SAN FRANCISCO
AIRPORT COMMISSION

MINUTES

Tuesday, April 21, 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
Vice President
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, April 21, 2020

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A. CALL TO ORDER:
The regular meeting of the Airport Commission was called to order at 9:00 A.M. via teleconference.

B. ROLL CALL:
   Present: Hon. Larry Mazzola, President
            Hon. Eleanor Johns, Vice President
            Hon. Richard J. Guggenhime
            Hon. Malcolm Yeung

C. ADOPTION OF MINUTES:
The minutes of the regular meeting of April 7, 2020 were adopted unanimously upon a motion by Commissioner Johns and a second by Commissioner Guggenhime.

   No. 20-0066. Regular meeting of April 7, 2020.

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

D. DIRECTOR’S REPORT (Discussion Only):

   Airport Director Ivar Satero gave an update on the following:

   Novel Coronavirus (COVID-19) Update: There are currently 32 total confirmed cases of COVID-19 at SFO - one Airport Commission staff member and 31 staff members from the airlines and service providers. This number has increased by two in the past two weeks since the last report. Flight activity remains at very low levels, around 3% of what the Airport would normally expect. Yesterday, there were 1,800 passengers heading outbound through SFO. On a typical day last year, the Airport would have experienced about 85,000 passengers. Two weeks ago, the Airport issued an order that all employees in public-facing roles were to wear face coverings. Last week, the Airport issued an order to extend that to include all tenants with public-facing roles. A new order from San Mateo County that goes into effect tomorrow will require all members of the public to wear face coverings when out in public spaces, with some exceptions such as parks and outdoor spaces. The Airport is also obligated to notify the public to wear masks when entering its facilities. Signage will be going up in all terminals with the new requirements.

   Staff continue to look for financial opportunities to reduce costs. The Airport has shut down several escalators and moving walkways to save energy and reduce wear and tear. However, Staff remain cognizant of certain areas that continue to need the services, and they
have only been shut down in areas without clear passenger traffic. In addition, several AirTrain vehicles have been parked at the end of the system to save on energy costs and wear and tear on the vehicles. Staff have also reduced the scope of the contract to save costs on the operating contract.

The Airport had delayed the opening of Harvey Milk Terminal 1 - Phase 2. Staff expect to open the pre-security sections, including ticketing and check-in, next week. Southwest and JetBlue will be moving their check-in and ticketing operations into the new lobby. The Airport will also activate its new baggage claim system. It will be the first in the country to operate an Independent Carrier System. It will come online with the opening of the pre-security facilities. The Airport will continue to delay the opening of the next nine gates in Harvey Milk Terminal 1 as it works with American Airlines to complete the tenant spaces. The Airport has set a date of May 5th, which is tentative.

The Airport is proud of the SFO Community and the support of partners like United Airlines. United helped to secure a freighter lift to Shanghai, China to bring 500,000 surgical gowns to support the City and County of San Francisco. The flight occurs tomorrow. United has also started making hand sanitizer in its maintenance space. Last week, Duty Free Services donated a couple thousand boxes of chocolate that was going to expire to staff and frontline workers. Finally, the Airport partnered with Reno-Tahoe International Airport and Mountain Lion Aviation to deliver hand sanitizer from Old Trestle Distillery in Truckee to support City workers.

Vice President Johns asked about the destination of the 1,800 outbound flights and any updates on screening passengers. Director Satero clarified that the number referred to outbound passengers, not flights. There have been a few international and trans-continental flights, but he was unsure of the destinations and will make sure to provide that information. In terms of inbound screenings, any flights coming from banned countries go through CDC protocols. Passengers arriving from other countries enter as they normally would. Anyone who exhibits symptoms, however, is subject to additional screenings. There are no current screening protocols for domestic arrival passengers.

Commissioner Yeung asked if there are any changes to the impact on revenues and how small businesses and vendors are doing. Director Satero responded that the Airport has identified $25 million in contract savings, up from $15 million the last time he reported. The Airport is holding weekly meetings with food and beverage tenants. They are struggling and asking for further relief, which the Airport is open to as the situation continues to evolve. Staff are also tracking which businesses are getting assistance through the CARES Act and other types of grants. Commissioner Yeung addressed the challenge of small businesses accessing the Paycheck Protection Program. He asked how Airport businesses are doing with this. Director Satero said he is unsure of the tenants’ success with the federal programs, but he will ask for feedback and report back at the next meeting.

There were no further questions from the Commissioners and no public comment.
E. ITEMS INITIATED BY COMMISSIONERS (Discussion Only):
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 Johns and a second by Commissioner Guggenhime.

1. Approval of Phase D (Establish Final Guaranteed Maximum Price) to Contract No. 11055.66, Design-Build Services for the Boarding Area A Gate Enhancements Project
Skanska USA Building Inc.
$15,500,753

Resolution approving Phase D (Establish Final Guaranteed Maximum Price) to Contract No. 11055.66, Design-Build Services for the Boarding Area A Gate Enhancements Project, with Skanska USA Building Inc., in an amount of $15,500,753 to establish the Final Guaranteed Maximum Price of $101,854,624, and to increase the Contract duration to 1,264 consecutive calendar days.

Geoff Neumayr, Chief Development Officer presented on the item for approval of Phase D, which establishes the Guaranteed Maximum Price (GMP) for the contract with Skanska. The GMP includes an increase to the contract amount by $15.5 million for a total amount of $101.9 million and extends the contract duration to 1,264 calendar days. It also includes a decrease to the contingency by $3.5 million.

The Project reconfigures aircraft parking positions at each of the 12 gates within BAA and includes replacement of boarding bridges, installation of new pre-conditioned air systems, 400-hertz electrical systems, and aircraft docking systems. Additionally, the Project provides access from the boarding area to the ramp level for bus operations to remote aircraft. This approval establishes a Final GMP amount sufficient for Skanska to assume the remaining risk to complete the Project, with cost components as follows: 1) unawarded base contract scope; 2) pending additional scope changes and trends; 3) Trade Package Allowances for other anticipated scope; and 4) Trade Package Set Reserves, which is the Contractor’s contingency to cover any obligation it has under the Final GMP.

The forecast for this contract is $101.9 million, which is equal to the contract budget of $101.9 million. This Phase D approval extends the Contract duration by 99 calendar days to 1,264 days to accommodate unanticipated concrete apron paving work on the ramp. The Project is anticipated to be substantially complete in December 2020. The LBE goals for this contract are 20% for design services and 11% for construction services. Skanska is committed to meeting these goals.
Vice President Johns asked if any savings opportunities have been identified since Boarding Area A is currently closed. Mr. Neumayr responded that Staff are taking advantage of opportunities and looking for savings during the current closure. The contract is far along already with a lot of established processes, but Staff are seeing if there are ways to achieve any production enhancements that might produce savings in addition to opportunities to get work done where they may not have been able to without the closure.

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

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

2. Approval of Phase D (Establish Final Guaranteed Maximum Price) to Contract No. 11002.66, Design-Build Services for the International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project

Skanska USA Building Inc.

$10,420,528

No. 20-0068. Resolution approving Phase D (Establish Final Guaranteed Maximum Price) to Contract No. 11002.66, Design-Build Services for the International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project, with Skanska USA Building Inc., in an amount of $10,420,528 to establish the Final Guaranteed Maximum Price of $91,720,833, increase the contingency to $7,948,292, and increase the Contract duration to 1,384 consecutive calendar days.

Judi Mosqueda, Director of Project Management presented on the approval of Phase D, which establishes the Guaranteed Maximum Price (GMP) for the contract with Skanska for the International Terminal Checked Baggage Inspection System Project. The GMP includes an increase to the contract capacity amount by $10.4 million for a total contract amount of $91.7 million and extends the contract duration to 1,384 calendar days. It also increases the contingency by $1.9 million.

The Project replaces baggage handling equipment and systems that are beyond their useful life and impact the reliability of the baggage system in the International Terminal and Boarding Areas A and G. The Project also provides capacity improvements to the baggage system. This approval establishes a Final GMP in an amount enough for Skanska to assume the remaining risk to complete the Project, with cost components like the previous agenda item. The budget for this contract has increased by $4.3 million to provide an additional baggage make-up unit on the Boarding Area G side for increased operational capacity and for additional safety improvements in the bag make-up area. The forecast for this contract is equal to the budget
of $93.6 million. This Phase D approval extends the Contract duration by 303 calendar days for a total duration of 1,384 days to accommodate unanticipated lead abatement work, operational inefficiencies experienced over the course of the project, and implementation of the additional scope. The Project is anticipated to be substantially complete in April 2021. This contract utilizes federal funds and as such includes no small business participation goals. However, Skanska is encouraged to include certified small and local businesses in their subcontracts.

Commissioner Yeung commented that he is glad that the Project can proceed during this time. He was able to tour the baggage facilities and is excited to know that SFO is leading the country with its baggage handling system. He looks forward to seeing it again when it is up and running.

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

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS
The Consent Calendar, Item Nos. 3 through 8, was approved unanimously upon a motion by Commissioner Johns and a second by Commissioner Guggenhime.

3. Authorization to Enter into an Other Transaction Agreement and to Accept and Expend Transportation Security Administration Funds for the National Explosives Detection Canine Team Program in an Estimated Amount of $3,408,750

No. 20-0069. Resolution authorizing Staff to enter into an Other Transaction Agreement and to Accept and Expend Transportation Security Administration funds for the National Explosives Detection Canine Team Program in an estimated amount of $3,408,750 plus additional amounts up to 15% of the original amount that may be offered.

4. Approval of Modification No. 5 (Annual Renewal) to Professional Services Contract No. 11252.41, Activation Planning Services Program
SFO Partners
$3,091,400

No. 20-0070. Resolution approving Modification No. 5 (Annual Renewal) to Professional Services Contract No. 11252.41, Activation Planning Services Program, with SFO Partners, a joint venture between Abadjis Systems, Limited, and AGS, Inc., to increase the Contract amount by $3,091,400 for a new Contract amount not to exceed $8,500,000 and to extend the Contract through May 23, 2021.

Vice President Johns asked for more information on the program. Mr. Neumayr responded that the Activation Committee addresses processes that include training of staff, engaging stakeholders through turnovers of projects, confirming energy

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requirements for LEED application, and testing and validation of equipment. Typically, the Airport would include these in a single project management contract, but they saw a need to consolidate into a single activation committee to assist multiple projects/stakeholders and provide consistency and efficiency. The Airport has seen seamless activations. Vice President Johns asked if SFO Partners is a new entity. Mr. Neumayr responded that SFO Partners is a joint venture with Abadjis Systems, Limited and AGS, Inc., which is a local firm in San Francisco. Vice President Johns asked if there was another SFO Partners that did other work. Mr. Neumayr responded there was another similar entity that was the program manager for the Master Plan and the International Terminal construction. Director Satero added that its name was SFO Associates, and there is also T1 Partners, which all sound similar to SFO Partners.

5. **Approval of Modification No. 11 to Professional Services Contract No. 50043 to Add New Subtasks to the Airport Planning Scope of Services**

   Landrum & Brown, Inc.  
   **$1,800,000**

   No. 20-0071. Resolution approving Modification No. 11 to Professional Services Contract No. 50043 with Landrum & Brown, Inc. to add new subtasks to the Airport Planning Scope of Services in support of ongoing Airport planning projects, and increase the Contract by a not-to-exceed amount of $1,800,000, for a new total not-to-exceed Contract amount of $6,800,000.

6. **Approval of Modification No. 2 to Professional Services Contract No. 50080 to add a new subtask to the Airport Planning Scope of Services**

   HNTB Corporation  
   **$800,000**

   No. 20-0072. Resolution approving Modification No. 2 to Professional Services Contract No. 50080 with HNTB Corporation to add new subtasks to the Airport Planning Scope of Services in support of ongoing Airport planning projects, and increase the Contract by a not-to-exceed amount of $800,000, for a new total not-to-exceed Contract amount of $2,500,000.

7. **Approval of Modification No. 2 to Contract No. 4105.76, Construction Services for the Terminal Upper Level Viaduct Improvements, Phase I Project**

   Pilot Construction Management, Inc.  
   **$300,000**
Resolution approving Modification No. 2 to Contract No. 4105.76, Construction Services for the Terminal Upper Level Viaduct Improvements, Phase I Project, with Pilot Construction Management, Inc., to increase the Contract amount by $300,000 for a new Contract amount of $2,180,000 with no increase to the Contract duration.

8. **Approval of Modification No. 3 to Contract No. 10568.61, Construction Services for the Airport Terminals Fire Alarm System Upgrade Project with CF Contracting, Inc.**

Resolution approving Modification No.3 to Contract No. 10568.61, Construction Services for the Airport Terminals Fire Alarm System Upgrade Project with CF Contracting, Inc., extending the Contract duration by 128 days, for a new Contract duration of 840 consecutive calendar days with no changes to the Contract amount.

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

H. **NEW BUSINESS:**
There was no Public Comment.

**President Mazzola** announced that the May 5th meeting will be cancelled. The next Airport Commission meeting will be on May 19th. He also wished Director Satero a happy birthday.

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:**
There being no further calendared business before the Commission, the meeting adjourned at 9:37 A.M.

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