

AMENDED IN COMMITTEE

11/2/17

FILE NO. 171078

RESOLUTION NO. 416-17

1 [Airport Professional Services Agreement Modification No. 10 - CAGE Professional Services,  
2 Inc. dba CAGE, Inc. - International Terminal Checked Baggage Handling Projects - Not to  
3 Exceed \$10,695,000, and Further Modifications Not to Exceed \$14,500,000]

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

12  
13 WHEREAS, The International Terminal Checked Baggage Inspection System ("CBIS")  
14 Modernization Program ("Modernization Program") is a \$134,000,000 project to upgrade and  
15 replace the CBIS and Checked Baggage Resolution Area ("CBRA") for the Airport's  
16 International Terminal Building ("ITB"); the Baggage Handling System ("BHS") Improvements  
17 Project is a \$43,000,000 project to provide BHS control upgrades and improvements to the  
18 ITB BHS; and

19 WHEREAS, The Modernization Program is reimbursable under the Transportation  
20 Security Agency's ("TSA's") Recapitalization Program; the original Other Transaction  
21 Agreement with the TSA for reimbursement through the Recapitalization Program included  
22 construction management services; and

23 WHEREAS, On June 30, 2011, by Resolution No. 11-0146, the Commission awarded  
24 Contract No. 9024.9, Construction Management Services for the International Terminal and  
25

1 Terminal 3, Boarding Area F Checked Baggage Inspection Systems Modernization Program  
2 and Internal Terminal Baggage Handling System Improvements Project ("Contract") to CAGE  
3 Professional Services, Inc. dba CAGE, Inc. ("CAGE"), in the not to exceed amount of  
4 \$585,805 and a term of six months for initial services; and

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

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

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

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

23 WHEREAS, The Airport ultimately determined to solicit a new design-build agreement  
24 for the Modernization Program and ITB BHS upgrades, and separately solicit the Boarding  
25

1 Area F BHS work as part of the Airport's Terminal 3 West Improvements Project; the other  
2 components were completed under the VanDerLande agreement; and

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

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

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

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

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

23 WHEREAS, San Francisco Charter Section 9.118(b) provides that the agreements  
24 entered into by a department, board, or commission requiring anticipated expenditures by the  
25

1 City and County of ten million dollars or more, shall be subject to approval by the Board of  
2 Supervisors by resolution; now, therefore, be it

3           RESOLVED, That the Board of Supervisors hereby retroactively approves Modification  
4 No. 10 to Airport Contract No. 9024.9, Construction Management Services for the  
5 International Terminal Checked Baggage Inspection System Modernization Program and  
6 Baggage Handling System Improvements Project, with CAGE Professional Services, Inc. dba  
7 CAGE, Inc. for a total amount not to exceed \$10,695,000 for services from September 30,  
8 2017, through September 30, 2018, a copy of which is contained in Board of Supervisors' File  
9 No. 171078 along with the Contract and all previously executed modifications; and, be it

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

14           FURTHER RESOLVED, That within thirty (30) days of Modification No. 10 being fully  
15 executed by all parties, the Commission shall provide the a copy to the Clerk of the Board for  
16 inclusion in the official file.



City and County of San Francisco  
Tails  
Resolution

City Hall,  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 171078

Date Passed: November 14, 2017

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

File No. 171078

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

\_\_\_\_\_  
Mayor

11/22/2017  
\_\_\_\_\_  
Date Approved