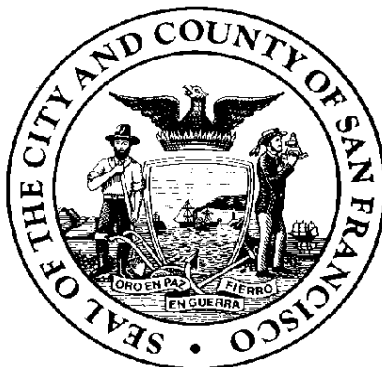


# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**January 31, 2012  
Special Meeting**

**9:00 A.M.**

**Room 400 - City Hall  
#1 Dr. Carlton B. Goodlett Place  
(400 Van Ness Avenue)  
City and County of San Francisco**

**EDWIN M. LEE, MAYOR**

### **COMMISSIONERS**

**LARRY MAZZOLA**

**President**

**LINDA S. CRAYTON**

**Vice President**

**ELEANOR JOHNS**

**RICHARD J. GUGGENHIME**

**PETER A. STERN**

**JOHN L. MARTIN**

**Airport Director**

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Special Meeting of  
January 31, 2012

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AIRPORT COMMISSION SPECIAL MEETING MINUTES  
January 31, 2012

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present: Hon. Larry Mazzola, President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenlime  
Hon. Peter A. Stern

Hon. Linda S. Crayton, Vice President arrived at 9:26 AM.

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of January 17, 2012 were adopted unanimously.

No. 12-0016

\* \* \*

D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Stern and seconded by Commissioner Guggenlime. The vote to approve was unanimous.

1. Retirement Resolution - Ms. Kim Dickie

No. 12-017 Resolution thanking Ms. Kim Dickie for over 20 years of faithful service with the CCSF.

Mr. John Martin, Airport Director said that this is a retirement resolution is for Kim Dickie. She's retiring from the Airport but going on to become Airport Director for Redmond, Oregon. Ms. Dickey has given 20 years of great service in the Operations Division at SFO, ending her career as Assistant Deputy Director for Aviation Security. We thank Ms. Dickie for her service.

Commissioner Mazzola congratulated Ms. Dickey on her retirement.

Item No. 2 was moved by Commissioner Johns and seconded by Commissioner

Stern. The vote to approve was unanimous.

2. Resolution of Appreciation - David F. Carbone

No. 12-0018

Resolution thanking Mr. David F. Carbone for his years of service on the Airport Community Roundtable.

Mr. Martin explained that this resolution recognizes David Carbone for his years of service to the Airport Community Roundtable. He works for San Mateo County but has been the coordinator since the Roundtable's inception. David played a lead role on the Roundtable which has been recognized a model noise organization in the country for bringing elected officials, airports and the FAA together to address noise issues. I want to thank Mr. Carbone for his outstanding years of service.

Commissioner Mazzola congratulated Mr. Carbone on his retirement.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Guggenlime and seconded by Commissioner Johns. The vote to approve was unanimous.

3. Approve a Project Labor Agreement for the San Francisco Airport Terminal Refurbishment and Related Support Facilities/Infrastructure Improvement Program

No. 12-0019

Resolution approving a Project Labor Agreement for the San Francisco Airport Terminal Refurbishment and Related Support Facilities/ Infrastructure Improvement Program to assure the safe, timely, and economical completion of the Program through the promotion of efficient operations in the implementation of the Program and labor harmony.

Mr. Ivar Satero, Deputy Director, Design and Construction said

I'm please to present this item before you, for this Project Labor Agreement (PLA), in support of the Airport's upcoming major capital improvement program.

Over the last 6 months, staff with the assistance of the City Attorney's office, has been negotiating with the San Mateo Building Trades Council to prepare this Agreement in order to help ensure that the critical element of labor force stability on our major upcoming Terminal program is managed in a proactively and thoughtfully.

It's important to understand the key drivers of this Terminal Refurbishment Program. It's highly time sensitive, as it provides for Terminal refurbishment in order to ensure that the long-term forecast gate demand can be accommodated in a phased and well coordinated manner. It also allows SFO to continue to follow through on our commitment of providing the highest quality facilities that deliver an exceptional passenger experience. This focus, as we have seen recently with the opening of Terminal 2, translates into significant revenue opportunities for the tenants as well as the Airport, and is considered crucial to the future of SFO's continued success.

The Program primarily relates to terminal refurbishment, specifically identifying the Terminal 3/Boarding Area E project, as well as the Terminal 1/Boarding Areas B and C project. These facilities have far outlived their useful life, and as noted previously, timely completion of these facilities is critical to the Airport's ability to accommodate airline growth. Given the existing levels of airline operations, the Terminal 3/Boarding Area E program has a completion date of November 2013 and then immediately after that, we will start the Terminal 1 program. The Boarding Area B Terminal 1 facility is in dire need of replacement, as it has settled about 3 feet from where it was built over the past 40 years, and continues to settle approximately 1 inch a year. At all times during the reconstruction of these facilities, the Airport will have to keep 10 gates in operation at a minimum in order to provide the capacity that's necessary for airline operations. So maintaining a sequence, phasing, and timing of construction are key to the success of this program.

Regarding the PLA, and given the challenges, it is important that construction of various projects proceed in a safe, efficient, organized and undisrupted manner, with the stability of the workforce of key importance. Any delays or disruptions in the completion of the projects will likely cause delays throughout the program, and create significant financial impacts, both in terms of project costs and debt service as well as revenue collection due to delays and availability of facilities, but also significant financial impacts to tenants, airlines, and the agencies that rely on the successful and timely completion of these facilities. Airlines in particular develop long-range plans for their strategic operations and capital investments which rely upon the Airport's ability to provide facilities on schedule.

Also, when competitive forces are in play, as SFO is with SJC and OAK, airlines strategic decisions are also influenced by the Airport's ability to deliver sufficient, quality facilities in a cost effective manner, and our current strength depends upon the timely and efficient completion of this program.

To draw a similar comparison to the Master Plan Program of the late 1990s, we had a Project Stabilization Agreement, essentially the same as a PLA, that was also effective for a long-range program, and there were no disruptions due to labor disputes during that program.

To highlight some of the key elements of the PLA:

In regards to local hire, this is the first PLA post the City's adoption of the Local Hire Ordinance. It fully contemplates the provisions of local hire and thoroughly supports and enforces those provisions. It also contemplates both the Ordinance and the MOU between the City and San Mateo County in terms of local hire reciprocity to

ensure that the Airport's Program serves to encourage young people, women, and economically disadvantaged individuals to pursue careers in the trades. It includes a pre-apprenticeship program commitment to working with the Office of Economic and Workforce Development and San Mateo programs.

All contractors are required to sign up for the PLA for continuous, cumulative employment of beyond eight days on the Program.

Side letters have been agreed upon between the parties for enforcement of labor harmony on tenant-related work as well as for work that's to be performed off-site by the trades. It includes procedures for dispute resolution and hearing grievances through arbitration and the formation of a Joint Administrative Committee of four members, two appointed by the Airport and two by the Building Trades Council.

The Airport has full authority at all times over the work and any termination, delay, or suspension of any of the projects is at the sole discretion of the Airport.

There are core workforce provisions in the PLA which allow for a one for one core employee and a Union Hall employee for the contractors, and an LBE allowance of two core workforce employees which then goes to a one for one starting with a referral from the Hall.

It provides support for apprenticeship through approved apprenticeship programs, support for veterans through the Helmets to Hardhats program, and supports local disadvantaged workers through the Local Hire Ordinance (LHO) and the MOU between San Francisco and San Mateo County.

It provides for drug testing as well as Union cooperation with the Contractor in the implementation of any employee health or safety programs, rules, regulations, or requirements.

As a final note, we received correspondence with respect to the manner in which the Local Hire Ordinance and First Source Hiring have been incorporated into the Agreement. One concern is whether the PLA provides clear instructions on the application of First Source Hiring policy to Federal projects which may not include the Local Hire Ordinance. They have also expressed concern over the order of precedence in resolving grievances, and that it may be interpreted that the PLA has precedence over LHO recourse procedure. We believe in consultation with the City Attorney that the law is clear in both circumstances, however, the Airport is agreeable to putting forth side letters to cover these issues with more clarity.

Commissioner Johns noted that in your comments you emphasize Terminal 1 B/A B and B/A E, but I understand it's all of the projects that are listed in our information.

Mr. Satero replied that it's the main terminal program and the support projects that will support that work.

Commissioner Johns noted that there was a comment about these projects completed within the next 10 years and asked if there is a time limit on the Project Labor Agreement, or is it open ended?

Mr. Satero replied that it's a 10 year agreement. It will be amended from time to time to add projects that bid within the program scope.

Commissioner Mazzola said that it sounds well thought out. How long were the negotiations? Were you bargaining for a while?

Mr. Satero replied that we spent a lot a time on it.

Commissioner Mazzola hoped that Mr. Satero wasn't just agreeing to something he was handed.

Mr. Satero replied that he did not.

Mr. William Nack, Building Trades Council: I'm here this morning speaking on behalf of the Building and Trades Council, San Mateo County, with a membership exceeding 14,000 of the highest skilled craftsmen and women in the construction industry today. I wanted to begin by thanking the Commission, Director John Martin, Airport staff and the City Attorney's office for partnering with us over the past many years during construction of the new International Terminal and the refurbishment of Terminal 2. Both projects are shining examples of cutting edge architecture and construction built to the highest standards in the country. I'm here this morning to support this PLA. Over the next 10 years projects covered by this agreement will generate thousands of jobs for construction workers in San Francisco and San Mateo Counties. At the same time, it will ensure labor peace in the same way the first Airport Project Labor Agreement did. This PLA is similar to the newly signed PLA for the San Francisco Trans Bay Terminal, and the PLA that was signed by the SFPUC covering the renovations of the Hetch Hetchy water delivery system. This is the first PLA includes the new San Francisco Local Hire policy and the San Mateo County Reciprocity Agreement which will give San Francisco and San Mateo County workers opportunities to work in their County. We look forward to working with City Build and Job Train on this effort. This PLA will guarantee that all of the construction workers will receive all of the rights, protections, and wages afforded by local collective bargaining agreements. This PLA is good for construction workers and is good for the Airport. Sandra Benson is with me this morning and she and I are here to answer any questions you may have. In closing, on behalf of every union affiliated with the Building and Construction Trades Council of San Mateo County, we respectfully request that the Airport Commission approve the proposed Project Labor Agreement presented to you this morning. Thank you.

Mr. Mark Leech, IBEW; I spend a lot of my time in San Mateo County representing electrical workers. I very rarely get to come to the City I live in, San Francisco, and speak on behalf of something. So I want to thank you for being a part of a City and a region that sets high standards, always has, and my hope is they always will. It's amazing that one document like a PLA can have such a positive change in people's lives, and it does in the lives of the workers I represent. That's as simple as it gets. Thank you in advance for your decision.

Mr. Richard Koenig, Business Representative for Sheet Metal Workers Local 104: Ever since our Union was established in 1903 on Guerrero St. in San Francisco, Local 104 has been dedicated to raising the standard of living for working men and



women as well as training apprentices to be safe and productive. Today our members are suffering approximately 25% unemployment, therefore the Sheet Metal workers respectfully urge this Commission to approve the PLA for the obvious benefits to our local community as well as the benefits to the traveling public. We look forward to helping San Francisco build a world class Airport. Thank you.

Mr. Ignacio Castillo, Business Manager of Laborers 389, San Mateo: Our brothers and sisters are here from different crafts this morning in support of this PLA, hoping that you will approve it today. Having the opportunity for a lot of workers to go to work on this project. Thank you, and hopefully it will get approved.

Mr. Edward Evans, Carpenters Local 217 San Mateo County: Like the last few folks, I come here to support the PLA and ask that you approve it today. Thank you for letting us come here and talk on such a positive issue. The previous PLA was a fantastic success. It resulted in millions of work hours for local trades people and transformed SFO into the 21<sup>st</sup> century Airport that we have today, but there is more work to be done. This next PLA, from what I understand, contains nine projects, totaling \$1.1 Billion worth of work over 10 years. So not only will this result in an even more modern and useful SFO, but it will also be a tremendous vehicle for growth and prosperity for local workers and the economy as a whole. Only with the PLA do you get construction of the highest quality in a safe, timely, and efficient manner, and thousands of construction jobs for local workers from both San Mateo and San Francisco counties guaranteed. Jobs that pay prevailing wages and benefits, allowing workers and their families to live in the City and the Peninsula, and finally, you get apprenticeship and pre-apprenticeship which is a leg-up for young local workers looking for any kind of entry into the building and construction trades in order to make a living to raise their families here. Thank you for your time.

Mr. Terry Donnigan, Business Representative for Iron Workers Local #377: Thank you for the opportunity to speak with you this morning. Our local is based in San Francisco. As you all know, San Francisco is a world-wide tourist destination. We want to keep that tourist destination which supports our local economy. We need that first class Airport to bring the tourists here so they can spend their dollars. I urge you to support this PLA which will put local people to work with health and welfare benefits. The PLA will generate multiple man hours and we won't have any labor strikes. I thank you for your time.

Commissioner Mazzola said that we've heard from the speakers and staff so it's back to the Commission. Motion to approve?

The vote was taken.

Commissioner Mazzola said we congratulate both sides. It's a good piece of work.

Item No. 4 was moved by Commissioner Guggenheimer and seconded by Commissioner Stern. The vote to approve was unanimous.

4. Authorization to Amend the Request for Qualifications/Proposal for Contract No. 9015A - Design Build Services for Replacement Air Traffic Control Tower and

## Integrated Facilities

No. 12-0020 Resolution amending the Request for Qualifications/ Proposal for Contract 9015A, Design Build Services for Replacement Air Traffic Control Tower and Integrated Facilities to include the Terminal 1 Boarding Area Airline Lounge Shell Space.

Mr. Satero said that this Item modifies the RFQ/RFP process to include additional scope related to the design and construction of the FAA Tower Integrated Facilities in the estimated amount of \$3 Million. This scope was recently identified with the Airport to improve upon the availability of the Delta Club to passengers. The existing Delta Club is pre-security and this would provide them with a space post-security and would certainly get more use and provide a better service for Delta passengers. The Airport has budgeted \$3 Million in the Capital Plan for this and then Delta will be responsible for the build-out of the Airport provided space. By incorporating this scope into the contract, it ensures that it's designed in a coordinated fashion with the other improvements in this area since we will be impacting the checkpoint, Boarding Area C with the construction of the tower and the integrated facilities.

The revised total estimated cost of Contract 9015.A is \$83,361,000. This element of the program will be funded by Airport capital funds.

Item No. 5 was moved by Commissioner Guggenime and seconded by Commissioner Stern. The vote to approve was unanimous.

### 5. Award of the Expedited Traveler Service Lease - Alclear, LLC

No. 12-0021 Resolution awarding the Expedited Traveler Service Lease to Alclear, LLC for a term of three (3) years, with one (1) three-year option.

Mr. Tryg McCoy, COO, said I would like to present to you the results of the evaluation panel review process for the Expedited Traveler Lease and my recommendation that this Commission award the Contract to Alclear, LLC. The Expedited Traveler Lease contemplated under this agreement was previously

offered about 2½ years ago at the Airport. Although the program worked well at the time in all of our checkpoints, the provider at the time, Clear, ultimately went out of business in the Summer of 2009. There were 40,000 Bay Area resident members of Clear left without this service.

The TSA has since revamped the program and now once again allows the Registered Traveler Service, now called Expedited Traveler Service, at any US Airport that applies for the service. In the new concept, Alclear personnel will be stationed at most all security checkpoints and will verify membership and escort their members to the head of the security checkpoint lines. The current airline-offered premium passenger lanes will continue at each checkpoint. So as it is right

now, airlines do offer first class premium lanes and those will continue.

In May 2011 the Commission authorized staff to issue an RFP for the Registered Traveler Service. When authorization was given, we had in mind that the provider would be registering passengers, collecting biometric identification, verifying the identification of members at the checkpoint, and assisting those members through the checkpoint queue. Last August we sought and received authorization from the Commission to expand the optional services rendered under the Lease to include concierge-type services such as electronic interface for flight and parking information, the pre-ordering of food from Airport Concessions and other creative amenities. On October 25 of last year, the Commission authorized staff to accept proposals. On November 15, 2011 Alclear, LLC and Jetit Express, LLC tendered proposals. A three-member panel was convened and Alclear was identified as the most responsive and responsible proposer. Members of the panel were:

Lorraine Bockmier from the Airport's Aviation Security Department  
Charles Navigante, an Airport Duty Manager  
Mary Alexander, Manager of AirServe - a line queue management company, now employed by United, American Airlines and some of the International Carriers.

Alclear was awarded 70 points and Jetit was awarded 64.9 points.

Alclear, LLC, a new company operating Registered Traveler services in Denver, Orlando, and most recently in Dallas Forth-Worth, purchased the assets, including Clear's membership list, but is otherwise unrelated to the former operator. Alclear's business model is currently focused on the checkpoint expediting process rather than a concierge service. Alclear has committed to surveying its members upon award and developing a targeted concierge service, if desired by their customers.

The suggested award of this contract has been delayed since November of last year because we wanted to get this service right. We spent a lot of time working with the airlines and the TSA to ensure ourselves and the other parties that the service will work well. We knew that inserting this service back in the security

checkpoint lines had to be carefully reviewed with the airlines and the TSA.

I am happy to say that Airport staff has held conference calls with the airlines and has toured each security checkpoint with the local airline station managers in an effort to identify the best location for the Alclear queuing lanes at each checkpoint. Careful thought was given to maintaining separation between the proposed Alclear lanes and the existing premium lanes offered by the airlines. Staff and the local airline managers also evaluated and came to agreement on potential locations for the TSA's new program called, PreCheck, which may be located at the checkpoints.

In the future, the TSA's PreCheck program may be introduced. The TSA program is sponsored by an individual airline who applies to the TSA to offer the program. It is not the same as our Expedited Traveler Program. Membership in TSA's PreCheck program is offered to select frequent flyers, and not all users of that particular airline. To date no airline has been approved to have the TSA PreCheck program at SFO. The program is airline and airport specific so even if a particular airline

were to be granted by the TSA to offer the PreCheck program, it would not be offered to all passengers at all checkpoints.

In contrast, passengers flying on any airline in San Francisco, including international airlines, will be eligible to join the Alclear program.

Late last week Henry Thompson and a member of the TSA staff flew to Denver International Airport to see how the program was working. They looked at the Alclear program in Denver and came away very impressed and convinced this program will work well in San Francisco.

Throughout the term of the Alclear lease, Airport staff will monitor the activity at the checkpoints and collaborate with the TSA and the airlines on the optimum usage of each of the security checkpoint lanes. The Expedited Traveler lease includes language allowing for relocations, expansion and contraction of their lease based on the needs of the Airport.

The request before you today is to award the Expedited Traveler Lease to Alclear, LLC. Alclear will pay the Airport the greater of \$650,000, or 10% of gross revenues for each of three years of the base term, with one three-year option available at the Commission's sole discretion. This service can be added to the security checkpoint lanes without detriment, we're convinced of that. It's a service valued particularly by our customers and frequent travelers. We think it's something that our customers want in San Francisco and we're happy to make it available.

Commissioner Guggenhime said that we have to clarify things for people who had Clear. 1) I want a report on what happens with those who still had valid time with Clear. 2) People who had Clear passes that expired. 3) Where do you apply? Can it be done downtown, or do you have to go to the Airport; 4) Is there going to be a separate line at the Airport? At the far end in Terminal 3 we already have a premium line and a regular line. Where will the new line be? Will it be part of the same line?

Mr. McCoy said that membership can be offered for a period of time by Alclear to the previous members. Regarding where the lane will go in Terminal 3, it will go where it use to be, which is not necessarily at Gate 75 at the extreme north end, but at what we call, F West. There is a separate entrance to the main queue area by the elevators. Each Alclear lane will be identified by it's identity, and that's separate from the First Class lanes currently offered.

Commissioner Johns said that it sounds like a lot of confusion between the First Class premium lanes, the new TSA lanes and Alclear. Will we upgrade signage? How will we help passengers know which line to get in, and how will the airlines and Alclear participate in that process?

Mr. McCoy replied that we've done a walk through of each security checkpoint lane with the station manager and have identified where the Alclear lane will be versus the other lanes. Alclear has a way of identifying their lanes. We are concerned about properly assigning the lanes. The TSA lane I spoke of is not yet approved for San Francisco, and it wouldn't be Airport-wide. It would be airline specific so it might be one airline and not another. Should that be the case, we reserve the right in this

contract to go back and lay out the lanes again to be sure that customers can easily see. We won't install signs for the lines. We'll make sure that passengers can easily understand which lane to get into. We have experience in doing this before when Clear operated in 2008/09 and at that time there was no confusion about which lane to enter. We're very focused and our day to day operational staff will be monitoring this very closely. That's why we flew to Denver Airport last week to see how it was done, and how they differentiated the lanes. They don't yet have the pre-checked program in Denver, but I assume that they will.

Ms. Lori Peters, Chair, Airline Affairs Committee in San Francisco, and a United Airlines employee: It's a pleasure to be here this morning to address this subject of Clear. We actually were brought into the discussion with Clear a fairly short time ago and I will give staff due credit. Their involvement with the airlines, at least over the last 30 days or so, has been pretty aggressive. I think you have had a chance to read the letter that we're submitting to record (see attachment). The airline group unanimously is not in favor of the Clear product. Instead, we are in favor of the much preferred PreCheck product for a number of reasons. But having said that, I want to recognize John Martin and staff because there are commitments that they have made to the airline group in the last 30 days that have addressed some of our concerns which include the continuation of the premier product, participation when the PreCheck product is available, and that the Clear product and the employee's working for Clear will implement all the TSA standards, including monitoring carry-on baggage which is an issue we had when Clear was in San Francisco previously.

A little bit about PreCheck because I think it's a product worth drawing a distinction with. Clear is a product that allows front of the line service. The PreCheck product, and the reason that the air carriers prefer it, is that it actually gives customers who want to opt into the program a better hassle-free screening process. Screening is based on certain risk factors but the intent is that passengers would be able to proceed through screening, keeping their shoes on, leaving liquids and carry-on bags, leaving laptops and briefcases and not having to remove outer garments and belts before screening. When this is implemented, and it's anticipated that it will be implemented at SFO, our concern is that we really don't have the real estate to support multiple lanes at these checkpoints. So, we will continue to work with the Airport on this, and I will also say that United for its part, Delta for its, and American for its, are working with the automation to get PreCheck to SFO.

Commissioner Crayton understood Ms. Peters' concern to be that passengers won't be checked thoroughly enough. Is that correct?

Ms. Peters replied that we are concerned that the implementation of Clear will add congestion to already congested checkpoints and that the real solution for the Airport is the PreCheck product. We would prefer that the Clear product not be implemented and instead that the Airport pursue vigorously the PreCheck product.

Commissioner Johns asked if the TSA's PreCheck product would be a paid or pre-paid product. When will it be coming to San Francisco?

Mr. McCoy said he understands that PreCheck is applied for by the airline, not an airport. The TSA then works with an individual airline. Passengers who want to take

advantage of the program have to be frequent flyers of the airline, possibly members of their premium club, somehow associated with the airline so there's some background on each member who applies. Based on knowing about people and who they are, they would receive a different type of screening than they currently do. It won't be open to everyone flying on the airline, just a select group.

Commissioner Johns assumed that it's free rather than pay.

Mr. McCoy replied yes.

Mr. Martin said it's not exclusive of our program, we can have both. The PreCheck doesn't necessarily provide front of the line privilege so it wouldn't necessarily provide the predictability that business travelers want and are able to get from Alclear. Predictable travel time by getting to the front of the line is Alclear's benefit.

Commissioner Crayton said that we're going to have a PreCheck lane and then there's going to be a lane for Clear ... correct?

Mr. McCoy replied yes.

Commissioner Crayton assumed that today everyone is in the same line.

Mr. McCoy said yes, except for premium passengers.

Commissioner Crayton assumed that if you are a Clear passenger you're going to be susceptible to some sort of a screening, correct?

Mr. McCoy replied correct, they simply get to the front of the line and then they go through regular TSA screening.

Commissioner Crayton asked where the clog comes in. According to Ms. Peters, it seems like there's going to be some congestion somewhere and I want to make sure that I'm understanding clearly where that congestion comes in.

Mr. Martin replied that there is limited real estate for processing passengers.

Commissioner Crayton asked if each airline will have to install extra portals for screening.

Mr. Martin said Alclear will have to put in a portal, we have one for United Premier passengers, a separate subline for United global service passengers, and a line for regular passengers. So we're accustomed to having separate lines, making it work, and having the appropriate signage.

Commissioner Crayton asked if we've done this before. Is there an opportunity once we begin and perhaps see that we have a congestion problem to make corrections?

Mr. McCoy replied that we do.

Mr. Martin said that adjustments at the security lines is an on-going process.

Commissioner Johns asked if there are provisions in the contract, if PreCheck is implemented, or do we just deal with it at the time?

Mr. McCoy said Alclear is designated to be at each of our seven security checkpoints. If, in the future, the PreCheck program comes on board, and it's determined that they don't fit in a particular area because there isn't enough room, we will move the Clear program to another area. We do have the option to expand or shrink the size of their footprint based on what goes on in the next three years.

Commissioner Johns asked if Alclear was concerned that if PreCheck goes through it will affect the number of people who want to apply and pay the fee.

Mr. McCoy replied that we have asked them. Alclear will be available to everyone, including international passengers, so I believe their business model allows that there will be enough passengers who sign up. About 60% of their passengers at San Francisco are also members of an airline premier club so they can use the premier lane, but they still bought access to the previous Clear program.

Commissioner Johns asked if the Alclear portals will be staffed by the TSA, or will the passenger then have to go through a TSA portal as well?

Mr. McCoy replied that they go through and then get into a TSA security lane.

Mr. Martin clarified one comment ... Alclear will be at every single checkpoint and if the airlines want PreCheck at every checkpoint they are not exclusive of each other.

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

6. Authorizing Negotiations for Parking Management Contract

No. 12-0022                      Resolution authorizing negotiations for a Parking Management Contract with New South Parking-California.

Ms. Cheryl Nashir, Associate Deputy Director, Revenue Development and Management presented the results of the RFP and evaluation committee processes on the Parking Management Contract and recommended that staff be authorized to begin negotiations with the highest ranked and most responsive proposer, New South Parking-California (NSP). An RFP was issued October 26 and three proposals were received on December 12. Airport staff reviewed the proposal packages and found that they all met the minimum qualifications. A three member panel was seated to score the proposals. In accordance with the RFP, the two highest scoring proposers were invited to interview. The interviews were scored and NSP came out on top both in the proposer review process and interview process. NSP, the incumbent operator, is a partnership between Central Parking Systems, Inc. and Global Parking Systems, LLC and they make the Airport's goal of 30% ACDBE. Under the current contract, NSP has a sub-contract with a local firm, Pacific Park Management which manages the employee parking lots in the contract.

Under the new proposal, NSP once again proposes sub-contracting this portion of the business to a local firm, this time San Francisco-based Gentle Parking, LLC. The contract term is for 5 years with no options. Annual gross sales are currently around \$80M and annual expenses around \$18M. The guaranteed maximum price for the first year of the new contract is a modest 1.7% higher than the existing budget. The existing 227 employees are represented by four different labor unions and will be retained under the City's Worker Retention Policy. The new contract will start July 1<sup>st</sup>. Today we are seeking authorization to negotiate with New South Parking-California and will return to the Commission in a month for award.

Commissioner Crayton noticed that AMPCO was not in the oral interview.

Ms. Nashir replied that in accordance with the RFP, just the two top scoring firms were invited in for an interview. AMPCO was in third place.

Commissioner Johns asked how long was the term of the current contract? What entities were part of the last contract, and are they the same entities going into this contract?

Ms. Nashir replied that the last contract was three years with two, one-year options ... a total of five years. NSP was made up of the same two entities which are Central Parking and Global Parking Systems. What's different this time is the sub-contract. Under the current NSP contract Pacific Park Management is the sub-contractor. In the new proposal NSP selected Gentle Parking as the sub-contractor.

Commissioner Johns asked if we knew why they changed sub-contractors.

Mr. Martin replied that we don't ask why. That was their proposal. Gentle Park is a small local firm and minority owned.

Commissioner Johns asked how long they have been in existence.

Ms. Nashir replied about ten years. They operate two parking garages in the City.

Commissioner Johns asked if they were large or small.

Ms. Nashir replied that they are about 200 spaces each.

Commissioner Johns asked if we know how much Pacific Park had ?

Ms. Nashir replied that she did not know.

Mr. Martin said that Pacific Park, a much larger company will mentor Gentle Park, a much smaller company. They will need more support. NSP is doing what is intended ... as the prime they will work with the sub to help them develop skills.

Commissioner Johns assumed that we will monitor this to make sure that the service is as good as before and that the new sub lives up to the requirements.



Mr. John Newman, attorney on behalf of NSP, your parking operator at SFO. NSP is honored that following the extensive RFP process and the unanimous findings of the RFP panel which scored the written and oral presentations that this resolution is now before you to authorize contract negotiation. Almost five years ago now representatives of Central Parking System and its ACDBE joint venture partner, Global Parking System appeared before you. This joint venture pledged to you that if it was awarded the contract, that the Airport would see improved service and performance. Through hard work and great communication with the management team at SFO, NSP has achieved meaningful results in increased revenues, solid labor relations, facility cleanliness, and customer service. With us today is Jason Finch, General Manager of NSP and William Ortiz of Gentle Parking, based in San Francisco. Gentle Parking is our proposed local business enterprise and MBE team member that will oversee the employee parking component of this new contract. Pacific Park Management was invited by our joint venture to continue to participate with us going forward on this contract but declined to do so. NSP is ready, willing, and able to promptly finalize the contract, and if awarded, NSP will continue to look for additional ways to enhance performance in the next term of this positive working relationship. Finally, NSP would like to take this opportunity to thank SFO management for the outstanding working relationship to date with Kevin Van Hoy, Gary Franzella, Leo Fermin and of course, Director Martin. SFO has a first class management organization and NSP is proud to be associated with it. Thank you.

Commissioner Crayton noted Global Parking System, LLC is an Airport Concession Disadvantage Business Enterprise?

Ms. Nashir replied that it is.

Commissioner Crayton asked if they have been doing business with us previously.

Ms. Nashir said that they have ... under the current parking contract.

Commissioner Crayton assumed that they have current parking employees.

Ms. Nashir said they're part of the current team that manages the parking contract.

Commissioner Crayton said this is Central Parking Systems, Inc. and Global Parking. So Central Parking System is actually the MBE, is that correct?

Ms. Nashir replied no. Central Parking Systems is in partnership with Global Parking Systems, and Global Parking Systems is the ACDBE, which is the Federal designation. They are sub-contracting with a local business enterprise.

Commissioner Crayton said so they're not local, but they're subcontracting with a local business enterprise which is the Gentle. I've not heard of them before.

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#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 10, was moved by Commissioner Guggenhime and seconded by Commissioner Crayton. The vote to approve was unanimous.

7. Award Professional Services Agreements for As-Needed Project Support Services for Capital Improvement Plan Projects: Contract 9026.8, EPC/CM West J.V. - \$900,000 for the first three years; Contract 9026.9, AECOM - \$900,000 for the first three years

No. 12-0023  
No. 12-0024

Resolutions awarding Professional Services Agreements for Contract 9026.8 and 9026.9, As-Needed Project Support Services for Capital Improvement Plan Projects to EPC/CM West J.V. and AECOM respectively, each in an amount not to exceed \$900,000 for the first three years.

8. Request for Qualifications to Establish As-Needed Pools of Consultants to Provide Professional Services for Airport Planning and Environmental Services

No. 12-0025

Resolution authorizing issuance of a Request for Qualifications to establish three pools of As-Needed Consultants to provide Professional Services for Airport Planning and Environmental Services for a two-year term.

9. Reimbursement to JP Morgan Chase Bank, N.A. for the Relocation of an ATM

No. 12-0026

Resolution approving reimbursement to JP Morgan Chase Bank, N.A. at a not-to-exceed amount of \$10,000 for costs incurred in an ATM relocation in Terminal 3, Boarding Area F Hub.

10. Approval of a 2011 Lease and Use Agreement with JetBlue Airways, a Delaware Corporation

No. 12-0027

Resolution approving a 2011 Lease and Use Agreement with JetBlue Airways Corporation, a Delaware Corporation, for operating rights at San Francisco International Airport.

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H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located

on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

I. CLOSED SESSION:

The Airport Commission did not go into closed session.

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

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J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:59 AM.

Jean Caramatti  
Commission Secretary