



San Francisco International Airport

**MEMORANDUM**

October 2, 2018

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: Modification No. 5 to Contract No. 8838 with Bombardier Transportation (Holdings) USA, Inc. (BT USA)

DIRECTOR’S RECOMMENDATION: APPROVE MODIFICATION NO. 5 TO CONTRACT NO. 8838 WITH BOMBARDIER TRANSPORTATION (HOLDINGS) USA, INC. (BT USA) FOR AIRTRAIN OPERATIONS AND MAINTENANCE SERVICES, TO EXTEND THE TERM FOUR MONTHS TO JUNE 30, 2019 AND INCREASING THE CONTRACT AMOUNT BY \$5,143,268, FOR A NEW TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF \$135,442,464.

**Executive Summary**

Since 2009, Bombardier Transportation (Holdings) USA, Inc (BT USA), has operated and maintained the Airport’s AirTrain system. The current contract is due to expire on February 28, 2019. Staff is requesting approval of Modification No. 5 to Contract No. 8838 (“Contract”), to extend the term four months to June 30, 2019 and increase the not-to-exceed contract amount by \$5,143,268. This extension will align the Contract to the Airport’s fiscal year and allow additional time for Staff to negotiate the next contract terms inclusive of two new Airtrain stations and extended track.

**Background**

On September 16, 2008, this Commission adopted Resolution No. 08-0173, which awarded Contract No. 8838, AirTrain Operations and Maintenance (O&M), to BT USA for a five-year term (March 1, 2009 to February 28, 2014) with one 3-year option, and two 1-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, which granted the Airport Commission a waiver of the competitive bidding requirements and adopted Resolution No. 266-08 for award of the Contract.

THIS PRINT COVERS CALENDAR ITEM NO. 9

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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

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 a total of \$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.

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 total Contract amount of \$100,548,174. On September 9, 2014, the BOS adopted Resolution No. 328-14, which approved Modification No. 2 for the AirTrain System, but reduced the not-to-exceed amount by \$4,340, for a revised not-to-exceed amount of \$100,543,834.

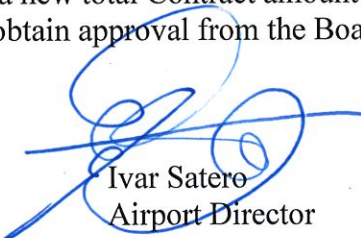
On November 1, 2016, this Commission adopted Resolution No. 16-0277, approving Modification No. 3, to exercise the first of two one-year extensions (March 1, 2017 through February 28, 2018) and increase the contract amount by \$14,901,134, for a new total contract amount not-to-exceed \$115,444,968. On February 14, 2017, the BOS adopted Resolution No. 44-17 approving Modification No. 3.

On November 7, 2017, this Commission adopted Resolution No. 17-0280, approving Modification No. 4, to exercise the second of two one-year extensions (March 1, 2018 through February 28, 2019) and increase the Contract amount by \$14,854,228, for a new total Contract amount not-to-exceed \$130,299,196. On February 27, 2018, the BOS adopted Resolution No. 50-18 approving Modification No. 4.

Modification No. 5 will extend the Contract term four months and increase the Contract amount by \$5,143,268, for a new not-to-exceed amount of \$135,442,464. This four-month extension will align this Contract with the Airport's fiscal year and allow Airport staff to negotiate a new Contract with BT USA, which Staff will present to the Commission for approval during the first quarter of 2019.

### **Recommendation**

Based on the above, I recommend the Commission approve Modification No. 5 to Contract No. 8838 with Bombardier Transportation (Holdings) USA, Inc. to extend the term four months and increase the Contract amount by \$5,143,268, for a new total Contract amount not to exceed \$135,442,464 and direct the Commission Secretary to obtain approval from the Board of Supervisors.



Ivar Satere  
Airport Director

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