS, Administrative Code, Section 6.60, authorizes the Airport Director to declare an emergency and award an emergency contract, exempt from the competitive bidding process, in the event of an actual emergency, which includes the breakdown of equipment necessitating immediate emergency repair or reconditioning to safeguard the lives or property of citizens or the property of the City; and

WHEREAS, The Airport Director declared an emergency due to the failure of the Superbay Hangar fire suppression system in a letter dated February 5, 2016, addressed to the President of the Airport Commission with copies to the Board of Supervisors, Mayor, Controller, and Airport Commission; and

WHEREAS, Administrative Code, Section 6.60(d), requires the Airport Director to secure the written approval of the President of the Airport Commission prior to authorizing the commencement of emergency work if the estimated cost of the work is in excess of \$250,000; and

WHEREAS, The Airport Commission President has given written approval for the emergency work specified above; and

WHEREAS, Administrative Code, Section 6.60(d), requires the Airport Director to obtain the written approval of the Board of Supervisors prior to authorizing the commencement of emergency work if the cost of the work is in excess of \$250,000; and

WHEREAS, The Airport estimates that the emergency work can be performed under a contract amount not to exceed \$4,366,164; and

WHEREAS, The Airport has executed a contract with Pilot Construction Management, Inc. with a contract amount not to exceed \$4,366,164 for Superbay Hangar Fire Watch and Interim Foam System Retrofit services; and

WHEREAS, The Controller has certified that funds are available for this emergency contract; now, therefore, be it

RESOLVED, That Board of Supervisors approves and authorizes the Airport Director to proceed with all work necessary to maintain operations in the Superbay Hangar over the next year with the contract amount not to exceed \$4,366,164; and, be it

FURTHER RESOLVED, That within thirty (30) days of the contract being full executed by all parties, the Airport shall provide a copy of the final contract to the Clerk of the Board for inclusion into the official file.

Item 6	Department:
File 16-0216	San Francisco International Airport (Airport)

EXECUTIVE SUMMARY

Legislative Objectives

• The proposed resolution would approve an emergency public work contract between the San Francisco International Airport (Airport) and Pilot Construction Management, Inc. (Pilot) for the Superbay Hanger Emergency Fire Watch and Interim Foam Fire Suppression System Retrofit Project in an amount not-to-exceed \$4,366,164.

Key Points

- On December 18, 2015, Airport staff noticed a significant drop in water pressure within the Superbay Hangar fire suppression system. On January 14, 2016 the San Francisco Fire Department issued a notice to the Airport to correct fire hazards and to develop a plan to provide adequate fire protection at the Superbay Hangar or to close down the Hangar.
- On February 5, 2016, the Airport declared the breakdown of the Superbay Hangar fire suppression system to be an emergency, in accordance with Administrative Code Section 6.60. The Airport entered into a contract with Pilot Construction Management, Inc. (Pilot) on February 5, 2016 for the Fire Watch and Interim Foam Fire Suppression System Retrofit Project and Pilot then began work on the Project. The Airport submitted the proposed resolution approving the emergency contract with Pilot on March 15, 2016.
- The Airport did not solicit bids from other firms that could potentially perform this work, due to the emergency nature of the failure to the fire suppression system. According to Ms. Geri Rayca, Manager in the Airport's Contract Management Unit, Pilot has already been working on several Superbay Hangar projects, including components of the fire suppressions system and bypass work at the Pump House. Because of their existing knowledge of the Superbay Hangar, Pilot would be able to perform its work with less delay, compared to finding an alternative contractor.

Fiscal Impact

 The total cost of the Superbay Hanger Emergency Fire Watch and Interim Foam Fire Suppression System Retrofit Project is \$4,366,164. According to Ms. Rayca, the Airport's capital budget has sufficient funds to pay for the proposed emergency contract with Pilot.

Recommendation

Approve the proposed resolution.

MANDATE STATEMENT

Administrative Code Section 6.60(b) states that the department head responsible for addressing an emergency may declare an emergency with immediate notice to the Board of Supervisors, the Mayor, the Controller, and the commission.

Administrative Code Section 6.60(d) states that emergency work of more than \$250,000 requires written approval of the commission overseeing the department. If the department is unable to obtain Board of Supervisors approval prior to performing emergency work of more than \$250,000, the department must submit a resolution to the Board of Supervisors approving the emergency determination within 60 days of the department head's emergency declaration.

BACKGROUND

The Superbay Hanger at the San Francisco International Airport was constructed in 1969 and is one of only four hangars in the United States that can house four 747 aircraft. The Superbay Hanger is currently occupied by American Airlines and United-Continental Airlines to perform necessary aircraft safety and maintenance checks.

On December 18, 2015, Airport staff noticed a significant drop in water pressure within the Superbay Hangar fire suppression system. Multiple leaks were identified within the 30" underground transit pipe which brings water from the external Pump House to the Superbay Hangar. As such, the Superbay Hanger does not have sufficient water pressure for fire suppression in the event of a fire. The Superbay Hangar is currently under temporary fire watch by the order of the Airport Fire Marshal. On January 14, 2016 the San Francisco Fire Department issued a notice to the Airport to correct fire hazards and to develop a plan to provide adequate fire protection at the Superbay Hangar or to close down the Superbay Hangar.

On February 5, 2016, the Airport declared the breakdown of the Superbay Hangar fire suppression system to be an emergency, in accordance with Administrative Code Section 6.60. The President of the Airport Commission subsequently gave written approval to perform emergency work to repair the Superbay Hangar fire suppression system.

The Airport entered into a contract with Pilot Construction Management, Inc. (Pilot) on February 5, 2016 for the Fire Watch and Interim Foam Fire Suppression System Retrofit Project, and Pilot then began work on the Project. The Airport submitted the proposed resolution approving the emergency contract with Pilot on March 15, 2016.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an emergency public work contract between the Airport and Pilot Construction Management, Inc. (Pilot) to repair the Emergency Fire Watch and Interim Foam Fire Suppression System at the Airport's Superbay Hanger in an amount not-to-exceed \$4,366,164.

According to Ms. Geri Rayca, Manager in the Airport's Contract Management Unit, the Airport worked with the Airport Fire Marshal to develop a scope of work for repairs required to continue operations in the Superbay Hanger. These repairs must be completed in order to gain approval by the Airport Fire Marshal. The scope of work for the project includes:

- Perform fire main bypass to address leak outside the Pump House (to be completed by March 20, 2016);
- Provide 12 high-expansion high-trajectory foam hose reels (to be completed by May 20, 2016);
- Modify domestic water system for fire sprinklers on 1st, 2nd, and 4th floor offices, and aircraft parts storage (to be completed by May 20, 2016).
- Integration of Ultraviolet Infrared Detection system into existing foam system (to be complete by June 30, 2016);
- Modify pump control system at Pump House to respond to manual control system (to be completed by July 15, 2016);
- Fire watch for 24 hours-per-day, 7 days-per-week, as required by San Francisco Fire Department and Airport Fire Marshal (to be performed through January 31, 2017).

In accordance with Administrative Code section 6.60, the Airport was not required and did not solicit bids from other firms that could potentially perform this work, due to the emergency nature of the failure to the fire suppression system. According to Ms. Rayca, Pilot has already been working on several Superbay Hangar projects, including components of the fire suppressions system and bypass work at the Pump House. Because of their existing knowledge of the Superbay Hangar, Pilot would be able to perform its work with less delay, compared to finding an alternative contractor. Engineering staff at the Airport reviewed the scope of work and estimated the cost of these elements to be \$4,651,987. The proposed emergency contract with Pilot is for an amount not-to-exceed \$4,366,164, or \$285,823 less than the Airport engineering staff's estimate.

According to Ms. Rayca, the Airport plans to replace the current fire suppression system with a new permanent high-expansion foam fire suppression system. The Airport anticipates issuing a competitive Request for Proposals in June 2016 to award a contract to procure a design-build

contractor to install a new fire suppression system. The new system is expected to cost approximately \$20,000,000.

FISCAL IMPACT

The total estimated cost to repair the Superbay Hanger Emergency Fire Watch and Interim Foam Fire Suppression System is \$4,366,164, as shown in Table 1 below.

Table 1: Total Cost to Repair the Superbay Hanger Emergency Fire Watch and Interim Foam
Fire Suppression System

	Fire Main Bypass	12 High- Expansion Foam Hose Reels	Modify Domestic Water System	Integration of Ultraviolet Infrared Detection	Modify Pump Control System	Fire Watch	Total
Labor	\$88,000	\$89,850	\$100,000	\$130,000	\$247,000	\$1,184,634	\$1,839,484
Equipment	217,000	760,000	359,000	471,000	252,000	-	\$2,059,000
Engineering	18,000	54,000	45,000	74,000	52,000	-	\$243,000
Contingency (5%)	24,820	68,000	38,190	51,330	42,340	-	\$224,680
Total	\$347,820	\$971,850	\$542,190	\$726,330	\$593,340	\$1.184.634	\$4.366,164

Ms. Rayca states the Airport's capital budget has sufficient funds to pay for the proposed emergency contract with Pilot. The capital budget was previously approved by the Board of Supervisors.

RECOMMENDATION

Approve the proposed resolution.



EMERGENCY CONTRACT

THIS CONTRACT made for the convenience of the parties this 5th day of February, 2016 by and between Pilot Construction Management, Inc., 850 S. Van Ness Avenue, Suite 31, San Francisco, California 94110 ("Contractor"), and the City and County of San Francisco, a municipal corporation, ("City"), acting through the Airport Commission ("Commission") of the San Francisco International Airport, under and by virtue of the Charter and Administrative Code of the City and County of San Francisco.

WHEREAS, the Airport Director awarded this Contract to Contractor on the [insert day] day of [insert month], 2016:

San Francisco International Airport Contract No. 8465C.76 Superbay Hangar Emergency Fire Watch and Interim Foam System Retrofit Project

NOW, THEREFORE, Contractor, in consideration of the mutual covenants set forth in this Contract, promises and agrees to provide all services to provide fire watch and construct the Project in accordance with the requirements of this Contract, to perform the Work in good and workmanlike manner to the satisfaction of the Commission, to prosecute the Work with diligence from day to day to Final Completion, to furnish all Fire Watch Services and construction work, labor and materials to be used in the execution and completion of the Work in accordance with the Contract and as directed by the Commission, and to otherwise fulfill all of Contractor's obligations under the Contract, as and when required under the Contract to the satisfaction of the Commission.

This Contract is subject to the emergency provisions of the San Francisco Administrative Code Section 6.60. Charges will accrue only after written authorization from the Airport Director to commence the Work. Charges in excess of \$250,000 shall only be paid upon the approval of the Board of Supervisors and prior written authorization certified by the CITY Controller.

ARTICLE 1 - WORK

- 1.01 The Contractor agrees to perform the Work provided for in Appendix A, "Summary of Work," attached hereto and incorporated by reference as though fully set forth herein. Additional Work required for the Project shall be requested by Commission through the issuance of a written task order, to the extent possible, and such task order shall be made a part of and incorporated into the Agreement as though fully set forth herein without the need for a formal amendment to the Contract. The Airport may issue written task orders by e-mail. To the extent that the emergency allows, the task order shall include a description of the additional Work, the deliverables, schedule for performance, and cost.
- 1.02 The "Work" shall mean the performance by Contractor of all its responsibilities and obligations set

forth in the Contract to provide on a complete, turnkey basis, a fully functional, complete and operational Project constructed in accordance with the Contract, including but not limited to, all investigations, analyses, surveys, engineering, procurement, materials, labor, workmanship, construction and erection, commissioning, equipment, shipping, subcontractors, material suppliers, permits, insurance, bonds, fees, taxes, duties, documentation, spare parts, materials for initial operation, security, disposal, startup, testing, training, warranties, guarantees, and all incidentals. The Work shall include construction services as well as 24/7 Fire Watch Services through January 31, 2017. References to "Work" may be to items of Work.

1.03 The Work outlined in Appendix A, "Summary of Work" and all related Work requested by the Commission shall constitute the "Project" for purposes of this Contract.

1.04 Compliance with Laws.

- A. Contractor shall keep itself fully informed of and comply with the City's Charter, ordinances and regulations and other local agencies having jurisdiction over the Work, and all federal and state laws and regulations in any manner affecting this Contract, the performance of the Work, or those persons engaged therein.
- B. All construction and materials provided under this Contract shall be in full accordance with the latest laws and requirements, or the same as may be amended, updated or supplemented from time to time, of the Americans with Disability Act Accessibility Guidelines, CAL-OSHA, Federal Aviation Administration (FAA), Caltrans, the State Division of Industrial Safety of the Department of Industrial Relations, the Division of the State Architect Access Compliance, the Public Utilities Commission of the State of California, the State Fire Marshal, the National Fire Protection Association, the San Francisco Department of Public Health, state and federal laws and regulations, and of other bodies or officials having jurisdiction or authority over same, and they shall be observed and complied with by Contractor and any and all persons, firms and corporations employed by or under it.
- C. Authorized persons may at any time enter upon any part of the Work to ascertain whether such laws, ordinances, regulations or orders are being complied with.
- D. No additional costs will be paid or extensions of time granted as a result of such compliance.

ARTICLE 2 - CONTRACT TIME

2.01 <u>Completion Dates.</u> Contractor shall achieve Substantial Completion of the Work in accordance with the provisions set forth in Appendix A, "Summary of Work," attached hereto and incorporated by reference as though fully set forth herein, beginning with and including the date established by the written authorization to commence Work from the Commission to Contractor, and Final Completion by January 31, 2017.

2.02 Final Completion.

- A. When Contractor considers all Work under this Contract complete, including all items of Work on any Punch List, Contractor shall notify the City in writing and request that the City issue a certificate of acceptance.
- B. Within two (2) working days of receipt of Contractor's written notice, the CITY will verify that the Project has reached Final Completion. If the City finds that the Work is not complete,

- the City will notify Contractor in writing of the items that need to be completed. Contractor shall promptly take actions necessary to complete such Punch List/Final Completion items.
- C. After Contractor has completed to the satisfaction of the Commission all Punch List/Final Completion items in accordance with this Contract, the Commission will issue a written certificate of acceptance stating that the Work is acceptable, and Contractor may submit the final application for payment.
- 2.03 <u>Liquidated Damages</u>. It is understood and agreed by and between Contractor and the Commission that time is of the essence in all matters relating to this Contract and that the Commission will suffer financial loss if the Work is not completed within the above-stated Contract Time, plus any extensions thereof allowed by the Commission. The Commission and Contractor further understand and agree that the actual cost to Commission which would result from Contractor's failure to complete the Work within the Contract Time is extremely difficult, if not impossible, to determine. Accordingly, Contractor and the Commission agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay the Commission the amount \$500 for each calendar day that expires after the above Contract Time during which Work remains incomplete.

ARTICLE 3 - CONTRACT SUM

3.01 Contract Sum

A. Contractor and the Commission agree that, upon performance and fulfillment of the mutual covenants set forth herein, the Commission will, in the manner provided by law, pay or cause to be paid to Contractor the following price(s):

1.	Provide 24/7 Fire Watch Services:	Not-to-Exceed	\$1,184,634
2.	Integrate existing Ultra violet Infrared	Detection System:	
		Not-to-Exceed	\$ 726,330
3.	Perform fire main bypass:	Not-to-Exceed	\$ 347,820
4.	Modify the fire pump control system:	Not-to-Exceed	\$ 593,340
5.	Provide 12 high-expansion high traject	ory foam hose reels:	
	•	Not-to-Exceed	\$ 971,850
6.	Modify domestic water system:	Not-to-Exceed	\$ 542,190
To	tal amount not-to-exceed contract am	ount:	\$4,366,164

Four Million Three Hundred Sixty-six Thousand One Hundred Sixty-four Dollars

- B. Contractor understands and agrees that the Contractor shall be solely responsible for providing all resources that may be necessary to provide the Work, and that the Commission shall have no obligation whatsoever to finance any part of such costs except with respect to those amounts which become due under the terms and conditions of this Contract.
- C. Retention. The Commission shall hold five (5) percent in retention from each progress payment in addition to amounts withheld as a result of any dispute or as required by law. The Commission shall release the retention with the final payment only (i) upon Final Completion as provided in paragraph 2.02, above; and (ii) the Contract is free of offsets by the City for defective work and is free of stop notices, forfeitures, and other charges.]

ARTICLE 4 - LABOR REQUIREMENTS

- 4.01 Applicable Laws and Agreements. Compensation and working conditions for labor performed or services rendered under this Contract shall be in accordance with this Contract, the San Francisco Charter, and applicable sections of the San Francisco Administrative Code, including section 6.22(E). While this emergency Contract is exempt from the requirements of the San Francisco Administrative Code Chapters 12A, 12B, 12C, and 14B, Contractor shall make every effort to comply with the requirements of these provisions.
- 4.02 Prevailing Wages. The latest Wage Rates for Private Employment on Public Contracts in the City and County of San Francisco, as determined by the San Francisco Board of Supervisors and the Director of the California Department of Industrial Relations, and, when federal funds are involved, the current General Wage Determination Decisions, as determined by the U.S. Secretary of Labor, as same may be changed during the term of this Contractor, shall be included in this Contractor and are hereby incorporated by this reference. Contractor agrees that any person performing labor in the provision of the Work shall be paid not less than the highest general prevailing rate of wages as so determined. If federal funds are involved, where the minimum rate of pay for any classification differs among State, City and Federal wage rate determinations, the highest of the three rates of pay shall prevail. Contractor shall include, in any contract or subcontract relating to the Work, a requirement that all persons performing labor under such contract or subcontract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Contractor shall require any contractor to provide, and shall deliver to City every month during any construction period, certified payroll reports with respect to all persons performing labor in the Provision of the Work.
 - A. The latest prevailing wage rates are located at the following website http://www.dol.gov/whd/govcontracts/dbra.htm under San Francisco County and appropriate construction type activities.

ARTICLE 5 - INSURANCE AND BONDS

- 5.01 CONTRACTOR shall purchase and maintain in force throughout the Contract Time such liability and other insurance as provided in Appendix B Insurance Requirements attached hereto and incorporated as fully set forth herein.
- 5.02 Bonds. CONTRACTOR shall furnish and maintain (1) a corporate surety bond to guarantee the faithful performance of the Contract ("Performance Bond") and (2) a corporate surety bond to guarantee the payment of labor, materials, supplies, and equipment used in the performance of the Contract ("Payment Bond"), each in an amount of not less than 100% of the Contract Sum, with CONTRACTOR as Principal and the AIRPORT as sole obligee, in the form provided by the COMMISSION (Document 00 61 13), in conformance with the bond requirements under Document 00 72 00: General Conditions, Article 10 attached hereto and incorporated by reference as though fully set forth herein. CONTRACTOR shall furnish the Performance and Payment Bonds at the time CONTRACTOR executes this AGREEMENT.

ARTICLE 6 - INDEMNITY

6.01 To the fullest extent permitted by law, and consistent with California Civil Code section 2782, the Contractor shall assume the defense of, indemnify and hold harmless the Commission, and all of its officers, agents, members, employees, authorized representatives, or any other persons deemed necessary by any of them acting within the scope of the duties entrusted to them, from all claims,

suits, damages, actions, losses and liabilities of every kind, nature and description, including but not limited to attorney's fees, directly or indirectly arising out of, connected with or resulting from the performance or nonperformance of the Work. The liability of Contractor shall not be limited to the amount of insurance coverages required under the Contract Documents. This indemnification shall not be valid in the instance where the loss is caused by the sole negligence or intentional tort of any person indemnified herein.

ARTICLE 7 - RIGHTS AND REMEDIES

- 7.01 General. The provisions of the Contract shall not limit the duties, obligations, rights and remedies otherwise imposed or available by law or in equity. No action or failure to act shall in any way abridge the rights and obligations of the Parties to the Contract, or condone a breach thereunder, unless expressly agreed to by the Parties in writing. All remedies provided in the Contract shall be taken and construed as cumulative; that is, in addition to each and every other remedy herein provided, the City shall have any and all equitable and legal remedies that it would in any case have.
- 7.02 No Waiver. No waiver of any breach of any provision of the Contract shall be held to be a waiver of any other or subsequent breach. The only waiver by the City shall be a waiver in writing that explicitly states the item or right being waived.
- 7.03 City's Remedies for False Claims and Other Violations. Under San Francisco Administrative Code section 6.22M, Contractor or any Subcontractor or Supplier who fails to comply with the terms of this Contract, who violates any applicable provision of Chapter 6 of the Administrative Code or rules and regulations adopted per that Chapter, who submits false claims, or who violates against any governmental entity a civil or criminal law relevant to its ability to perform under or comply with the terms and conditions of the Contractor, may be declared an irresponsible bidder and debarred according to the procedures set forth in San Francisco Administrative Code section 6.80, et seq.
 - A. Additionally, Contractor or its Subcontractor or Supplier who submits a false claim may be subject to monetary penalties, investigation, and prosecution as set forth in Administrative Code section 6.80, et seq.
 - B. Contractor shall include in each subcontract and purchase order for Work a clause incorporating the provisions of this Paragraph 7.03.
- 7.04 Payment Does Not Imply Acceptance of Work. The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Contract may be rejected by City and in such case must be replaced by Contractor without delay.
- 7.05. <u>Incidental and Consequential Damages</u>. Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.
- 7.06. <u>Liability of City</u>. City's payment obligations under this Contract shall be limited to the payment of the compensation provided for in Article 3 of this Contract. Notwithstanding any other provision of

this Contract, in no event shall city be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits, arising out of or in connection with this Contract or the services performed in connection with this Contract.

ARTICLE 8 – GOVERNING LAW AND VENUE

- 8.01 Governing Law, The Contract shall be interpreted in accordance with the laws of the State of California and the provisions of the City's Charter and Administrative Code, including but not limited to Chapter 6 of the San Francisco Administrative Code, which is incorporated by this reference as if set forth herein in full.
- 8.02 Venue. All Claims, counter-claims, disputes and other matters in question between the City and Contractor arising out of or relating to this Contract or its breach will be decided by a court of competent jurisdiction within the City and County of San Francisco in the State of California.

ARTICLE 9 - MODIFICATIONS

9.01 This Contract may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Contract.

ARTICLE 10 - NOTICES TO PARTIES

10.01 Unless otherwise indicated in the Contract, all written communications sent by the Parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City:

Jenna Castro, Airport Contract Manager

San Francisco International Airport

P.O. Box 8097

San Francisco, California 94128 Email: jenna.castro@flysfo.com

To Contractor: Lina Tan, President

Pilot Construction Management, Inc. 850 S. Van Ness Avenue, Suite 31 San Francisco, California 94110 Email: pilotemine@gmail.com

- 10.02 From time to time, the parties may designate new address information by notice in writing, delivered to the other Party.
- 10.03 The delivery to Contractor at the legal address listed above, as it may be amended upon written notice, or the depositing in any post office or post office box regularly maintained by the United States Postal Service in a postage paid wrapper directed to Contractor at such address, of any drawing, notice, letter or other communication shall be deemed legal and sufficient service thereof upon Contractor.

ARTICLE 11 - PROPRIETARY OR CONFIDENTIAL INFORMATION OF CITY

11.01 Contractor understands and agrees that, in the performance of the Work under this Contract or in contemplation thereof. Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Contract. Contractor shall exercise the same standard or care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

ARTICLE 12 – TERMINATION

12.01 This Contract shall, unless sooner terminated, terminate upon Final Completion of the Work.

IN WITNESS WHEREOF, the CONTRACTOR and the CITY have hereunto set their hands and seals, and have executed this AGREEMENT with 3 originals, the day and year first above written.

By my signature hereunder, as Contractor, I certify that I have read and understand the following: Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

I further certify that I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this Contract.

CITY	CONTRACTOR
AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO	D =
	Authorized Signature
By:	Lina Tan
John L. Martin, Airport Director	Principal Pilot Construction Management Inc.
·	Pilot Construction Management, Inc. 850 S. Van Ness Avenue, Suite 31
	San Francisco, California 94110
	415-310-8235
Approved as to Form:	·
Dennis J. Herrera City Attorney	City Vendor Number: 83033
By Randy Parent	Federal Employer ID Number: 27-0387364
Deputy City Attorney	
·	

APPENDIX A SUMMARY OF WORK

PART 1 GENERAL

1.01 SUMMARY

The summary of work contained in this Appendix A is incorporated into the contract dated February 5, 2016 and referenced as:

San Francisco International Airport Contract No. 8465C.76 Superbay Hangar Emergency Fire Watch and Interim Foam System Retrofit

1.02 WORK COVERED BY CONTRACT DOCUMENTS

- A. Provide all labor, materials and equipment as requested. Payment will be on a time and materials basis with complete supporting documentation. Work of this AGREEMENT comprises all the emergency activities described below at the San Francisco International Airport and ancillary Work in accordance with the terms and conditions of the Contract Documents. Specifically, the Work is as follows:
 - 1. Provide 24/7 fire watch through January 31, 2017.
 - 2. Integrate the existing Ultraviolet Infrared (UVIR) Detection System into the release mechanisms throughout the Superbay Hangar.

To be completed by June 30, 2016

3. Perform fire main bypass to address the leak outside the Pump House per OCl design.

To be completed by March 20, 2016

4. Modify the fire pump control system at the Pump House to respond to manual control system initiation inside the Hangar.

To be completed by July 15, 2016

5. Provide 12 high-expansion high-trajectory foam hose reels complete with new water manifold and temporary portable pump station to provide the supplemental firefighting foam for the Hangar.

To be completed by May 15, 2016

Modify the domestic water system to provide water for the wet fire sprinklers for the 1st, 2nd, and 4th Floor offices and aircraft parts storage areas.

To be completed by May 20, 2016

B. Unless provided otherwise in the Contract Documents, all risk of loss to Work covered by Contract Documents shall rest with Contractor until Final Completion and Acceptance of the Work. (Contractor's responsibility for damages incurred to the Work as a direct result of an

earthquake shall not exceed five percent (5%) of the Contract Sum provided that the Work damaged is built in accordance with accepted and applicable building standards and all requirements on the Contract Documents.)

1.03 WORK SEQUENCE

CONTRACTOR shall perform work as directed by the Deputy Airport Director or his designated representative in stages and at times to accommodate Airport and Airline emergency operation requirements during the construction period; coordinate construction schedule and operations with the Airport Contract Manager.

1.04 COOPERATION OF CONTRACTOR AND COORDINATION WITH OTHER WORK

- A. Should construction work, or work of any other nature, be underway by other forces or by other contractors within or adjacent to the limits of CONTRACTOR'S work, CONTRACTOR shall cooperate, schedule and coordinate with all such other contractors or forces so that any delay or hindrance to their work will be avoided. CONTRACTOR shall cooperate, schedule and coordinate with such other contractors and forces.
- B. COMMISSION reserves the right to perform other or additional work, within or adjacent to the limits of the work specified, at any time by the use of other forces. CONTRACTOR shall coordinate with the COMMISSION and any COMMISSION forces, or other forces, engaged by the COMMISSION. In the event that the performance of such other or additional work materially increases or decreases the CONTRACTOR'S costs, the work and the amount to be paid therefore will be appropriately adjusted as determined by the Deputy Airport Director of his designated representative.
- C. Limit use of premises for Work and for construction operations to allow for:
 - 1. Airport and FAA operation.
 - 2. Work by other contractors and tenants.
- D. Coordinate use of premises and access to site with other contractors, utilities, and Commission forces. COMMISSION has final authority over coordination, use of premises, and access to site.
- E. Cooperate with COMMISSION, Airlines, Tenants, and their contractors who may occupy and begin work on site prior to completion of the work of this AGREEMENT.
- F. Cooperate with contractors for other area work not included in this AGREEMENT, but which may take place during construction period.

1.05 OCCUPANCY REQUIREMENTS

- A. Whenever, in the opinion of COMMISSION, the work or any part thereof is in a condition suitable for use, and the best interest of COMMISSION requires such use, COMMISSION may take beneficial occupancy of and connect to, open for public use, or use the Work or such part thereof.
- B. Prior to the date of Final Acceptance of the Work by COMMISSION, all necessary repairs or renewals in the work or part thereof so used, not due to ordinary wear and tear, but due to

- defective materials or workmanship or to operations of CONTRACTOR, shall be made at expense of CONTRACTOR.
- C. Use by COMMISSION of the work or part thereof as contemplated by this Appendix A shall in no case be construed as constituting acceptance of the work or any part thereof. Such use shall neither relieve CONTRACTOR of any responsibilities under this AGREEMENT, nor act as waiver by COMMISSION of any of the conditions thereof.
- D. COMMISSION may specify in the Contract Documents that portions of the work, including electrical and mechanical systems or separate structures, shall be substantially completed on milestone dates prior to substantial completion of all of the work. CONTRACTOR shall notify COMMISSION in writing when CONTRACTOR considers any such part of the Work ready for its intended use and substantially complete and request COMMISSION to issue a Certificate of Substantial Completion for that part of the Work.

PART 2 PRODUCTS

2.01 REFERENCE STANDARDS

For products specified by association or trade standards, comply with requirements of standard, except where more rigid requirements are specified or are required by applicable codes.

END OF SECTION

APPENDIX B INSURANCE REQUIREMENTS

1.01 SUMMARY

This Appendix B includes insurance requirements, which are incorporated into the contract dated February 5, 2016 and referenced as:

San Francisco International Airport Contract No. 8465C.76 Superbay Hangar Emergency Fire Watch and Interim Foam System Retrofit

1.02 CONTRACTOR'S LIABILITY INSURANCE

- A. The Contractor at its sole cost and expense, and for the full term of this agreement or as otherwise required under the contract documents or any renewal thereof, will obtain and maintain in full force and effect, the following liability insurance covers with the following minimum specified coverage or coverage as required by laws and regulations, whichever is greater:
 - 1. Worker's Compensation in statutory amounts prescribed by the State of California and Employers' Liability insurance with coverage of at least \$1,000,000 for each accident, injury, or illness for any and all employees of the contractor. The workers compensation insurance will include the following endorsements as deemed necessary by the City and County of San Francisco: U.S. Long Shore and Harbor Workers' Act benefits, and Jones Act benefits, and Federal Employers Liability Act, broad form all states, voluntary compensation, and a waiver of subrogation in favor of the City and County of San Francisco.
 - 2. Commercial General Liability insurance with coverage of at least \$2,000,000 combined single limit per occurrence with an annual aggregate of \$4,000,000 for bodily injury and property damage. The Commercial General Liability insurance may be required to include the following endorsements as deemed necessary by the City and County of San Francisco: contractual liability, products and completed operations, motor vehicle liability within the confines of the airport, aviation and completed operations, cargo legal liability, liquor liability, premises liability, contractors pollution liability, fueling and refueling, hangar-keepers liability, and garage keepers liability, independent contractors, Explosion, Collapse, and Underground (XCU), and Broadform Property Damage.
 - 3. Commercial Automobile Liability insurance with coverage of at least \$2,000,000 combined single limit for bodily injury and property damage, including any and all leased, owned, hired or non-owned vehicles used in the pursuit of any of the activities associated with this agreement. Where project activity is restricted to the Airport's landside (non-airfield) operation, said insurance will have a combined single limit per occurrence limit of liability of \$1,000,000, and where such project activity is located within the Airport's field side, otherwise known as Air Operations Area (AOA), the combined single limit per occurrence will be at least \$2,000,000. In the event the contractor's and/or subcontractor's commercial liability insurance specifically excludes any drivers form the coverage, said drivers will be prohibited from operating a motor vehicle on airport property in connection with the performance of this contract. The

commercial automobile liability insurance shall cover liability to the airport as third parties, for any loss to or destruction of, or damage to, airport provided vehicles employed by the contractor, or subcontractor, in the performance of this contract.

1.03 INSURANCE FOR OTHERS

For general liability, environmental pollution liability and automobile liability insurance, Contractor shall include as additional insured, the City and County of San Francisco, its board members and commissions, and all authorized agents and representatives, and members, directors, officers, trustees, agents and employees of any of them. Other parties to be protected by Contractor's liability insurance shall be as follows:

- City's consultants and/or subconsultants: N/A
- Non-City Agencies: N/A

1.04 FORMS OF POLICIES AND OTHER INSURANCE REQUIREMENTS

- A. Before commencement of the Work of this Contract, certificates of insurance and policy endorsements in form and with insurers acceptable to the City, evidencing all required insurance and with proper endorsements from Contractor's insurance carrier identifying as additional insured the parties indicated under Article "Insurance for Others" above, shall be furnished to the City, with complete copies of policies to be furnished to the City promptly upon request.
- B. Approval of the insurance by the City shall not relieve or decrease the extent to which Contractor or subcontractor of any tier may be held responsible for payment of any and all damages resulting from its operations. Contractor shall be responsible for all losses not covered by the policy, excluding damage caused by earthquake and flood consistent with section 7105 of the California Public Contract Code in excess of 5 percent of the Contract Sum, including the deductibles. All policies of insurance and certificates shall be satisfactory to the City.
- C. The Contractor and all its subcontractors shall comply with the provisions of California Labor Code section 3700. Prior to commencing the performance of work, the Contractor shall submit to the awarding department a certificate of insurance against liability for workers compensation or proof of self-insurance in accordance with the provisions of the California Labor Code. Upon request, all subcontracts shall also submit to the awarding department a certificate of insurance against liability for workers compensation or proof of selfinsurance in accordance with the provisions of the California Labor Code.
- D. Liability insurance, except for professional liability insurance, shall be on an occurrence basis, and said insurance shall provide that the coverage afforded thereby shall be primary coverage (and non-contributory to any other existing valid and collectable insurance) to the full limit of liability stated in the declaration, and such insurance shall apply separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limits of liability.
- E. Except for professional liability insurance, should any of the required insurance be provided under a form of coverage that includes an annual general aggregate limit or provides that

claims investigation or legal defense costs be included in such annual general aggregate limit, such general annual aggregate limit shall be **two** times the occurrence limits stipulated. City reserves the right to increase any insurance requirement as needed and as appropriate.

- F. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Contract, and without lapse, for a period 3 years beyond the Contract Final Completion date, to the effect that, should occurrences during the Contract term give rise to claims made after expiration of the Contract, such claims shall be covered by such claims-made policies.
- G. Each such policy shall provide that no cancellation or non-renewal shall occur without the carrier giving to the City at least 30 days' written notice prior thereto. All notices shall be made to the person identified in the Agreement in Article 10 Notice to Parties. Such individual should be the Contractor's primary point of contact for all purposes under this Agreement.
- H. Contractor, upon notification of receipt by the City of any such notice, shall file with the City a certificate of the required new or renewed policy at least 10 days before the effective date of such cancellation, change or expiration, with a complete copy of new or renewed policy.
- I. If, at any time during the life of this Contract, Contractor fails to maintain any item of the required insurance in full force and effect, all Work of this Contract may, at City's sole option, be discontinued immediately, and all Contract payments due or that become due will be withheld, until notice is received by the City as provided in the immediately preceding Paragraph "H" that such insurance has been restored to full force and effect and that the premiums therefor have been paid for a period satisfactory to the City.
- J. Any failure to maintain any item of the required insurance may, at City's sole option, be sufficient cause for termination for default of this Contract.

1.05 QUALIFICATIONS

Insurance companies shall be legally authorized to engage in the business of furnishing insurance in the State of California. All insurance companies shall have a current A.M. Best Rating not less than "A-,VIII" and shall be satisfactory to the City.

END OF SECTION



San Francisco International Airport

February 29, 2016

Ms. Angela Calvillo
Clerk of the Board
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Subject:

Approval of Emergency Contract between Pilot Construction Management, Inc. and the City and County of San Francisco, acting by and through its Airport Commission

Dear Ms. Calvillo:

Pursuant to Administrative Code Section 6.60, The Airport is requesting the approval of an emergency contract in excess of \$250,000 for the Superbay Hangar Emergency Fire Watch and Interim Foam System Retrofit with Pilot Construction Management, Inc. for an amount not-to-exceed \$4,366,164.

The original and two (2) sets of the following documents are enclosed for review:

- Proposed Board of Supervisors Resolution;
- Airport Director's letter to Airport Commission President with declaration of an emergency, description of emergency contract required to address the emergency, and Commission President's approval;
- Ethics Form SFEC-126 for the Board of Supervisors;
- Ethics Form SFEC-126 for Mayor Lee; and
- Pilot Construction Management, Inc. contract

Please contact Cathy Widener, Airport Governmental Affairs Manager at (650) 821-5023 if you have questions or concerns regarding this matter.

Very truly yours,

Jean Caramatti

Commission Secretary

Enclosures

Cc:

Cathy Widener

Jenna Castro Geri Rayca

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN
AIRPORT DIRECTOR



San Francisco International Airport

February 5, 2016

Mr. Larry Mazzola
President, Airport Commission
San Francisco International Airport
P. O. Box 8097
San Francisco, CA 94128

Subject:

Emergency Contract for Fire Watch and Interim Foam System Retrofit at

the Superbay Hangar

Dear Commissioner Mazzola:

This letter is to advise you that I have declared an emergency due to the unforeseeable and unexpected breakdown of the Superbay Hangar fire suppression system and to request your approval for the San Francisco International Airport (Airport) to enter into emergency contract(s), as described in more detail below. These contracts will provide for a 24-hours a day, 7 days a week fire watch and a partial retrofit of the existing fire suppression system to allow the Superbay Hangar to remain operational for the next year. The estimated cost of the emergency contract(s) is \$4,300,000. Because the estimated cost of the proposed emergency contract(s) exceeds \$250,000, I am required to obtain approvals by the San Francisco Airport Commission (Commission) and San Francisco Board of Supervisors for the proposed emergency work.

While the emergency work is underway, the Airport will be actively pursuing the procurement of a design build contractor, through a competitive procurement process, to replace the existing fire suppression system with a new high expansion foam system. The estimated cost of constructing the replacement system is \$20,000,000.

Background

The Superbay Hangar at the Airport was constructed in 1969 and is one of only four hangars in the United States that can house four 747 aircraft. It is currently occupied and used 24/7 by American Airlines and United-Continental Airlines to perform critical and necessary aircraft safety and maintenance checks, so that safe and functionally sound aircraft can be available for their scheduled flights.

Fire Suppression System Breakdown

On December 18, 2015, Airport staff noticed a significant drop in water pressure within the Superbay Hangar fire suppression system. Multiple leaks were identified within the 30" underground transit pipe between the Pump House and the valve rooms inside the Superbay Hangar. The pumps located at the Pump House are not able to provide the required minimum water pressure to the waterlines in the valve room on the 6th Floor of the Superbay Hangar to effectively generate the fire suppression foam necessary to address a fire: Currently, two of the seven fire pumps at the Pump House are not operational and two

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE MAYOR LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

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PETER A. STER

JOHN L MARTIN

Commissioner Mazzola February 5, 2016 Page 2 of 3

Fire Zones inside the Superbay Hangar are out of service. The Superbay Hangar is currently under temporary fire watch by the order of Airport Fire Marshal, and the fire watch is currently being provided by an Airport Job Ordering Contract contractor.

Emergency Declaration and Required Approvals

Administrative Code Section 6.60, subdivision (b) grants the Airport Director the authority to declare an emergency with immediate notice to the Board of Supervisors, the Mayor, the Controller, and the Commission. Section 6.60, subdivision (c), defines "emergency" to include: (1) an unforeseeable and unexpected occurrence involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of or damage to life, health, property, or essential public services. Examples include the breakdown of equipment necessitating immediate emergency repair to safeguard lives or property of the City. I have determined that the breakdown of the fire suppression system meets these requirements and, on that basis, I have declared an emergency.

Fire Department Requirements - Scope, Price and Duration of Emergency Contract(s)

The Airport Fire Marshal has jurisdiction over fire safety requirements for the Superbay Hanger. Airport staff proposed to the Fire Marshal, as an emergency interim measure, procurement and use of a portable fire suppression system, at an approximate cost of \$600,000, during the duration of time necessary to replace the fire suppression system. However, the Fire Marshal rejected that proposal.

Airport staff has studied the issues extensively with the Airport Fire Marshal, and we have determined that the following work is required to be performed over the next year under emergency contract to secure the Fire Marshal's approval to continue operations in the Superbay Hanger:

- 1. Provide 24/7 fire watch through January 31, 2017. \$1,250,000
- Integration of the Ultraviolet Infrared (UVIR) Detection System into the release mechanisms throughout the Superbay Hangar; to be completed by June 30, 2016. \$600,000
- 3. Perform fire main bypass to address one of the major leaks that has contributed to fire suppression system impairment; to be completed by March 20, 2016. \$500,000
- 4. Modify the fire pump control system at the Pump House to respond to manual control system initiation inside the Hangar; to be completed by July 15, 2016. \$450,000
- 5. Provide 12 high-expansion high-trajectory foam hose reels complete with new water manifold and temporary portable pump station to provide the supplemental firefighting foam for the Hangar; to be completed by May 20, 2016. \$1,000,000

Commissioner Mazzola February 5, 2016 Page 3 of 3

6. Modify the domestic water system to provide fire sprinklers for the 1st, 2nd, and 4th Floor offices and aircraft parts storage areas; to be completed by May 20, 2016. \$500,000

The estimated budget for the work described above is \$4,300,000. Once we have a more detailed scope and costs for the retrofit work, we will submit the contract(s) to the Airport Commission for approval.

Request for Approval

I respectfully request your approval of the proposed contract(s) for emergency work described. If you should have any questions or would like to discuss this matter, please do not hesitate to call me.

Very truly yours,

John L. Martin Airport Director

cc: Mayor Edwin M. Lee
Controller Ben Rosenfield
San Francisco Board of Supervisors
San Francisco Airport Commission

APPROVED:

President

San Francisco Airport Commission

FORM SFEC-126: NOTIFICATION OF CONTRACT APPROVAL F. Campaign and Governmental Conduct Code § 1 126)

City Elective Officer Information (Please print clearly.)	illar Conduct Code y 1.120)
Name of City elective officer(s):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors
Contractor Information (Please print clearly.)	
Name of contractor: Pilot Construction Management, Inc.	
Please list the names of (1) members of the contractor's board of a financial officer and chief operating officer; (3) any person who have any subcontractor listed in the bid or contract; and (5) any politic additional pages as necessary. Pilot Construction Management, Inc.	as an ownership of 20 percent or more in the contractor; (4)
Board of Directors: Lina Tan, Xing Fen Fang	
Chief Executive Officer (CEO): Lina Tan	
Chief Financial Officer (CFO): Xing Fen Fang	
Chief Operating Officer (COO): Lina Tan	
Any person who has 20% Ownership or more in the Contracto	or: Lina Tan, Xing Fen Fang
Subcontractors Listed in Bid: Simplex Grinell H&M Fire Protection, Inc. OCI Associates, Inc. JDB Construction, Inc. Barri Electrical Company, Inc. Any Political Committee Sponsored or Controller by the Cont	ractor: Lina Tan
Contractor address: 850 S. Van Ness Avenue, Suite 31, San Francisco, CA 94110	
Date that contract was approved:	Amount of contract: Not to Exceed \$4,366,164
Describe the nature of the contract that was approved: Emergency Superbay Hangar Fire Suppression System and a 24-hour/7 day a Hangar to remain operational for the next year.	
Comments:	
This contract was approved by (check applicable): ☐ the City elective officer(s) identified on this form ✓ a board on which the City elective officer(s) serves San ☐ the board of a state agency (Health Authority, Housing Aut Board, Parking Authority, Redevelopment Agency Commiss Development Authority) on which an appointee of the City e	Print Name of Board hority Commission, Industrial Development Authority ion, Relocation Appeals Board, Treasure Island

Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org
Signature of City Elective Officer (if submitted by City elective officer)	Date Signed
	Date Signed
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)	Date Signed