

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

**Tuesday, January 14, 2020
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**

LONDON N. BREED, MAYOR

**COMMISSIONERS
LARRY MAZZOLA
President**

**LINDA S. CRAYTON
Vice President**

**ELEANOR JOHNS
RICHARD J. GUGGENHIME
MALCOLM YEUNG**

**IVAR C. SATERO
Airport Director**

**C. CORINA MONZÓN
Commission Secretary**

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

Minutes of the Airport Commission Meeting of
Tuesday, January 14, 2020

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Minutes of the Airport Commission Meeting of
Tuesday, January 14, 2020

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 9:00 A.M. in Room 400, City Hall, San Francisco, CA.

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Malcolm Yeung

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 17, 2019 were adopted unanimously upon a motion by Commissioner Johns and a second by Commissioner Guggenhime.

No. 20-0001. Regular meeting of **December 17, 2019**.

D. DIRECTOR'S REPORT (Discussion Only)

Airport Director Ivar Satero gave an update on the following items:

Year-End Audit Results: Director Satero reported the Airport completed its year-end audit. For FY 2018, the Airport had operating revenues of \$980 million dollars. Of that amount, the Airport received \$23.6 million in FAA and TSA grants, up from \$15 million. The Airport provided an Annual Service Payment of \$49.1 million, up from \$46.6 million. Operating expenses totaled \$764 million, in addition to the cost of interest on debt service. The Airport is a residual airport, and all the revenues it generated from non-Airline operations (concessions, parking, rental car) totaled \$415 million. The balance goes into the rates and charges to the airlines. The airlines' cost per enplanement (CPE) was forecasted at \$17.91, and the actual was \$17.90. It was a successful audit and a robust budget year.

Electric Shuttle Busses and Electric Vehicle Charger Installation: Director Satero reported the Airport has six new all-electric shuttle buses, the first at the Airport. They will replace existing diesel buses. The Airport is implementing the infrastructure to support the charging of the buses, which is anticipated to be done by February, and activation is estimated to be by the end of March. The buses charge within three hours and travel 231 miles within a charge. This is the first phase - over the next seven years the Airport will replace 27 CNG buses with electric. The Airport will also see a benefit to reducing bus service when the AirTrain extension to long-term parking comes online in October 2020.

Commissioner Guggenheimer asked if there were any AirTrain issues from the hotel. **Director Satero** responded that staff are completing the final finishing of the station. As far as system operations, the AirTrain is well-functioning with no issues with service to the hotel. The Airport is going through a transition to line-of-sight testing so the Airport has been taking the system down for the transition, but the operations have been working well.

Drone Detection Proof of Concept Testing: **Director Satero** reported the Airport has been in the process of implementing drone detection technology, keeping in mind recent issues at airports like Gatwick Airport where drones were detected and shut down operations for 36 hours affecting hundreds of thousands of passengers. The current technology is at a state of maturity where it is viable and useful for monitoring SFO airspace. The technology has a radius of about 25 miles. It will not have mitigation technology, which needs to be federally regulated and developed. The Airport is on the verge of announcing a successful supplier and hope to have procurement and a demonstration complete in the next six months. SFO gets occasional sightings (2-3 sightings in the last three months) from pilots.

Commissioner Yeung asked about mitigation procedures if drones are detected. **Director Satero** responded that different technologies are under development, such as blocking drone signals, so operators lose control of the drones. Other studies are underway looking at intercepting drones with other drones. Right now, it is a hot topic in the industry, but no mitigation technology has been deployed yet. **Commissioner Yeung** asked about the protocol if one is detected. **Director Satero** responded that there has never been one close enough to stop operations. In cases of laser pointers, the Airport would alert the police and send notice to the San Mateo County Sheriff's Office to try to locate the operator. **Vice President Crayton** asked if the FAA has issued any direction for a uniform standard for airports. **Director Satero** responded that the FAA is observing what airports are doing and what has been successful. There are still a lot of questions around who should be responsible. The technology will let Staff understand what's going on in our airspace, and SFO is one of the few airports working on it. **Commissioner Johns** asked which other airports are working on this issue. **Ralf Ruckelshausen, Director for Safety, Security and Airside Services** responded that SFO is really the first airport that is leaning in. SFO is partnering with the FAA, and the first one to go through this test. The technology is so sophisticated that the Airport will be able to see 25 miles out when the concern is five miles. This will give the Airport time for protocols to activate law enforcement. The Airport can also communicate with the control tower to redirect aircraft. Some other international airports that are working on this issue are Gatwick and London Heathrow. **Commissioner Johns** asked about the height the Airport will be measuring. **Mr. Ruckelshausen** responded they are measuring as high as 400 feet. It will measure beyond, but that would be the threshold they've set. **President Mazzola** asked about the penalties for drone operators. **Mr. Ruckelshausen** responded that this will have to be worked out with other agencies. The Airport is planning to engage with communities of drone operators to share with them where the risks are, where the areas are that are safe to fly, and create a more positive partnership.

There were no further questions from the Commissioners and no public comment.

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

F. ACTION ITEMS RELATED TO ADMINISTRATION, OPERATIONS & MAINTENANCE

Item No. 1 was approved unanimously by a motion by Commissioner Guggenime and a second by Commissioner Crayton.

**1. Approval of Phase D2 to Contract No. 10010.66, Design-Build Services for the New Boarding Area B Project
Austin Webcor Joint Venture
\$7,500,000**

No. 20-0002. Resolution approving Phase D2 to Contract No. 10010.66, Design-Build Services for the New Boarding Area B Project, with Austin Webcor Joint Venture, a joint venture of Austin Industries, Inc. and Webcor Constructors, Inc., to increase the Contract capacity by \$7,500,000, for a new not-to-exceed Contract amount of \$819,900,000; to revise the scope of work with no change to the Contract duration; and to increase the total contingency amount to \$19,827,000.

Geoff Neumayr, Chief Development Officer presented on the item for approval of Phase D2 to the Design-Build Services Contract for the New Boarding Area B Project with Austin Webcor Joint Venture, in the amount of \$7.5 million, for a new contract amount of \$819 million, along with an increase to the contingency in the amount of \$500,000. The new Boarding Area "B" project will provide a new facility that will accommodate up to 28 new gates, including seven international swing gates. This project is part of the Terminal 1 Improvement Program, which also includes, under a separate Design-Build contract, a renovated and expanded new Terminal Building. Previously the Commission had approved Phase D, which was the final Guaranteed Maximum Price, and Phase D1, a modification to add additional scope related to upgrades to the Boarding Area Tunnels. This Phase D2 Modification proposes to add scope for the reconstruction and repair of the pavement in the alleyway between Boarding Area B & A. Failure of the pavement was only recently identified, and it was determined that it was operationally beneficial to make the repairs now prior to the opening on the new hardstands and gate parking areas for the new Boarding Area B project. It was also determined that the most economical and timely way to complete this work was to utilize the services of existing contractors who are constructing the adjacent hardstands and gate parking positions. The City's Contract Monitoring Division has approved a Local Business Enterprise subcontracting participation requirement of 25% for design services and 18% for construction services, and Austin Webcor Joint Venture is committed to achieving this participation.

Vice President Crayton asked if there have been unforeseen issues around this contract. **Mr. Neumayr** responded that there have not been a lot of unforeseen conditions. The pavement work is directly adjacent to the project, and the Airport can

address the issue now since civil work is happening next to it. This work was not part of the contract because the issue was not originally known. **Vice President Crayton** asked why the Airport doesn't pursue an RFQ. **Mr. Neumayr** responded that, with the Harvey Milk Terminal 1 gates opening in March, the Airport wanted to address the issue before that event. The alleyway will be extremely busy once the gates are opened.

There were no further questions from the Commissioners.

Item No. 2 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Johns.

2. **Approval of Modification No. 1 to the Five Master As-Needed Agreements for Construction Services**
Contract No. 11227.51 Galliera, Inc., dba Trico Construction
Contract No. 11227.52 Pilot Construction Management, Inc.
Contract No. 11227.53 Schembri Construction Co., Inc.
Contract No. 11227.54 Rubecon General Contracting, Inc., dba Rubecon Builders, Inc.
Contract No. 11227.55 Azul Works, Inc.
Increase Each Contract Amount by \$1,500,000

No. 20-0003. Resolutions approving Modification No. 1 to each of the five Master
No. 20-0004. As-Needed Agreements for Construction Services - Contract No.
No. 20-0005. 11227.51, Galliera, Inc., dba Trico Construction; Contract No.
No. 20-0006. 11227.52, Pilot Construction Management, Inc.; Contract No.
No. 20-0007. 11227.53, Schembri Construction Co., Inc.; Contract No. 11227.54,
Rubecon General Contracting, Inc., dba Rubecon Builders, Inc.; and
Contract No. 11227.55, Azul Works, Inc., to increase each Contract
amount by \$1,500,000 for a new Contract amount not to exceed
\$4,500,000 and to extend each Contract duration for a new Contract
duration of five years.

Geoff Neumayr, Chief Development Officer presented on the item for approval of Modification 1 to each of the five master as-needed agreements for construction services to increase the not-to-exceed amount by \$1.5 million for a new contract not to exceed \$4.5 million and to extend the contract by one year to a total of a five-year contract. The firms previously awarded these contracts are as follows: Galliera Inc., dba Trico Construction; Pilot Construction; Schembri Construction; Rubecon General Contracting; and Azul Works, Inc. These five contracts have provided a ready source of labor to perform work on an as-needed basis that cannot be provided by the Airport's own labor forces due to lack of staff, resources or qualified experience. These contracts also provide the ability to quickly respond to infrastructure repairs in order to mitigate impacts to safety and operations of the Airport. The award of these contracts in July 2017 to these firms have performed well for a combined 42 Contract Services orders that have been issued. The total amount issued to each of

these contracts to-date ranges from \$550,000 up to a total of \$1.9 million. The San Francisco Administrative Code allows the cumulative modification of master as-needed contracts up to 150% of the original contract amount, and this request is within those limits. To maintain a pool of bidders available for as-needed price proposals for the full duration of five years, Staff propose increasing the not-to-exceed amount for each of the master as-needed contracts. Prior to issuing any CSO, staff will work with the City's Contract Monitoring Division to determine the appropriate level of Local Business Enterprise participation, and Staff will ensure that those goals are met.

Commissioner Yeung asked for examples of as-needed contracts or issues that have come up. **Mr. Neumayr** responded with examples such as: minor roadway pavement repairs, issues over the holidays with sewage, a quick repair to build up a room because someone was moving in, leaking roofs, for example. Typically, these projects come out of the engineering and architecture department and are quickly designed and implemented due to an operational or safety need. CSOs are usually limited to \$400,000. **Commissioner Yeung** asked if the Airport anticipates the \$4.5 million amount will be reached or if they are proposing this as an abundance of caution. **Mr. Neumayr** confirmed, and he added that the Airport doesn't want to run out of the available pool to make sure it is getting fair pricing.

There were no further questions from the Commissioners.

Item No. 3 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Johns.

3. **Authorization to Accept and Expend California Air Resources Board Grant Funds for the Electrical Ground Service Equipment Infrastructure and Charging Stations Project**
\$2,900,000

No. 20-0008. Resolution authorizing the acceptance and expenditure of California Air Resources Board grant funds for the Electrical Ground Service Equipment Infrastructure and Charging Stations Project in an amount up to \$2,900,000, plus additional amounts up to 15% of the original grant amount that may be offered.

Kevin Kone, Managing Director of Finance presented on the item to accept and expend up to \$2.9 million dollars in California Air Resources Board grant funds for the purchase and installation of Electrical Ground Service Equipment (eGSE) Infrastructure and Charging Stations at the Airport. eGSE are below the wing, such as bag loaders and bag tugs. There has been a movement in the industry to move from gas and diesel to electrification. The eGSE charging stations will be permanently located at the Airport. This project supports the Airport's Ground Service Equipment electrification strategy, the objective of which is to reduce fuel and diesel emissions.

Commissioner Guggenlime asked if the Airport will have to match funds. **Mr. Kone** responded that it is a 50% matching grant. **Vice President Crayton** said she is happy to see this direction at the Airport. She hopes to see more projects such as this. **Commissioner Guggenlime** asked if all vehicles servicing aircraft will eventually be electric. **Mr. Kone** responded that the units used to tug airplanes are still developing the technology to move aircraft. The electrification movement has been around smaller units, but the industry is trying to work towards clean energy for all ground service equipment.

There were no further questions from the Commissioners.

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS

The Consent Calendar, Item No. 4 and 6 through 9, was approved unanimously upon a motion by Commissioner Crayton and a second by Commissioner Yeung. Item 5 was continued to a future meeting.

4. **Authorization of Cooperative Agreement for the Use of FasTrak® as a Payment Option for Public Parking Fees in the Garages at San Francisco International Airport**
Bay Area Toll Authority
\$1,360,000

No. 20-0009. Resolution authorizing the Airport to enter into a new Cooperative Agreement with Bay Area Toll Authority for the use of FasTrak® as a payment option in the garages at San Francisco International Airport, in an amount not to exceed \$1,360,000 for a term of five years with a three-year option to extend.

Commissioner Johns asked if the service is used as a convenience or does it help the Airport in some way. **Kevin Kone, Managing Director of Finance** responded that it is a service to the traveling public. It is not a heavily used item, but people do use it. The Airport partners with Bay Area Toll Authority in order to use the technology. Sometimes people will forget they have FasTrak in their vehicle and will get double-charged. There are small glitches, but it increases ease of use for some people. **Commissioner Johns** commented that use is only at 8% and asked if it's worth it to provide. **Commissioner Crayton** said it was convenient for her. **Director Satero** responded that they do get favorable comments from the community. **Commissioner Johns** asked if there is good signage, which **Director Satero** confirmed there is signage at garage entries. He will have Staff look at refreshing the announcements regarding its availability. **Commissioner Guggenlime** asked if the gate opens before customers pull the ticket and noted that it would be helpful to have appropriate notification. **Mr. Kone** responded that it depends on their placement of the units. **Commissioner Johns** commented that it has been in place since 2006. **Mr. Kone** said Staff will look at outreach again.

There were no further questions from the Commissioners.

5. **Approval of Modification No. 2 to Professional Services Contract No. 50122, Licensing, Maintenance and Support of the Safe Identity Management Software**
HID Global Safe, Inc.
\$1,035,274

Resolution approving Modification No. 2 to Professional Services Contract No. 50122 for Licensing, Maintenance and Support of the Safe Identity Management Software with HID Global Safe Inc., formerly Quantum Secure, Inc., to extend the Contract duration by two years for services through February 9, 2022, and to increase the Contract amount by \$1,035,274, for a new not-to-exceed amount of \$2,700,000.

This item was continued to a future meeting.

6. **Approval of Modification No. 2 to Application-Based Commercial Ground Transportation License and Services Agreement No. 50037 Airport Research and Development Foundation (ARDF)**
\$144,000

No. 20-0010. Resolution approving Modification No. 2 to Application-Based Commercial Ground Transportation License and Services Agreement No. 50037 with Airport Research and Development Foundation to extend the service term by three years for the period of March 13, 2020 through March 12, 2023, and to modify the agreement to reduce the cap of the City's Administrative Services Fee to \$144,000 annually.

7. **Approval of Modification No. 1 to Professional Services Contract No. 50165 for Airport Guest Surveys, Research, and Fieldwork Services**
Corey, Canapary & Galanis
\$18,024

No. 20-0011. Resolution approving Modification No. 1 to Professional Services Contract No. 50165, Airport Guest Surveys, Research, and Fieldwork Services with Corey, Canapary & Galanis, to update the scope of services and calculation of charges, and to increase the Contract amount by \$18,024 for a new not-to-exceed Contract amount of \$683,422.

8. **Award of Contract No. 50208 for Licensing, Maintenance and Support of the Autocase Software**
Impact Infrastructure Inc.
\$120,000

No. 20-0012.Resolution awarding Contract No. 50208 to Impact Infrastructure Inc., a sole source, for licensing, maintenance, and support of the Autocase Software, in an amount not to exceed \$120,000 for a term of two years, with one 2-year option to extend.

9. **Approval of Modification No. 1 to Professional Services Contract No. 11163.41, Energy Benchmarking Support Services**
Arup North America, Ltd.
\$85,092

No. 20-0013.Resolution approving Modification No. 1 to Professional Services Contract No.11163.41, Energy Benchmarking Support Services, with Arup North America, Ltd., to increase the Contract amount by \$85,092 for a new Contract amount not to exceed \$585,011 and to extend the Contract for services through June 30, 2020.

H. NEW BUSINESS:

There was no Public Comment.

I. CORRESPONDENCE:

There was no discussion by the Commission.

J. CLOSED SESSION:

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

K. ADJOURNMENT:

At adjournment, **President Mazzola** thanked Stuart Adamson for his support of the Airport Commission for the last seven years. **Vice President Crayton** said he has been such a valuable worker since their days at AT&T, and she is going to miss him at the Commission although he will still be at the Airport. **President Mazzola** welcomed Carolyn Jayin, who will be taking over Mr. Adamson's duties at the Commission. He also stated that the next Commission meeting will be February 4th.

There being no further calendared business before the Commission, the meeting adjourned at 9:27 A.M.

(Original signed by: C. Corina Monzón)
C. Corina Monzón
Airport Commission Secretary