

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14-0104

MODIFICATION NO. 2 TO CONTRACT NO. 8838 WITH BOMBARDIER TRANSPORTATION (HOLDINGS) USA, INC.

- WHEREAS, 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, with one (1) three-year option, and two (2) one-year options, in the amount of \$56,500,000 for the initial five-year term, and approved a one-year contingency budget of \$500,000 for payment of incentive bonuses and other changes, all subject to Board of Supervisors (BOS) approval of the agreement and award of this contract; and
- WHEREAS, on November 18, 2008, the BOS of the City and County of San Francisco, passed Ordinance No. 080942, in which the BOS granted the Airport Commission a waiver of the competitive bidding requirements found in Administrative Code Chapter 21; and
- WHEREAS, in accordance with Ordinance No. 080942, the BOS granted the 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, the originally approved \$56,500,000 to fund the initial five-year term did not include funding for labor and material escalation and bonuses beyond Year One of the contract, resulting in a shortfall of \$3,200,000 over the initial five (5) year term; and
- WHEREAS, on July 23, 2013, this Commission adopted Resolution No. 13-0156, which approved Modification No. 1 for a three year contract extension (March 1, 2014 through February 28, 2017) to Contract No. 8838, in the amount of \$42,200,000, all subject to BOS approval of the modification; and
- WHEREAS, on December 10, 2013, the BOS adopted Resolution No. 429-13, which approved Modification No. 1 to the contract; and
- WHEREAS, Staff proposes to modify this contract to provide for the replacement cost of obsolete or worn out AirTrain equipment and to provide a contingency fund for the replacement of any additional materials, tools and equipment that may become obsolete or worn beyond repair; and
- WHEREAS, funding for this contract will be provided from the Airport's Capital funds; now, therefore, be it
- RESOLVED, that this Commission hereby approves Modification No. 2 to Contract No. 8838, AirTrain Operations and Maintenance, with Bombardier Transportation (Holdings) USA, Inc., to cover the replacement cost of obsolete or worn out AirTrain equipment and to provide a contingency fund for the replacement of any additional materials, tools and equipment that may become obsolete or worn beyond repair over the three-year contract term, in an amount not to exceed \$1,848,174, for a new not to exceed total contract amount of \$100,548,174; and, be it further
- RESOLVED, that the Airport Director is authorized to take the necessary steps to obtain BOS approval of Modification No. 2 pursuant to San Francisco Charter Section 9.118(b).

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

at its meeting of _____

MAY 19 2014

Jean Carumatti
Secretary