

# **SAN FRANCISCO AIRPORT COMMISSION**



## **MINUTES**

**Tuesday, February 4, 2020**

**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  
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, February 4, 2020**

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Minutes of the Airport Commission Meeting of  
**Tuesday, February 4, 2020**

**A. CALL TO ORDER:**

The regular 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. Eleanor Johns  
Hon. Richard J. Guggenlime  
Hon. Malcolm Yeung

**C. ADOPTION OF MINUTES:**

The minutes of the special meeting of January 14, 2020 were adopted unanimously upon a motion by Commissioner Johns and a second by Commissioner Guggenlime.

No. 20-0014. Special meeting of **January 14, 2020**.

**D. DIRECTOR'S REPORT (Discussion Only):**

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

**Director Satero** commented on the criminal complaint by the U.S. Department of Justice. He takes the allegations that Public Works Director Mohammed Nuru attempted to influence the contracting process very seriously. The SFO team works hard to ensure the integrity of every contracting process, and he is deeply concerned about the alleged effort to circumvent it. He thanked Mayor London Breed for her swift action in response to these allegations, specifically in requesting the City Attorney and the Controller's Office to conduct a thorough review of our contracting processes. Both organizations are highly credible third-party evaluators, and the Airport fully support their efforts. **Director Satero** also acknowledged the incredible professionalism of SFO employees. The Airport is made up of 1,600 City employees, with an employment base of over 46,000 employees that serve over 58 million passengers a year. Integrity and credibility are fundamental to what they deliver. This alleged scheme, however unsuccessful, runs contrary to the Airport.

**Commissioner Johns** stated she has been on the Commission for 16 years, and she has always found the process of awarding contracts to be above board, transparent, and totally honest. She intends to do everything within her power to keep it that way. She looks forward to the review that the City Attorney and Controller's Office will do on this process. She is proud to be a commissioner on the Airport Commission.

**Commissioner Yeung** stated that, as the most recent appointee and having limited experience in City government, based on his observation in the past year on the Commission, it is extremely clear the Staff and the Commission hold the integrity of the process as the highest priority. He is proud to be on a commission and agency that honors and upholds that. He commends the response from Staff, Ivar, and the Mayor, and looks forward to the results. He is confident this agency and Staff have done everything they can to uphold the integrity of the process.

**Commissioner Guggenhime** strongly agreed with both Commissioners' comments.

**President Mazzola** said he has been on the Commission for 25 years, serving under Directors Louis Turpin, John Martin, and Ivar Satero. Everyone has been great and dedicated to the Airport. He hasn't seen anything anyone could question.

Coronavirus Update: The Airport has a permanent Centers for Disease Control and Prevention (CDC) presence at SFO, and the presence has increased since the outbreak. There has been a recent Presidential directive restricting travel of non-U.S. citizens who have traveled to China in the last 14 days. Customs is implementing this with the CDC at SFO. There has been a significant effort to prevent people that may be turned back from getting on the planes if they are non-citizens. From flight activity, SFO has seen a reduction of half the flights to China from 90 a week to 40-45 a week. Chinese carriers are also discussing reducing flights. We anticipate this to decline further and will keep the Commission informed as things evolve.

**Commissioner Yeung** asked if the travel restriction on non-U.S. citizens extends to permanent residents. **Director Satero** confirmed that permanent residents and relatives are allowed back. **Commissioner Yeung** thanked Staff, the community, and the City for taking precautions in ensuring this world health issue is not spreading unnecessarily. He commends the airlines for the caution they're taking and the federal government. He wanted to reiterate that the epicenter of the virus is in China and not in Chinese events. We are the middle of Chinese New Year. It is a time of joy, celebration, bonding, and reconnection for much of the Bay Area. It is important to continue these celebrations knowing that professionals and the government are taking the right precautions.

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

## **E. SPECIAL ITEMS:**

### **1. Airport Commission Budget for Fiscal Years 2020-2021 and 2021-2022**

**Director Satero** stated this is the two-year budget submittal and a new requirement of the budget approval process to provide public transparency and allow public scrutiny and comment prior to the submission of the budget to the Mayor's Office. There will be a preview today and approval of the budget at the Airport Commission meeting on February 18<sup>th</sup>. Highlights include a 5.5% increase in the budget next year over the FY 19-20 budget and a 9% increase in FY 21-22 over the FY 21-20 budget. Most of the increase is related to the ramp-up of debt service funding the Capital Program.

The Airport recognizes the increasing debt service supporting the Capital Program and the potential for an economic downturn. There will be less focus on new programs and initiatives and greater focus on operational excellence and improvements, particularly around safety and security enhancements. The budget priorities are non-discretionary (debt service and wages); non-discretionary related to SFO's mission, which includes investing in safety and security, operational necessity (traffic congestion, roadway/curbside congestion, and supporting the new facilities' operations), and asset preservation. There may be a shifting of responsibility of maintenance from airlines to the Airport. In addition, there are initiatives around sustainability and guest experience.

**Commissioner Guggenheimer** asked about the \$78 million increase in debt service. **Director Satero** confirmed that it is a big increase that will be seen for the next five to six years.

**Commissioner Johns** stated as it relates to procedures, the Commission will hear the presentation today but will have an opportunity at the next meeting to ask questions. **Director Satero** confirmed and Commissioners will be provided a detailed budget package so they may get to the level of scrutiny they desire.

**Kaitlyn Connors, Budget Director** presented on the item to review the Airport's draft operating budget that will cover the next two fiscal years, FY 20-21 and FY 21-22. This is an informational presentation that includes a high-level overview of the Airport's budget priorities and draft budget in accordance with recent budget transparency legislation passed by the Board of Supervisors. At the next Commission meeting on February 18<sup>th</sup>, the Airport's final proposed budget submittal will be brought before the Commission for final approval.

The proposed two-year budget was developed to enable the Airport to meet key objectives, while maintaining competitive airline rates and charges. Key objectives include safety & security; the activation of new facilities and supporting the Airport's overall Capital Improvement Plan (or CIP); efficient operations; asset preservation; and sustainability.

The FY '21 proposed budget of \$1.372 billion includes a \$71 million or 5.5% increase compared to the prior year's approved budget. In the following year, the proposed FY '22 budget grows to \$1.495 billion, which is a \$123 million or 9% increase over the prior year. Over the two-year period, the proposed budget adds a total of 77 new operating and project-funded positions, which represents a 4% increase in total positions.

**Budget Increase Categories:** The drivers of most of the budget increases fall into a handful of categories. The first is operational necessity, which covers increases related to services necessary to maintain Airport operations. The second is business support, which includes initiatives that support Airport business relating to revenue generation, efficient operations, or workforce development. The next two categories - CIP Support and debt service - relate to implementing the CIP. And the last notable category is 'Normal Operations & Maintenance growth (O&M),' which refers to

the growth associated with projected cost of living and fringe benefit increases. Forty-six percent of the overall increase in the first year relates to operational necessity. CIP support and related debt service combined constitute roughly 20% of the increase. Business support is the next major category representing 13% of the increase. Most of the growth in the second year is related to the CIP. Debt service and CIP support services combined encompass 75% of the increase. Normal O&M is the other primary driver of the fiscal year 2022 budget increase which accounts for 16% of the growth.

Service Level Increases: Within the Operational Necessity category, Staff are proposing the following service level increases: parking management services to accommodate the opening of the new Long Term Parking Garage, as well as mandatory prevailing wage increases; elevator, escalator, and moving walkway maintenance contracts that now provide 24-hour service and expanded repair coverage; curbside congestion management services to manage new staging lots, passenger pick up zones, and garage entry lanes needed to accommodate increased Transportation Network Companies (TNCs) activity; expanded shuttle bus services to accommodate new Oyster Point Ferry service, anticipated AirTrain outages, and remote bussing operations, as well as mandatory wage increases; and maintenance of new Terminal 1 systems, such as the baggage handling system, passenger processing systems, and passenger boarding bridges. Included in the CIP Support category is debt service and related financing costs associated with active and completed capital projects; technology needs related to the opening of new facilities, as well as software licensing for, and the maintenance of, project delivery management systems; and professional services for environmental review of potential capital projects. Under Safety & Security, Staff are proposing: a new drone Detection System; an upgrade to the Communication Center's 911 Dispatch system; and enhanced cybersecurity insurance. Asset Preservation includes maintenance of Airport-owned assets previously maintained by the airlines, such as passenger boarding bridges and baggage handling systems; and engineering services to assess and maintain the Airport's Shoreline system. Sustainability includes increased services related to the sorting of landfill compactors to improve waste diversion rates; an employee commuter pilot program that provides shuttle service for SFO employees that live in distant communities; and professional services to support various sustainability efforts related to energy conservation and management, as well as sustainable aviation fuel. Guest Service initiatives include a new checkpoint guest services pilot program. A handful of increases related to business support include designated working capital to support Airport Hotel business operations; a larger Airport Reprographics office to accommodate increased workloads; and various consultant services to support business activity, including services related to Lease & Use negotiation facilitation, airline rates and charges development, and the marketing of new Airport services.

New Positions: 66 new positions are proposed in Year One with a total annual cost of \$7.8 million. Of the 66 new positions, 43 will support the CIP (mostly in facilities, including 20 custodians); 12 are related to Safety and Security; eight are associated with Business Support; one is related to Sustainability; one is related to Operational Necessity; and one is related to improved Guest Experiences. For the 11 new positions proposed in the second year, the total annual cost of these positions is \$1.3

million. Of the 11 new positions, four will support the CIP; three are related to Safety and Security; three are associated with Business Support; and one is related to Sustainability.

**Commissioner Johns** asked if the 68% increase in debt service for FY 21-22 was expected. **Ms. Connors** responded that Staff knew the increase was coming. It relates to projects that have already been completed or are in the process of completion. Staff are aware and planning accordingly.

**Commissioner Guggenheimer** asked related to debt service, if interest rates are factored in and how Staff determine the rates. **Ms. Connors** responded that Staff assume a conservative 6.1% interest rate. **Commissioner Guggenheimer** asked if they use floating or fixed rates. **Ms. Connors** responded it is at 3% now, and it is a combination. They are conservative in their debt service projections.

**Commissioner Yeung** asked about the increase in normal O&M growth in FY 21-22. It constitutes at 19.1% of growth. **Ms. Connors** responded that it is normal growth which includes wage increases, cost of living adjustments (COLA) and natural inflation for contract growth. The reason it is higher in the second year is twofold. The first year's normal O&M growth was about 6% but there were adjustments for attrition and vacancy rates that brought the number down and offset it. In year two, they are assuming that new contracts that come online increase a little bit over the two-year period. This is what they consider normal O&M growth. For example, if a new contract – the curbside congestion contract – increases, that increase is hitting the first year as a new initiative. In the second year, the slight increase is more of the cost of living adjustment. **Commissioner Yeung** stated in the FY 20-21 budget, the operational necessity component would include some of those contracts referenced, and in FY 21-22 it is inflationary growth captured in the normal O&M. **Ms. Connors** agreed.

**President Mazzola** thanked Staff for the report and will see them on the 18<sup>th</sup>.

There were no further questions from the Commissioners.

**F. ITEMS INITIATED BY COMMISSIONERS:**

There were no items initiated by Commissioners.

**G. ACTION ITEMS RELATED TO ADMINISTRATION, OPERATIONS & MAINTENANCE**

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

2. **Approval of Phase C4 to Contract No. 11118.76, Design-Build Services for the International Terminal Building Phase 1 Project**  
**Clark Construction Group – California LP**  
**\$29,784,466**

- No. 20-0015. Resolution approving Phase C4 to Contract No. 11118.76, Design-Build Services for the International Terminal Building Phase 1 Project, with Clark Construction Group - California LP, to increase the Contract amount by \$29,784,466 for a new Contract amount of \$113,772,530 with no change to the Contract duration, and authorizing a corresponding contingency amount.

**Judi Mosqueda, Director of Project Management** presented on the item for approval of Phase C4 for the contract with Clark Construction for the International Terminal Phase I Project. This approval will increase the contract amount by \$30 million for a new contract amount of \$114 million, with no change to the contract duration. The ITB Phase 1 Project will improve the Departures Level in multiple ways, including expanding both security checkpoints to reduce wait times, enlarging duty-free retail areas to increase revenue generation, and upgrading hold rooms and restrooms to improve the passenger experience. The construction walls at the Boarding Area A checkpoint are in place, and Commissioners can expect walls to go up around Boarding Area G-side checkpoint this week. To minimize the impact on guests, construction at each checkpoint will be broken into three phases. Each phase will last four-to-five months, with completion of the checkpoints in early 2021. This Phase C4 approval would increase the contract amount to add Trade Bid Package Set Nos. 12 and 13 into the Contract. The scope of the Trade Packages includes checkpoint demolition; scaffolding; ceilings and metal panels; carpet and flooring; tile and countertops; doors, frames, and hardware; concrete and floor preparation; glazing; painting; signage; drywall and fireproofing; and millwork and ornamental metals. The Contract forecast is \$136.7 million, which is just under the Contract budget of \$137.1 million and includes appropriate levels of contingency. The project remains on schedule to be substantially complete in February of 2021. The LBE goals for this contract are 16% for design services and 13% for construction services. Clark is committed to meeting these goals.

There were no questions from the Commissioners.

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

**3. Approval of Modification No. 6 to Contract No. 9254 for Airport Shuttle Bus Services  
SFO Hotel Shuttle Inc.  
\$27,900,000**

- No. 20-0016. Resolution approving Modification No. 6 to Contract No. 9254, Airport Shuttle Bus Services, with SFO Hotel Shuttle Inc., to exercise the final 2-year option to extend the term through June 30, 2022 and increase the Contract amount by \$27,900,000 for a new total contract amount not to exceed \$123,181,617.

**Eva Cheong, Managing Director of Airport Services** presented on the item for approval for Modification No. 6 to Contract Number 9254 with SFO Hotel Shuttle, Inc for providing Airport Shuttle Bus services to various locations around the Airport. This modification will increase the contract amount by \$27.9 million for a new total not-to-exceed amount of \$123,181,617. The Airport contracts with SFO Hotel Shuttle to maintain the Airport's bus fleet and provide all drivers needed to support the various busing operations for passengers and employees around the Airport. This includes all bus service to the Long Term Parking Garage, various employee parking garages and lots, aircraft parked remotely for passenger movement on the airfield, and all ad-hoc services needed during emergencies and AirTrain outages. During the last year, the Airport also commenced bus service for employees and passengers using the Oyster Point Ferry Terminal. This modification accounts for increases to driver salaries as permitted in the contract terms and the additional service to the Oyster Point Ferry Terminal. It also accounts for continued busing related to construction projects, which includes airfield busing to remote aircraft parking positions, overnight busing for AirTrain construction related closures, and continued busing to the Long Term Parking Garage until the AirTrain station can be fully activated, which is anticipated near the end of this year. The increase in the overall not-to-exceed amount is a direct result of the additional busing needed for the guest experience during construction projects, including the previously mentioned airfield busing as well as the unanticipated duration of overnight closures needed for the AirTrain project. Airport staff will seek Board of Supervisors' approval for this contract modification upon Commission approval.

**Commissioner Yeung** asked about the scope and scale of operations. **Ms. Cheong** responded that there are 95-100 drivers. There are also mechanics who maintain the bus fleet. **Commissioner Yeung** then asked about the number of routes per day. **Ms. Cheong** responded that the Airport offers five-minute frequency to the Long Term Parking Garage. There are two dedicated drivers for airfield operations during peak hours for passenger bus operation. Employee parking shuttles run separately from the Long Term shuttles. There are 27 buses in the fleet, and 20-22 in service each day. **Commissioner Guggenheim** asked how many flights a day leave from the field. **Ms. Cheong** responded about four-to-six a day. **Commissioner Johns** asked how environmentally friendly the fleet is. **Ms. Cheong** responded that the Airport now owns six electric buses, which will be put into the fleet in the next month or two when the electric charging stations are completed. All others are compressed natural gas (CNG). **Commissioner Johns** asked if they will be phasing in the electrical ones to eventually replace the CNG busses. **Ms. Cheong** stated there are a few diesel buses maintained for emergency operations. Electric buses are being phased in to replace all diesel buses. Staff will maintain some CNG buses for backup fleets. Once the AirTrain extension is completed to the Long Term Parking Garage, the Airport won't need as many buses in the fleet so we will be able to retire some of the buses in the fleet.

There were no further questions from the Commissioners.

Item No. 4 was approved unanimously by a motion by Commissioner Yeung and a second by Commissioner Johns.

4. **Approval of Modification No. 14 to Professional Services Contract No. 9185.9, Program Management Support Services for the Terminal 1/Boarding Area B Redevelopment Program**  
**T1 Partners, A Joint Venture**  
**\$6,000,000**

No. 20-0017. Resolution approving Modification No. 14 to Professional Services Contract No. 9185.9, Program Management Support Services for the Terminal 1/Boarding Area B Redevelopment Program, with T1 Partners, A Joint Venture, a joint venture between The Allen Group, LLC and EPC Consultants, Inc., to increase the Contract amount by \$6,000,000 for a new Contract amount not to exceed \$38,000,000 and to extend the Contract for services from July 2, 2016 through July 7, 2023.

**Judi Mosqueda, Director of Project Management** presented on the item for approval of Modification 14 for the Project Management Support Services contract with T1 Partners for the T1 Redevelopment Program. The T1 Program is currently preparing for the opening of the next nine gates in Boarding Area B in March of this year, along with the south side ticketing lobby and arrivals hall. The T1 Program will continue over the next four years with demolition and reconstruction of the north side of T1. Modification 14 would increase T1 Partners' Contract by \$6 million to support the addition of scope to the associated design-build projects for a new total Contract amount of \$38 million and will extend the Contract duration for services through July 7, 2023. In June of last year, the Commission approved a similar item, Modification 13, increasing the budget to \$34.5 million and extended the duration through July 2023. However, it was not executed due to scope changes on the DB contracts that require additional services from T1 Partners. The forecasted Contract amount of \$38 million is equal to the contract budget funded from the Ascent Program – Phase 1 under the Airport's Capital Improvement Plan. Upon Commission approval today, the Contract will be submitted to the Board of Supervisors for authorization of the new amount and to extend the duration. The LBE goal for this contract is 22% for sub-consulting participation. T1 Partners is committed to meeting these goals

**Commissioner Johns** commented that the contract has been extended multiple times instead of going out to bid for another contract. **Ms. Mosqueda** responded that it is an unusual contract. It is a program-level service that provides services for the overall Ascent Capital Program, specifically regarding Terminal 1. They assisted in writing RFPs and set up accounting programs and procedures for administration of the capital program. T1 Partners is expected to stay on through the completion of Terminal 1. The Airport has one other contract that will provide program services across the Ascent Program so it will also be long in duration. **Commissioner Johns** said the amount of extension of time, money, and lack of competition does concern her. She also noted that this is longer than most of our contracts. **Ms. Mosqueda**

responded that Staff has been focusing on what services are needed from T1 Partners and have been reducing staff and refining services dependent on what is needed for the project as it's in construction. **Commissioner Johns** said she understood but was still concerned that the Airport is adding three more years and more money.

**Director Satero** added that it is similar to what the Airport did for the Master Plan in the '90s with SFO Associates. The longevity is because of the size of the program.

There were no further questions from the Commissioners.

Item No. 5 was approved unanimously by a motion by Commissioner Johns and a second by Commissioner Guggenhime.

**5. Approval of Phase C5 to Contract No. 11068.66, Design-Build Services for the Energy Management Control System Project**  
**Suffolk Construction Company, Inc.**  
**\$5,225,678**

No. 20-0018. Resolution approving Phase C5 to Contract No. 11068.66, Design-Build Services for the Energy Management Control System Project, with Suffolk Construction Company, Inc., to increase the Contract amount by \$5,225,678 for a new Contract amount not to exceed \$30,388,441 with no change to the Contract duration, and authorizing a corresponding contingency amount.

**Geoff Neumayr, Chief Development Officer** presented on the item for approval of Phase C5 for the Design-Build Services Contract for the Energy Management Control System Project with Suffolk Construction in the amount of \$5.2 million, for a new contract not-to-exceed amount of \$30.4 million, with a corresponding contingency. The Energy Management Control System Project will upgrade and integrate the Airport's energy systems that include the use of natural gas, electricity and water into a single Airport-wide system for real-time utility management tracking of energy use and allow overall optimization of all systems to reduce energy consumption which supports the Zero Net Energy Goal of the Airport. This Phase C5 is for the award of Trade Package Set No. 4, which includes smart meter installation and fiber connectivity. Overall, the bids were within contract estimates and contingencies. Staff received one bid that was larger than the anticipated estimate price, attributed that to market conditions, and found the price responsive and competitive. Overall the project forecast remains within the project budget. The City's Contract Monitoring Division has approved a Local Business Enterprise subcontracting participation requirement of 20% for design and construction services, and Suffolk Construction is committed to achieving this participation.

There were no questions from the Commissioners.

Item No. 6 was approved unanimously by a motion by Commissioner Guggenlime and a second by Commissioner Johns.

**6. Award of Contract No. 11309.61, Construction Services for the Firehouse #2 Improvements Project  
Galliera, Inc., dba Trico Construction  
\$4,613,493**

No. 20-0019. Resolution awarding Contract No. 11309.61, Construction Services for the Firehouse #2 Improvements Project, to Galliera, Inc., dba Trico Construction, in the amount of \$4,613,493 with a Contract duration of 340 consecutive calendar days, and with a corresponding amount in contingency authorization.

**Geoff Neumayr, Chief Development Officer** presented on the item to approve award of the Firehouse #2 Improvements Project to Trico Construction in the amount of \$4.6 million with a contract duration of 340 consecutive calendar days. The current Firehouse No. 2 was constructed in 1994 and is located on the airfield north of the intersection of Runways 10L & 1L. Over the years, the facility has sustained significant water damage from water infiltration which required ongoing leak repair as well as drywall replacement. The living and sleeping quarters are not able to be water-proofed without significant changes to the building systems and will require to be relocated until a new firehouse can be constructed later. This project will decommission the existing living and sleeping quarters and construct new modular structures adjacent to the existing firehouse. The project will also include an upgrade of the existing speaker system and radio systems within the firehouse. The Airport received two bids in response to the advertisement. Both bidders did receive a 10% LBE discount. Trico Construction was the lowest responsible bidder, and Staff recommends award of the contract to them. The bid of \$4.6 million was not within the range of the engineer's estimate of \$2.5 million to \$3.5 million. The increased bid was the result of underestimating the price of the modular structure required. The project does remain within the overall project budget. The City's Contract Monitoring Division has approved a Local Business Enterprise subcontracting participation requirement of 10% for this contract, and Trico Construction is committed to achieving this participation.

**Commissioner Johns** noted that there were only two respondents. She asked if this was unusual. **Mr. Neumayr** said it is preferable to see at least three. However, the pool was tighter because it is not a large contract and has an LBE discount. The two firms that did propose are very well-qualified and competitive with each other. **Commissioner Guggenlime** commented that contractors are very busy right now as well. **Mr. Neumayr** noted that most agencies would likely only get one bidder. In addition, a third bidder probably wouldn't have affected the lowest price significantly. Commissioner Yeung noted that the LBE subcontracting requirement is 10% and asked what commitment Rubicon was willing to make. Mr. Neumayr said he will provide the information. He explained that exceeding the goal doesn't factor into a low-bid summary. It doesn't preclude bidders from exceeding it, but there aren't extra points. The discount applies at the prime level but not at the subcontracting level. **Commissioner Yeung** commented that it is unfortunate, but not a basis for not voting to approve it.

**Mr. Neumayr** stated the Airport typically exceeds its overall goals.

There were no further questions from the Commissioners.

Item No. 7 was approved unanimously by a motion by Commissioner Johns and a second by Commissioner Guggenhime.

**7. Award of Contract No. 11071.76, Construction Services for the Airport Terminals Public Address System Upgrades Project  
Schembri Construction Co., Inc.  
\$4,582,310**

No. 20-0020. Resolution awarding Contract No. 11071.76, Construction Services for the Airport Terminals Public Address System Upgrades Project, to Schembri Construction Co., Inc., in the amount of \$4,582,310 with a Contract duration of 540 consecutive calendar days, and with a corresponding amount in contingency authorization.

**Geoff Neumayr, Chief Development Officer** presented on the item to approve award of the Airport Terminal Public Address Systems Upgrade Project to Schembri Construction Company in the amount of \$4.6 million with a contract duration of 540 consecutive calendar days. The Airport uses its existing Public Address system for notifications, paging and messaging. The existing Public Address systems in Terminal 2 and Boarding Area A and G are all dated analog systems. Current and future Terminal buildings will all be digital technology. This project will upgrade the existing systems in Terminal 2 and Boarding Area A and G, allowing for an integration with the newer digital systems that are being installed in all current and future Terminal Buildings. The Airport received three bids in response to the advertisement. Two of the bidders did receive a 10% LBE discount. Staff did receive one protest to the apparent low bidder for failing to meet the LBE requirements. That protest was found to have merit and the lowest bid was not accepted. Schembri Construction's bid is below the estimated engineers' estimate of \$5 million to \$7.1 million. Schembri Construction's bid was found to be the lowest responsive bid, and Staff recommends awarding to them. The City's Contract Monitoring Division has approved a Local Business Enterprise subcontracting participation requirement of 20% for this contract, and Schembri Construction is committed to achieving this participation.

**Commissioner Guggenhime** asked if the lowest bidder misunderstood the requirement. **Mr. Neumayr** said the bidder made a mistake and didn't fight it. Rosen does a lot of work at the Airport, but this is one of their first low-bid contracts.

**Commissioner Yeung** asked for clarification about the underlying qualification and if the bidder needs to meet the 20% in order to qualify. **Mr. Neumayr** responded that contractors move through if they exceed 20%. Below that, contractors must demonstrate a good faith effort to get over 20%, which encompasses a very detailed plan.

**Commissioner Yeung** asked for further clarification about the discount. **Mr. Neumayr** explained that the discount is only at the prime level. Rosen didn't receive any bonus points and failed to meet the requirement at the sub-contracting level. Even without a bid discount, they would have been the lowest bidder.

**Commissioner Johns** commented that Terminal 2 is not that old and wondered why the Public Address system wasn't made digital originally. **Mr. Neumayr** replied he was involved in the Terminal 2 project. At the time, digital wasn't the standard for airports, and a lot has changed in the last decade. **Commissioner Johns** asked about Terminal 1. **Mr. Neumayr** stated Harvey Milk Terminal 1's system is digital.

There were no further questions from the Commissioners.

#### H. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS**

The Consent Calendar, Item Nos. 8 through 10, was approved unanimously upon a motion by Commissioner Guggenheimer and a second by Commissioner Yeung.

8. **Approval of Substitution of Siebert Williams Shank & Co., LLC for Siebert Cisneros Shank & Co., L.L.C., as a Member of the Pool of Pre-qualified Investment Banking Firms Established in Connection with the Airport's Capital Financing & Debt Management Program**

No. 20-0021. Resolution approving the substitution of Siebert Williams Shank & Co., LLC for Siebert Cisneros Shank & Co., L.L.C., as a member of the pool of pre-qualified investment banking firms established in connection with the Airport's Capital Financing and Debt Management Program.

9. **Determination to Proceed with International Terminal Departures Level Viaduct Seismic Joint Repairs Project and Authorization to Advertise for Bids for Contract No. 11105.61 for Construction Services**

No. 20-0022. Resolution determining to proceed with the International Terminal Departures Level Viaduct Seismic Joint Repairs Project and authorize advertisement for bids for Contract No. 11105.61 for construction services.

This action constitutes the Approval Action for the International Terminal Departures Level Viaduct Seismic Joint Repairs Project for the purposes of the California Environmental Quality Act, pursuant to Section 31.04(h) of the San Francisco Administrative Code.

**10. Approval of Modification No. 2 of Professional Services Contract No. 50122, Licensing, Maintenance and Support of the SAFE Identity Management Software  
HID Global SAFE, Inc., formerly Quantum Secure, Inc.  
\$1,035,274**

No. 20-0023. Resolution to approve Modification No. 2 of Professional Services Contract No. 50122, Licensing, Maintenance, and Support of the SAFE Identity Management Software with HID Global SAFE, Inc., formerly Quantum Secure, Inc., to extend the Contract 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.

**I. 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 two (2) 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.

**Norm Ten, Union Representative for SEIU 1021**, commented that SFO is the port to San Francisco and the gateway to the United States. SFO employees deal with safety and security issues daily. We have another pandemic on our hands. SEIU 1021 represents 500 professionals in the custodial department. He would like to recognize them for their work in keeping the City safe by doing their daily job. He also thanked Leroy Sisneros for his continued support of the custodial staff.

**J. CORRESPONDENCE:**

There was no discussion by the Commission.

**K. 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 (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code 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 the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

**L. ADJOURNMENT:**

There being no further calendared business before the Commission, the meeting adjourned at 9:47 A.M.

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