



San Francisco International Airport

MEMORANDUM

November 7, 2017

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: Modification No. 4 to Contract No. 8838 with Bombardier Transportation (Holdings) USA, Inc.

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 4 TO CONTRACT NO. 8838 WITH BOMBARDIER TRANSPORTATION (HOLDINGS) USA, INC. FOR AIRTRAIN OPERATIONS AND MAINTENANCE SERVICES, EXERCISING THE FINAL ONE-YEAR OPTION AND INCREASING THE CONTRACT AMOUNT BY \$14,854,228, FOR A NEW TOTAL NOT TO EXCEED CONTRACT AMOUNT OF \$130,299,196.

Executive Summary

Transmitted herewith for your approval, is a proposed resolution to authorize Modification No. 4 to Contract No. 8838, exercising the final one-year option (March 1, 2018 through February 28, 2019), and increase the contract amount by \$14,854,228.

Background

On September 16, 2008, this Commission adopted Resolution No. 08-0173, awarding Contract No. 8838, AirTrain Operations and Maintenance, to Bombardier Transportation (Holdings) USA, Inc. for a five-year contract (March 1, 2009 to February 28, 2014) with one (1) three-year option, and two (2) one-year options, in the amount of \$56,500,000, and approved a contingency budget of \$500,000 for payment of incentive bonuses and other changes during Year One of the contract. On November 18, 2008, the Board of Supervisors (BOS) passed Ordinance No. 080942, granting the Airport Commission a waiver of the competitive bidding requirements, and adopted Resolution No. 266-08 for award of the contract.

On July 23, 2013, this Commission adopted Resolution No. 13-0156, approving Modification No. 1 to exercise the three-year contract extension (March 1, 2014 through February 28, 2017), to cover a shortfall of \$3,200,000 over the initial contract term, and to increase the contract amount by \$42,200,000, for a new not to exceed total contract amount of \$98,700,000. On December 10, 2013, the BOS adopted Resolution No. 429-13, approving Modification No. 1.

THIS PRINT COVERS CALENDAR ITEM NO. 7

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

IVAR C. SATERO
AIRPORT DIRECTOR

On May 19, 2014, this Commission adopted Resolution No. 14-0104, approving Modification No. 2, increasing the contract amount by \$1,848,174, for a new not to exceed contract amount of \$100,548,174. On September 9, 2014, the BOS adopted Resolution No. 328-14, approving Modification No. 2 for the AirTrain System, but reduced the not to exceed contract amount by \$4,340, for a revised not to exceed contract amount of \$100,543,834.

On November 1, 2016, this Commission adopted Resolution No. 16-0277, approving Modification No. 3, increasing the contract amount by \$14,901,134, for a new total contract amount not to exceed \$115,444,968. On February 14, 2017, the BOS adopted Resolution No. 44-17, approving Modification No. 3 for a revised not to exceed contract amount of \$115,444,968.

This Modification No. 4 is to exercise the final one-year option (March 1, 2018 through February 28, 2019) and to increase the contract amount by \$14,854,228, for a new not to exceed contract amount of \$130,299,196.

Recommendation

I recommend that the Commission approve Modification No. 4 to Contract No. 8838 with Bombardier Transportation (Holdings) USA, Inc. to exercise the final one-year option (March 1, 2018 through February 28, 2019), and to increase the contract amount by \$14,854,228, for a new total contract amount not to exceed \$130,299,196.



Ivar C. Satero
Airport Director

Prepared by: Jeff Littlefield
Chief Operating Officer

Attachment

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 17-0280

MODIFICATION NO. 4 TO CONTRACT NO. 8838 WITH BOMBARDIER TRANSPORTATION (HOLDINGS) USA, INC.

- 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) three-year option, and two (2) one-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, subject to the Board of Supervisors (BOS) approval of the agreement and award of this contract; and
- WHEREAS, on November 18, 2008, the BOS passed Ordinance No. 080942, granting the Airport Commission a waiver of the competitive bidding requirements, and adopted Resolution No. 266-08 for 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, on July 23, 2013, this Commission adopted Resolution No. 13-0156, approving Modification No. 1 to exercise the three-year contract extension (March 1, 2014 through February 28, 2017) and to increase the contract amount by \$42,200,000, including \$3,200,000 to cover the shortfall over the initial contract term; and
- WHEREAS, on December 10, 2013, the BOS adopted Resolution No. 429-13, approving Modification No. 1 to the contract; and
- WHEREAS, on May 19, 2014, this Commission adopted Resolution No. 14-0104, approving Modification No. 2 to Contract No. 8838, increasing the contract amount by \$1,848,174 to cover the replacement cost of obsolete or worn out AirTrain equipment, and providing funding for the replacement of any additional materials, tools and equipment that may become obsolete or worn beyond repair over the three-year contract term, for a new not to exceed total contract amount of \$100,548,174; and,
- WHEREAS, on September 9, 2014, the BOS adopted Resolution No. 328-14, approving Modification No. 2, but reduced the not to exceed amount by \$4,340, for a revised not to exceed contract amount of \$100,543,834; and
- WHEREAS, on November 1, 2016, this Commission adopted Resolution No. 16-0277, approving Modification No. 3, increasing the contract amount by \$14,901,134, for a new total contract amount not to exceed \$115,444,968; and

AIRPORT COMMISSION

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WHEREAS, on February 14, 2017, the BOS adopted Resolution No. 44-17, approving Modification No. 3 to the contract; and

WHEREAS, Staff proposes to exercise the final one-year option (March 1, 2018 through February 28, 2019) and to increase the contract amount by \$14,854,228; and

WHEREAS, funding for this project will be provided from the Airport's Operating funds; now, therefore, be it

RESOLVED, that this Commission hereby approves Modification No. 4 to Contract No. 8838, AirTrain Operations and Maintenance, with Bombardier Transportation (Holdings) USA, Inc., exercising the final one-year option (March 1, 2018 through February 28, 2019) and increasing the contract amount by \$14,854,228, for a new total contract amount not to exceed \$130,299,196; and, be it further

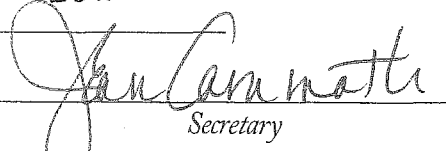
RESOLVED, that the Airport Director is authorized to take the necessary steps to obtain BOS approval of Modification No. 4 pursuant to San Francisco Charter Section 9.118(b).

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

at its meeting of _____

NOV 7 2017


Secretary