Resolution retroactively approving Modification No. 10 to Airport Contract No. 9024.9, Construction Management Services for the International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project, with CAGE Professional Services, Inc. dba CAGE, Inc., for a total amount not to exceed $10,695,000 for services from September 30, 2017, through September 30, 2018, pursuant to Charter, Section 9.118(b); and approving an amount for further modifications to increase the total amount not to exceed $14,500,000 for services through December 31, 2020.

WHEREAS, The International Terminal Checked Baggage Inspection System (“CBIS”) Modernization Program (“Modernization Program”) is a $134,000,000 project to upgrade and replace the CBIS and Checked Baggage Resolution Area (“CBRA”) for the Airport’s International Terminal Building (“ITB”); the Baggage Handling System (“BHS”) Improvements Project is a $43,000,000 project to provide BHS control upgrades and improvements to the ITB BHS; and

WHEREAS, The Modernization Program is reimbursable under the Transportation Security Agency’s (“TSA’s”) Recapitalization Program; the original Other Transaction Agreement with the TSA for reimbursement through the Recapitalization Program included construction management services; and

WHEREAS, On June 30, 2011, by Resolution No. 11-0146, the Commission awarded Contract No. 9024.9, Construction Management Services for the International Terminal and
Terminal 3, Boarding Area F Checked Baggage Inspection Systems Modernization Program and Internal Terminal Baggage Handling System Improvements Project ("Contract") to CAGE Professional Services, Inc. dba CAGE, Inc. ("CAGE"), in the not to exceed amount of $585,805 and a term of six months for initial services; and

WHEREAS, In January 2012, the Commission awarded a design-build agreement to VanDerLande Industries, Inc. in an amount not to exceed $64,344,000 for the Modernization Program, the ITB BHS Project, Boarding Area F BHS improvements, and a BHS transfer line connecting Boarding Areas E and F; and

WHEREAS, By various resolutions, the Commission authorized Modification Nos. 1 through 3 to the Contract with CAGE, increasing the not to exceed amount to $7,000,000 and extending the term through June 30, 2014, for management of the design-build agreement; and

WHEREAS, Due to ongoing issues with the operational performance of the TSA-furnished screening equipment and its effect on Airport and airline operational capacity, in June 2014, the Airport and the TSA agreed to put the Modernization Program on hold; for this reason, the Airport determined to close out the design-build agreement with VanDerLande Industries, Inc. effective March 31, 2015, and re-scope the agreement’s components; and

WHEREAS, The original Other Transaction Agreement ("OTA") with the TSA was successfully closed out on September 26, 2016; the TSA and the Airport agreed to include the Modernization Program in another OTA for Terminal 1 BHS work; the new OTA does not contain enough funds for reimbursement of the remainder of this Contract, so it will be funded by the Airport; and

WHEREAS, The Airport ultimately determined to solicit a new design-build agreement for the Modernization Program and ITB BHS upgrades, and separately solicit the Boarding
Area F BHS work as part of the Airport's Terminal 3 West Improvements Project; the other components were completed under the VanDerLande agreement; and

WHEREAS, By various resolutions, the Commission authorized Modification Nos. 4, 5, 6, and 8 to the Contract with CAGE, increasing the not to exceed amount to $9,945,000 and extending the term through September 30, 2017; these modifications included support of the re-scoping of the BHS projects and the solicitation of a new design-builder for the ITB work; and

WHEREAS, On May 2, 2017, the Commission awarded a design-build agreement for the ITB BHS work to Skanska USA Building, Inc.; because construction management services for the Terminal 3 BHS work is no longer provided under the Contract with CAGE, the Contract title was amended through Modification No. 8 to “International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project”; and

WHEREAS, The Airport Director executed Modifications No. 7 and 9 to the Contract with CAGE to add sub-consultants and update labor rates with no changes to the Contract amount or term; and

WHEREAS, By Resolution No. 17-0155 dated June 20, 2017, the Commission approved Modification No. 10 to the Contract with CAGE, increasing the not to exceed amount to $10,695,000 and extending the term through September 30, 2018; and

WHEREAS, The Airport Staff estimates the total amount of construction management services required under the Contract with CAGE to support the delivery of the design-build project will not exceed $14,500,000 for a term through December 31, 2020; and

WHEREAS, San Francisco Charter Section 9.118(b) provides that the agreements entered into by a department, board, or commission requiring anticipated expenditures by the
City and County of ten million dollars or more, shall be subject to approval by the Board of Supervisors by resolution; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby retroactively approves Modification No. 10 to Airport Contract No. 9024.9, Construction Management Services for the International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project, with CAGE Professional Services, Inc. dba CAGE, Inc. for a total amount not to exceed $10,695,000 for services from September 30, 2017, through September 30, 2018, a copy of which is contained in Board of Supervisors' File No. 171078 along with the Contract and all previously executed modifications; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby authorizes further modifications to the Contract, upon Airport Commission approval, up to a not-to-exceed amount of $14,500,000 for services through December 31, 2020, provided any future modification does not change other material terms of the Contract; and, be it

FURTHER RESOLVED, That within thirty (30) days of Modification No. 10 being fully executed by all parties, the Commission shall provide the a copy to the Clerk of the Board for inclusion in the official file.
Resolution retroactively approving Modification No. 10 to Airport Contract No. 9024.9, Construction Management Services for the International Terminal Checked Baggage Inspection System Modernization Program and Baggage Handling System Improvements Project, with CAGE Professional Services, Inc. dba CAGE, Inc., for a total amount not to exceed $10,695,000 for services through September 30, 2018, pursuant to Charter, Section 9.118(b); and approving an amount for further modifications to increase the total amount not to exceed $14,500,000 for services through December 31, 2020.

November 02, 2017 Budget and Finance Committee - AMENDED

November 02, 2017 Budget and Finance Committee - RECOMMENDED AS AMENDED

November 14, 2017 Board of Supervisors - ADOPTED

Ayes: 10 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Safai, Sheehy, Tang and Yee
Noes: 1 - Ronen

I hereby certify that the foregoing Resolution was ADOPTED on 11/14/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved: 11/22/2017