

San Francisco International Airport

MEMORANDUM

June 6, 2017

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

FROM: Airport Director

SUBJECT: Approval of Modification No. 3 (Annual Renewal) to Professional Services Contract No. 8768.41, Project Management Support Services for the Airport Hotel Project

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 3 TO PROFESSIONAL SERVICES CONTRACT NO. 8768.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE AIRPORT HOTEL PROJECT WITH PGH WONG-MCK JV, IN AN AMOUNT NOT TO EXCEED \$3,500,000 WITH A NEW CONTRACT AMOUNT OF \$9,000,000 FOR SERVICES THROUGH JUNE 10, 2018.

Executive Summary

Transmitted herewith for your approval is a proposed Resolution approving Modification No. 3 to Professional Services Contract No. 8768.41, Project Management Support Services (PMSS) for the Airport Hotel Project with PGH Wong-MCK JV, in an amount not to exceed \$3,500,000 with a new contract amount of \$9,000,000 for services through June 10, 2018.

The Hotel Project will construct a 4-Star, 4-Diamond hotel on Plot 2. The hotel will feature 351 guest rooms, meeting space, and a three meal restaurant. 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 and is tracked as a separate project.

This Contract provides PMSS for both Projects, including Project Management, Design Management, Project Controls, Airport Systems Specialists, Cost Control, Schedule Analysis, and Document Controls.

This Modification provides for the third year of PMSS for the Projects.

Background

On January 13, 2015 by Resolution No. 15-003 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 Contract is structured as a cost-plus-fixed-fee contract. The total forecast contract value at completion is \$13,700,000.

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

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

Modification No. 3 is for the third year of services. Staff and PGH Wong-MCK JV have reached agreement on scope, staffing and fee for the third year of services.

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

Recommendation

Based on the above, I recommend that the Commission approve Modification No. 3 to Professional Services Contract No. 8768.41, Project Management Support Services for the Airport Hotel Project in an amount not to exceed \$3,500,000 with a new contract amount of \$9,000,000 for services through June 10, 2018.



Ivar C. Satero
Airport Director

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

Attachments

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 17-0133

APPROVAL OF MODIFICATION NO. 3 (ANNUAL RENEWAL) TO PROFESSIONAL SERVICES CONTRACT NO. 8768.41, PROJECT MANAGEMENT SUPPORT SERVICES FOR THE AIRPORT HOTEL PROJECT IN AN AMOUNT NOT TO EXCEED \$3,500,000 WITH A NEW CONTRACT AMOUNT OF \$9,000,000 FOR SERVICES THROUGH JUNE 10, 2018

WHEREAS, on January 13, 2015, by Resolution No. 15-003, the Commission awarded a contract to PGH Wong-MCK JV for Project Management Support Services for the Airport Hotel Project and the Plot 2 Aircraft Parking Reconfiguration and South McDonnell Road Realignment Project 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, Staff and PGH Wong-MCK JV have reached agreement on scope, staffing and fee for a third year of services; and

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

RESOLVED, that the Commission hereby approves Modification No. 3 to Professional Services Contract No. 8768.41, Project Management Support Services for the Airport Hotel Project, with PGH Wong-MCK JV, in an amount not to exceed \$3,500,000 with a new contract amount of \$9,000,000 for services through June 10, 2018.

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of JUN 06 2017


Secretary