



San Francisco International Airport

MEMORANDUM

May 15, 2018

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: Approval of Modification Nos. 4 and 5 (Annual Renewal) to Professional Services Contract No. 8768.41, Project Management Support Services for the Airport Hotel Program

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NOS. 4 AND 5 TO PROFESSIONAL SERVICES CONTRACT NO. 8768.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE AIRPORT HOTEL PROGRAM, WITH PGH WONG-MCK JV, IN AN AMOUNT OF \$5,500,000 FOR A NEW CONTRACT NOT TO EXCEED AMOUNT OF \$14,500,000 FOR SERVICES THROUGH JUNE 10, 2019.

Executive Summary

Transmitted herewith for your approval is a proposed Resolution approving Modification Nos. 4 and 5 to Professional Services Contract No. 8768.41, Project Management Support Services (PMSS) for the Airport Hotel Program with PGH Wong-MCK JV, in an amount of \$5,500,000 for a new contract amount not to exceed amount of \$14,500,000 for services through June 10, 2019.

This is the annual renewal of the Contract for the fourth year of services. The annual renewal is presented in two modifications to accommodate the required approval of this Contract to exceed \$10,000,000 by the Board of Supervisors.

This Contract includes PMSS services for the Airport Hotel Program which includes both the Airport Hotel Project and the Plot 2 Aircraft Parking Reconfiguration and South McDonnell Road Realignment Project. The Hotel Project includes the design and construction of a new, approximately 351-room hotel that will include meeting spaces, ballrooms, dining facilities and other amenities including a fitness center on Plot 2. The Plot 2 Aircraft Parking Reconfiguration and South McDonnell Road Realignment Project will reconfigure South McDonnell Road and install new underground utilities, to provide additional Remain Over Night (RON) aircraft parking positions adjacent to Boarding Area A.

This Contract provides PMSS for both Projects including project management, design management, project controls, cost control, schedule analysis, and document control services.

Background

On January 13, 2015, by Resolution No. 15-0003, the Commission awarded Contract No. 8768.41 to PGH Wong-MCK JV for PMSS in an amount not to exceed \$2,938,000 for the first year of services.

THIS PRINT COVERS CALENDAR ITEM NO. 10

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

MARK FARRELL MAYOR LARRY MAZZOLA PRESIDENT LINDA S. CRAYTON VICE PRESIDENT ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN IVAR C. SATERO AIRPORT DIRECTOR

Administrative Modification No. 1 made changes to the terms and conditions of the contract, with no changes to the contract amount or duration.

On May 3, 2016, by Resolution No. 16-0134, the Commission approved Modification No. 2 for a second year of services through June 10, 2017 with a contract amount of \$5,500,000.

On June 6, 2017, by Resolution No. 17-0123, the Commission approved Modification No. 3 for a third year of services through June 10, 2018, with a contract amount of \$9,000,000.

Together, Modification Nos. 4 and 5 would increase the Contract amount by \$5,500,000 for a total Contract not to exceed amount of \$14,500,000 for the fourth year of services through June 10, 2019. The total amount agreed by Staff and PGH Wong-MCK JV will cause the Contract amount to exceed \$10,000,000 and will therefore require Board of Supervisors approval per San Francisco Charter Section 9.118(b). Therefore, Staff presents two modifications for the fourth year renewal.

Modification No. 4 will allow services to continue while Staff seeks Board of Supervisors approval. The remainder of the annual renewal amount which will be incorporated into the Contract as Modification No. 5. Modification No. 4 increases the Contract amount by \$900,000, for a new Contract not to exceed amount of \$9,900,000 for services through November 30, 2018. Pending approval by the Board of Supervisors, Modification No. 5 will further increase the Contract amount by \$4,600,000 for a new Contract not to exceed amount of \$14,500,000 for services through June 10, 2019.


The current budget for this Contract is \$9,044,000 and is funded from the Ascent Program – Phase 1 under the Airport's Capital Improvement Plan.

The total forecast contract value at completion is \$14,500,000 comprised of \$9,500,000 of services for the Hotel Project and \$5,000,000 for the Plot 2 Aircraft Parking Reconfiguration and South McDonnell Road Realignment Project.

The City's Contract Monitoring Division has approved a 22% Local Business Enterprise sub-consultant participation goal for this Contract and PGH Wong-MCK JV has committed to meeting this goal:

Recommendation

Based on the above, I recommend that the Commission approve Modifications Nos. 4 and 5 (annual renewal) to Professional Services Contract No. 8768.41, Project Management Support Services for the Airport Hotel Program, with PGH Wong-MCK JV, in an amount of \$5,500,000 for a new Contract not to exceed amount of \$14,500,000 for services through June 10, 2019.



Ivar C. Satero
Airport Director

Prepared by: Geoffrey W. Neumayr
Chief Development Officer
Planning, Design & Construction

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0146

APPROVAL OF MODIFICATION NOS. 4 AND 5 (ANNUAL RENEWAL) TO PROFESSIONAL SERVICES CONTRACT NO. 8768.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE AIRPORT HOTEL PROGRAM, WITH PGH WONG-MCK JV, IN AN AMOUNT OF \$5,500,000 FOR A NEW CONTRACT NOT TO EXCEED AMOUNT OF \$14,500,000 FOR SERVICES THROUGH JUNE 10, 2019.

WHEREAS, this Contract includes PMSS services for the Airport Hotel Program which includes both the Airport Hotel Project and the Plot 2 Aircraft Parking Reconfiguration and South McDonnell Road Realignment Project.

WHEREAS, on January 13, 2015, by Resolution No. 15-0003, the Commission awarded a contract to PGH Wong-MCK JV for PMSS for the Airport Hotel Program in amount not to exceed \$2,938,000 for the first year of services; and

WHEREAS, Administrative Modification No. 1 modified the terms and conditions of the contract, with no changes to the contract amount or contract duration; and

WHEREAS, on May 3, 2016, by Resolution No. 16-0134, the Commission approved Modification No. 2 for a second year of services through June 10, 2017, for a contract amount of \$5,500,000; and

WHEREAS, on June 6, 2017, by Resolution No. 17-0123, the Commission approved Modification No. 3 for a third year of services through June 10, 2018, for a contract amount of \$9,000,000; and

WHEREAS, together Modification Nos. 4 and 5 increase the Contract by \$5,500,000 for a new total contract not to exceed amount of \$14,500,000 for the fourth year of services through June 10, 2019; and

WHEREAS, Modification No. 4 increases the Contract amount by \$900,000 for a new contract not to exceed amount of \$9,900,000 to allow services to continue through November 30, 2018; and

WHEREAS, the total amount of \$4,600,000 agreed by Staff and PGH Wong-MCK JV in Modification No. 5 will cause the Contract amount to exceed \$10,000,000 and will therefore require Board of Supervisors approval per San Francisco Charter Section 9.118(b); and

WHEREAS, approval for Modification No. 5 to increase the Contract amount by \$4,600,000 for the remainder of the fourth year of services for a new contract not to exceed amount of \$14,500,000 for services through June 10, 2019; and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0146

WHEREAS, the City's Contract Monitoring Division has approved a Local Business Enterprise sub-consultant participation goal of 22% for this Contract and PGH Wong-MCK JV is committed to meeting that goal; now, therefore, be it

RESOLVED, that the Commission hereby approves Modification No. 4 to Professional Services Contract No. 8768.41, Project Management Support Services for the Airport Program, with PGH Wong-MCK JV, in an amount of \$900,000 for a new Contract not to exceed amount of \$9,900,000 for services through November 30, 2018; and, be it further

RESOLVED, that the Commission hereby approves Modification No. 5 to Professional Services Contract No. 8768.41, Project Management Support Services for the Airport Program, with PGH Wong-MCK JV, in an amount of \$4,600,000 for a new Contract not to exceed amount of \$14,500,000 for services through June 10, 2019; and, be it further

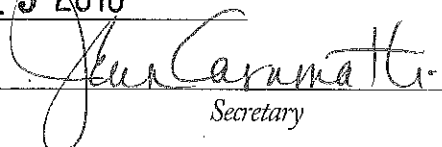
RESOLVED, that the Commission hereby directs the Commission Secretary to seek Board of Supervisors approval of this Contract required by San Francisco Charter Section 9.118(b).

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

at its meeting of _____

MAY 15 2018



Secretary